

HEARING DATE: MARCH 29, 2007
HEARING TIME: 9:30 A.M. (PACIFIC TIME)
LOCATION: COURTROOM 8206
RESPONSE DUE: MARCH 22, 2007

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors.

**NOTICE OF HEARING ON MOTION OF
THE DEBTORS AND INFORMAL
COMMITTEE OF SENIOR SECURED
NOTEHOLDERS FOR ORDER (I)
APPROVING THE DISCLOSURE
STATEMENT; (II) FIXING THE
RECORD DATE; (III) APPROVING THE
NOTICE AND OBJECTION
PROCEDURES IN RESPECT OF
CONFIRMATION OF THE PLAN OF
REORGANIZATION; (IV) APPROVING
SOLICITATION PACKAGES AND
PROCEDURES FOR DISTRIBUTION
THEREOF; (V) APPROVING THE
FORMS OF BALLOTS AND
ESTABLISHING PROCEDURES FOR
VOTING ON THE PLAN OF
REORGANIZATION; AND
(VI) APPROVING THE FORMS OF
NOTICES TO NON-VOTING CLASSES
UNDER THE PLAN OF
REORGANIZATION**

TO: THE CLERK OF THE COURT
AND TO: THE HONORABLE SAMUEL J. STEINER
AND TO: ALL PARTIES-IN-INTEREST
HEARING DATE: THURSDAY, MARCH 29, 2007
HEARING TIME: 9:30 A.M.
RESPONSE DUE: THURSDAY, MARCH 22, 2007
LOCATION: UNITED STATES BANKRUPTCY COURT, COURTROOM 8206, U.S.
COURTHOUSE, 700 STEWART STREET, SEATTLE, WASHINGTON
98101

**NOTICE OF HEARING ON MOTION OF THE DEBTORS
AND INFORMAL COMMITTEE OF SENIOR SECURED
NOTEHOLDERS FOR ORDER (I) APPROVING THE
DISCLOSURE STATEMENT, ETC. – Page 1**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 PLEASE TAKE NOTICE that PT Holdings Company, Inc., Port Townsend Paper Corporation,
2 and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases
3 (collectively, the "Debtors") and the Informal Committee of Senior Secured Noteholders (the
4 "Informal Committee", and together with the Debtors, the "Plan Proponents"), have filed a Motion
5 pursuant to sections 1125, 1126, and 1128 of title 11 of the United States Code (the "Bankruptcy
6 "Code"), Rules 2002, 3016, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the
7 "Bankruptcy Rules") and Rules 3017-1 and 3020-1 of the Local Bankruptcy Rules for the United
8 States Bankruptcy Court for the Western District of Washington at Seattle (the "Local Rules"), seeking
9 entry of an order: (i) approving the Disclosure Statement for Plan of Reorganization Under Chapter 11
10 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior
11 Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time,
12 the "Disclosure Statement"); (ii) fixing the record date for purposes of voting on the Plan of
13 Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the
14 Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or
15 amended from time to time, the "Plan"); (iii) approving the notice of the hearing and objection
16 procedures in respect of confirmation of the Plan, and setting the date for the hearing on confirmation
17 of the Plan; (iv) approving the solicitation packages (the "Solicitation Packages") and procedures for
18 distribution thereof; (v) approving the forms of ballots and establishing procedures for voting on the
19 Plan; and (vi) approving the forms of the notices to non-voting classes under the Plan, all as more fully
20 set forth in the Motion

21 The Motion is on file with the above-captioned Court, together with supporting documents.
22 Any party desiring information as to the details may request same from the Clerk of the Court or from
23 the undersigned counsel.

24 IF YOU OPPOSE the motion, you must file your written response with the court clerk, serve
25 two copies on the Judge's chambers and deliver copies to the undersigned NOT LATER THAN THE
26 RESPONSE DATE, which is MARCH 22, 2007.

27 IF NO RESPONSE IS TIMELY FILED AND SERVED, the Court may, in its discretion,
28 GRANT THE MOTION PRIOR TO THE HEARING, WITHOUT FURTHER NOTICE, and strike the
hearing.

DATED this 14th day of March, 2007.

BUSH STROUT & KORNFIELD

By /s/ Katriana L. Samiljan
Katriana L. Samiljan, WSBA #28672
Gayle E. Bush, WSBA #0731
Attorneys for Debtors-in-Possession

**NOTICE OF HEARING ON MOTION OF THE DEBTORS
AND INFORMAL COMMITTEE OF SENIOR SECURED
NOTEHOLDERS FOR ORDER (I) APPROVING THE
DISCLOSURE STATEMENT – Page 2**

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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors.

**MOTION OF THE DEBTORS AND
INFORMAL COMMITTEE OF SENIOR
SECURED NOTEHOLDERS FOR ORDER (I)
APPROVING THE DISCLOSURE
STATEMENT; (II) FIXING THE RECORD
DATE; (III) APPROVING THE NOTICE
AND OBJECTION PROCEDURES IN
RESPECT OF CONFIRMATION OF THE
PLAN OF REORGANIZATION;
(IV) APPROVING SOLICITATION
PACKAGES AND PROCEDURES FOR
DISTRIBUTION THEREOF; (V)
APPROVING THE FORMS OF BALLOTS
AND ESTABLISHING PROCEDURES FOR
VOTING ON THE PLAN OF
REORGANIZATION; AND
(VI) APPROVING THE FORMS OF
NOTICES TO NON-VOTING CLASSES
UNDER THE PLAN OF REORGANIZATION**

**MOTION OF THE DEBTORS AND INFORMAL COMMITTEE OF SENIOR
SECURED NOTEHOLDERS FOR ORDER (I) APPROVING THE DISCLOSURE
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NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION
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THE FORMS OF NOTICES TO NON-VOTING CLASSES UNDER THE PLAN OF
REORGANIZATION**

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1 PT Holdings Company, Inc. (“PT Holdings”),¹ Port Townsend Paper Corporation
2 (“PTPC”), and PTPC Packaging Co., Inc. (“Packaging”), debtors and debtors in possession in the
3 above-captioned cases (collectively, the “Debtors”) and the Informal Committee of Senior Secured
4 Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), by and
5 through this motion (the “Motion”), respectfully represent as follows:
6

7 **Jurisdiction**

8 1. This Court has jurisdiction to hear the Motion under 28 U.S.C. §§ 157 and 1334.
9 This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to
10 28 U.S.C. §§ 1408 and 1409. Sections 1125, 1126, and 1128 of title 11 of the United States Code (the
11 “Bankruptcy Code”), Rules 2002, 3016, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy
12 Procedure (the “Bankruptcy Rules”), and Rules 3017-1 and 3020-1 of the Local Bankruptcy Rules for
13 the United States Bankruptcy Court for the Western District of Washington at Seattle (the “Local
14 Rules”) authorize the relief requested in this Motion.
15

16 **Procedural Background**

17 2. On January 29, 2007 (the “Petition Date”), the Debtors each commenced with
18 this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to
19 continue to operate their businesses and manage their properties as debtors in possession pursuant to
20 sections 1107(a) and 1108 of the Bankruptcy Code. By Order dated January 31, 2007, the Debtors’
21

22 _____
23 ¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan (defined
below).

1 chapter 11 cases have been consolidated for procedural purposes only and are being jointly
2 administered pursuant to Bankruptcy Rule 1015(b).

3 3. Prior to the Petition Date, and as a result of the Debtors' ongoing liquidity
4 difficulties, in September 2006 with the assistance of its legal and financial advisors, the Debtors began
5 analyzing and evaluating possible transactions for the principal purpose of restructuring the Debtors'
6 balance sheet. Since that time, certain holders of \$125.0 million in principal amount of 11% Senior
7 Secured Notes due 2011 (the "Secured Notes"), holding more than 66 2/3% of the Secured Notes,
8 formed the Informal Committee to discuss the terms of a proposed restructuring with the Debtors.
9 During the fourth calendar quarter of 2006, the Debtors participated in extensive discussions with both
10 the Informal Committee and Northwest Capital Appreciation Inc. ("Northwest Capital"), a private
11 equity firm which controls approximately 98% of PT Holdings' existing common stock, in an effort to
12 develop the terms of a consensual restructuring proposal.
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15 4. In connection with these negotiations, the Debtors reached an agreement in
16 principle with the members of the Informal Committee and Northwest Capital regarding the terms of a
17 proposal to restructure the Debtors' balance sheet. The agreement is contained in the Restructuring
18 Term Sheet, dated January 29, 2007 (the "Term Sheet"), which is attached as Exhibit B to the
19 Disclosure Statement. Under its terms, holders of the Secured Notes will receive, in full satisfaction of
20 their Secured Notes, their pro rata share of (i) 100% of the New Common Stock subject to dilution on
21 account of the Management Equity Plan and Equity Warrants, and (ii) 100% of the Noteholder Term
22 Loan Debt to be issued by the reorganized Debtors in an original principal amount not to exceed \$75
23

1 million. Holders of PT Holdings' existing common stock will receive their pro rata share of Equity
2 Warrants. The Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by
3 the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it
4 may be modified or amended from time to time, the "Plan") implements the agreement represented by
5 the Term Sheet.
6

7 5. On February 28, 2007, the Plan Proponents filed the Disclosure Statement for
8 Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and
9 the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be
10 modified or amended from time to time, the "Proposed Disclosure Statement") with respect to the Plan.
11 The Court has scheduled the hearing to approve the Proposed Disclosure Statement for March 29, 2007
12 at 9:30 a.m. (prevailing Pacific Time).
13

14 Relief Requested

15 6. By this Motion and pursuant to sections 1125, 1126, and 1128 of the Bankruptcy
16 Code, Bankruptcy Rules 2002, 3016, 3017, 3018, and 3020, and Local Rules 3017-1 and 3020-1, the
17 Plan Proponents seek entry of an order (i) approving the Proposed Disclosure Statement; (ii) fixing the
18 record date for purposes of voting on the Plan; (iii) approving the notice and objection procedures in
19 respect of confirmation of the Plan; (iv) approving the Solicitation Packages (as defined below) and
20 procedures for distribution thereof; (v) approving the forms of ballots and establishment of procedures
21 for voting on the Plan; and (vi) approving the form of notices to non-voting classes under the Plan. A
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24 4
25 **MOTION OF THE DEBTORS AND INFORMAL COMMITTEE OF**
26 **SENIOR SECURED NOTEHOLDERS FOR ORDER (I) APPROVING THE**
27 **DISCLOSURE STATEMENT; (II) FIXING THE RECORD DATE; (III)**
28 **APPROVING THE NOTICE AND OBJECTION PROCEDURES IN**
RESPECT OF CONFIRMATION OF THE PLAN OF
REORGANIZATION; (IV) APPROVING SOLICITATION PACKAGES
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CLASSES UNDER THE PLAN OF REORGANIZATION

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1 proposed order granting the Plan Proponents the foregoing relief is submitted concurrently herewith
2 and is annexed hereto as Exhibit A (the “Disclosure Statement Order”).

3
4 **I. The Proposed Disclosure Statement Contains
Adequate Information and Should Be Approved**

5 7. Pursuant to section 1125 of the Bankruptcy Code, a plan proponent must provide
6 holders of impaired claims with “adequate information” regarding a debtor’s proposed plan of
7 reorganization. Specifically, section 1125(a)(1) of the Bankruptcy Code provides:

8
9 “[A]dequate information” means information of a kind, and in sufficient
10 detail, as far as is reasonably practicable in light of the nature and history
11 of the debtor and the condition of the debtor’s books and records,
12 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 a hypothetical investor of the relevant class to make
an informed judgment about the plan

13 11 U.S.C. § 1125(a)(1); *see also Knupfer v. Wolfberg (In re Wolfberg)*, 255 B.R. 879, 883 (9th Cir.
14 B.A.P. 2000) (citing § 1125(a)(1) and noting that “adequate information” is “information of a kind, and
15 in sufficient detail,... that would enable a hypothetical reasonable investor ... to make an informed
16 judgment about the plan[.]”). Thus, a debtor’s disclosure statement must, as a whole, provide
17 information that is “reasonably practicable” to permit an “informed judgment” by impaired creditors
18 entitled to vote on the plan. *See In re Dakota Rail, Inc.*, 104 B.R. 138, 142 (Bankr. D. Minn. 1989).
19 The bottom-line requirement of a disclosure statement is that it provides “all creditors a source of
20 information which allows them to make an informed choice regarding the approval or rejection of a
21 plan.” *Duff v. United States Trustee (In re California Fidelity, Inc.)*, 198 B.R. 567, 571 (9th Cir. B.A.P.
22
23

1 1996); *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991) (noting that a disclosure statement “must
2 clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to
3 get it, and what contingencies there are to getting its distribution.”).²

4 8. The bankruptcy court has broad discretion to determine the adequacy of the
5 information contained in a disclosure statement – “the determination of what is adequate information is
6 subjective and made on a case by case basis. This determination is largely within the discretion of the
7 bankruptcy court.” *Computer Task Group Inc. v. Brotby* (*In re Brotby*), 303 B.R. 177, 193 (9th Cir.
8 B.A.P. 2003) (citing *Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.)*, 844 F.2d
9 1142, 1157 (5th Cir. 1988)); *In re Oxford Homes*, 204 B.R. 264 (Bankr. D. Me. 1997). Congress
10 granted discretion to bankruptcy courts to facilitate effective reorganization of a debtor in the broad
11 range of circumstances that accompany chapter 11 cases. *See* H.R. Rep. No. 595, 95th Cong., 1st Sess.
12 408-09 (1977); *see also In re Copy Crafters Quickprint Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988)
13 (adequacy of disclosure statement “is to be determined on a case-specific basis under a flexible
14 standard that can promote the policy of chapter 11 towards fair settlement through a negotiation
15 process between informed interested parties”). Accordingly, the determination of whether a disclosure
16 statement contains adequate information is to be made on a case-by-case basis, focusing on the unique
17 facts and circumstances of each case. *See Ringel Valuation Services, Inc. v. Shamrock Foods Co. (In re*
18 *Arizona Fast Foods, LLC*, 299 B.R. 589 (Bankr. D. Ariz. 2003) (“Adequate information will be
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22 ² *Cf. Official Committee of Unsecured Creditors v. H.B. Michelson*, 141 B.R. 715, 718 (Bankr. E.D.
23 Cal. 1992) (“whether a disclosure statement required under [section 1125(b)] contains adequate
24 information is a question of bankruptcy law that is independent of non-bankruptcy law relating to
25 disclosure”) (citing 11 U.S.C. § 1125(d)).

1 determined by the facts and circumstances of each case.”) (citing *Oneida Motor Freight, Inc. v. United*
2 *Jersey Bank*, 848 F.2d 414, 417 (3rd Cir.1988)); *In re Phoenix Petroleum Co.*, 278 B.R. 385, 393
3 (Bankr. E.D. Pa. 2001).

4 9. In that regard, courts have provided lists of the type of information that should be
5 addressed in a disclosure statement in order to provide adequate information, including: (1) the events
6 which lead to the filing of the bankruptcy petition; (2) a description of the available assets and their
7 value; (3) the anticipated future of the company; (4) the source of information stated in the disclosure
8 statement; (5) a disclaimer; (6) the present condition of the debtor while in Chapter 11; (7) the
9 scheduled claims; (8) the estimated return to creditors under a Chapter 7 liquidation; (9) the accounting
10 method utilized to produce financial information and the name of the persons responsible for such
11 information; (10) the future management of the Debtors; (11) the Chapter 11 plan or a summary
12 thereof; (12) the estimated administrative expenses, including attorneys’ and accountants’ fees; (13) the
13 collectability of accounts receivable; (14) financial information, data, valuations, or projections
14 relevant to the creditors’ decision to accept or reject the Chapter 11 plan; (15) information relevant to
15 the risks posed to creditors under the plan; (16) the actual or projected realizable value from recovery
16 of preferential or otherwise voidable transfers; (17) litigation likely to arise in a non-bankruptcy
17 context; (18) tax attributes of the debtor; and (19) the relationship of the Debtor with any affiliates.

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21 *See In re United States Brass Corp.*, 194 B.R. 420 (Bankr. E.D. Tex. 1996); *In re Phoenix Petroleum*
22 *Co.*, 278 B.R. at 393; *In re Feretti*, 128 B.R. 16, 18-19 (Bankr. D.N.H. 1991); *In re Oxford Homes, Inc.*,
23 204 B.R. at 260; *In re Scioto Valley Mortgage Co.*, 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988). This

1 notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar
2 provision regarding determination of the record date for voting purposes.

3 13. In accordance with these Rules, the Plan Proponents request that this Court
4 exercise its power under such Rules to set April 2, 2007 as the record date (the “Record Date”).
5

6 **III. Establishing Notice and Objection**
7 **Procedures in Respect of Confirmation of the Plan**

8 **A. *Setting the Confirmation Hearing***

9 14. Bankruptcy Rule 3017(c) provides:

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

14 Fed. R. Bankr. P. 3017(c).

15 15. In addition, Bankruptcy Rules 2002(b) and (d) require not less than 25 days
16 notice by mail to all creditors and equity security holders of the time for filing objections to, and the
17 hearing to consider confirmation of, a chapter 11 plan of reorganization.

18 16. In accordance with Bankruptcy Rules 2002(b), (d), and 3017(c) and in view of
19 the Plan Proponents’ proposed solicitation schedule outlined herein, the Plan Proponents request that a
20 hearing on confirmation of the Plan (the “Confirmation Hearing”) be scheduled for May 15, 2007, at
21 _____ .m. (prevailing Pacific Time). The Confirmation Hearing may be adjourned or continued from
22 time to time by the Court or the Plan Proponents without further notice other than adjournments
23 announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed

1 with the Court. The proposed date for the Confirmation Hearing is in compliance with the Bankruptcy
2 Rules and the Local Rules and will enable the Plan Proponents to pursue confirmation of the Plan in a
3 timely fashion.

4
5 ***B. Establishing Procedures for Notice of the Confirmation Hearing***

6 17. As set forth above, Bankruptcy Rules 2002(b) and (d) require not less than 25
7 days notice to all creditors and equity security holders of the time fixed for filing objections and the
8 hearing to consider confirmation of a chapter 11 plan. In accordance with Bankruptcy Rules 2002 and
9 3017(d), the Plan Proponents propose to provide to all creditors and interest holders a copy of a notice
10 substantially in the form annexed to the Disclosure Statement Order as Exhibit I, and incorporated
11 herein by reference (the “Confirmation Hearing Notice”), setting forth (i) the Voting Deadline (as
12 defined below), (ii) the time fixed for filing objections to confirmation of the Plan (the “Plan Objection
13 Deadline”), and (iii) the time, date, and place for the Confirmation Hearing. Such notice will be sent
14 on or before the Solicitation Date (as defined below), which is at least 25 days prior to the Plan
15 Objection Deadline.

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18 18. Further, as stated above, Bankruptcy Rule 2002(l) provides that the Court may
19 authorize notice by publication where it determines that notice by mail is impracticable or that it is
20 otherwise desirable to provide supplemental notice. *See* Fed. R. Bankr. P. 2002(l). In addition to
21 mailing the Confirmation Hearing Notice, the Plan Proponents propose to publish the Confirmation
22 Hearing Notice, on one occasion, in (i) the Seattle Times or the Seattle Post-Intelligencer, (ii) the Puget
23

1 Sound Business Journal, and (iii) Port Townsend & Jefferson County Leader on a date that is not less
2 than 25 days prior to the Plan Objection Deadline. The Plan Proponents believe that publication of the
3 Confirmation Hearing Notice as described herein will provide sufficient notice of the Voting Deadline,
4 the Plan Objection Deadline, and the time, date, and place of the Confirmation Hearing to persons who
5 do not otherwise receive notice by mail as provided for in the Disclosure Statement Order.

7 19. The foregoing procedures will provide parties in interest with at least 25 days
8 notice of the Plan Objection Deadline and Confirmation Hearing, and accordingly, should be approved.

9
10 **C. *Establishing Procedures for the Filing of
Objections to Confirmation of the Plan***

11 20. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan
12 must be filed and served “within a time fixed by the court.” Fed. R. Bank. P. 3020(b)(1). Local Rule
13 3020-1(a) requires that objections to confirmation of a plan of reorganization be filed not later than
14 three (3) days prior to the hearing on confirmation of such plan of reorganization. Parties in interest,
15 however, are entitled to at least 25 days notice of such time fixed by the Court. The Confirmation
16 Hearing Notice provides, and the Plan Proponents request, that the Court direct that objections to
17 confirmation of the Plan or proposed modifications to the Plan, if any, must: (i) be in writing; (ii) state
18 the name and address of the objecting party and the amount and nature of the claim or interest of such
19 party; (iii) state with particularity the basis and nature of any objection or proposed modification; and
20 (iv) be filed, together with proof of service, with the Court, and be served so that they are actually
21 received by: (i) Bush Strout & Kornfeld, counsel for the Debtors; (ii) (a) Akin Gump Strauss Hauer &
22
23

1 **IV. Approving Solicitation Packages and Procedures for Distribution Thereof**

2 **A. *Voting Classes***

3 22. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to
4
5 holders of claims and interests for the purpose of soliciting their votes and providing adequate notice of
6 the hearing on confirmation of a plan of reorganization. Specifically, Bankruptcy Rule 3017(d)
7 provides, in relevant part, as follows:

8 Upon approval of a disclosure statement, — except to the extent that the court
9 orders otherwise with respect to one or more unimpaired classes of creditors or
10 equity security holders — the debtor in possession, trustee, proponent of the
11 plan, or clerk as the court orders shall mail to all creditors and equity security
12 holders, and in a chapter 11 reorganization case shall transmit to the United
13 States trustee,

- 14 (a) the plan or a court-approved summary of the plan;
15 (b) the disclosure statement approved by the court;
16 (c) notice of the time within which acceptances and rejections of
17 the plan may be filed; and
18 (d) any other information as the court may direct, including any
19 court opinion approving the disclosure statement or a court-
20 approved summary of the opinion.

21 In addition, notice of the time fixed for filing objections and the hearing
22 on confirmation shall be mailed to all creditors and equity security
23 holders in accordance with Rule 2002(b), and a form of ballot
24 conforming to the appropriate Official Form shall be mailed to creditors
25 and equity security holders entitled to vote on the plan.

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

27 23. Under the Plan, holders of allowed claims and interests in Classes 3A-C
28 (Secured Notes Claims), Classes 4A-4C (General Unsecured Claims), and Class 8A (PT Holdings

1 Interests) are impaired and entitled to vote to accept or reject the Plan (collectively, the “Voting
2 Classes”).³ Once the Court approves the Proposed Disclosure Statement (as approved, the “Disclosure
3 Statement”) as containing adequate information pursuant to section 1125 of the Bankruptcy Code, the
4 Plan Proponents propose to mail or cause to be mailed solicitation packages (the “Solicitation
5 Packages”) by no later than April 6, 2007 (the “Solicitation Date”). Solicitation Packages distributed
6 to creditors in the Voting Classes will contain a copy of (i) the Disclosure Statement Order (excluding
7 the exhibits thereto), (ii) the Confirmation Hearing Notice, (iii) the appropriate form of ballot to accept
8 or reject the Plan, in substantially the forms annexed to the Disclosure Statement Order as Exhibits A,
9 B, C, D and E (each, a “Ballot,” and collectively, the “Ballots”) or master ballot (the “Master Ballot”),
10 substantially in the form annexed to the Disclosure Statement Order as Exhibit F, with instructions and
11 together with a return envelope, (iv) the Disclosure Statement, which includes the Plan as an exhibit,
12 and (v) such other materials as the Court may direct.

13
14
15 ***B. Non-Voting Classes***

16 Bankruptcy Rule 3017(d) provides, in relevant part, as follows:

17 If the court orders that the disclosure statement and the plan or a
18 summary of the plan shall not be mailed to any unimpaired class, notice
19 that class is designated in the plan as unimpaired and notice of the name
20 and address of the person from whom the plan or summary of the plan
21 and disclosure statement may be obtained upon request and at the plan
22 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.

23 ³ The Ballots sent to holders of claims in Classes 3A-3C will permit such holders to vote their claims in Classes 3A-3C
against each Debtor on one Ballot.

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

2 24. Class 1 (Other Secured Claims), Class 2 (Priority Claims), Class 5
3 (Intercompany Claims), Class 6 (Workers' Compensation Claims), Class 8B (PTPC Interests); and 8C
4 (Packaging Interests) (collectively, the "Unimpaired Classes") are unimpaired and, therefore, the
5 holders of claims in such classes are conclusively presumed to accept the Plan. *See* 11. U.S.C.
6 § 1126(f). Holders of claims in Class 7 (Subordinated Claims) (the "Non-Voting Impaired Class") do
7 not receive or retain any property under the Plan on account of such claims. Thus, such holders are
8 deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. *See* 11 U.S.C.
9 § 1126(g).
10

11 25. In an effort to conserve resources of these estates, the Debtors request that the
12 Court determine that they are not required to distribute copies of the Plan and Disclosure Statement to
13 (i) any holder of a claim or interest in the Unimpaired Classes or (ii) any holder of a claim or equity
14 interest in the Non-Voting Impaired Class. Instead, the Debtors propose (a) to mail the Notice of Non-
15 Voting Status – Unimpaired Classes, which is annexed to the Disclosure Statement Order as Exhibit G,
16 to the holders of claims and interests in the Unimpaired Classes, and (b) to mail the Notice of Non-
17 Voting Status – Impaired Classes, which is annexed to the Disclosure Statement Order as Exhibit H, to
18 holders (if any) of claims in the Non-Voting Impaired Class. Each Notice of Non-Voting Status
19 identifies the classes that are presumed to accept, or deemed to reject, as applicable, the Plan, and sets
20 forth the manner in which a copy of the Plan and Disclosure Statement may be obtained by the
21
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23

1 claimant or equity holder receiving such notice. The Debtors submit that such notices satisfy the
2 requirements of the Bankruptcy Code and the Bankruptcy Rules.

3
4 **C. Other Interested Parties.**

5 26. In addition, the Plan Proponents propose to mail, or cause to be distributed on or
6 before the Solicitation Date, the Disclosure Statement Order (excluding the exhibits thereto), the
7 Confirmation Hearing Notice, the Disclosure Statement, and such other materials as this Court may
8 direct to (i) the U.S. Trustee, (ii) counsel for The CIT Group/Business Credit, Inc. (the “DIP Lender”);
9 (iii) the Indenture Trustee, (iv) counsel for the Indenture Trustee, (v) counsel for the Official Unsecured
10 Creditors’ Committee, (vi) the SEC and (vii) all parties having filed requests for notices in these cases.

11
12 27. The Plan Proponents anticipate that some Disclosure Statement Notices may be
13 returned as undeliverable by the United States Postal Service. The Plan Proponents believe that it
14 would be costly and wasteful to mail Solicitation Packages to the same addresses to which
15 undeliverable Disclosure Statement Notices were mailed. Therefore, the Plan Proponents seek the
16 Court’s approval for a departure from the strict notice rule, excusing the Plan Proponents from mailing
17 Solicitation Packages to those entities listed at such addresses unless the Plan Proponents are provided
18 with accurate addresses for such entities before the Solicitation Date.

19
20 28. The Plan Proponents submit that they have shown good cause for implementing
21 the proposed notice and service procedures.

- (c) A claim which is the subject of an objection filed by April 13, 2007 and not resolved by the Voting Deadline shall be disallowed for voting purposes, except to the extent and manner that: (i) may be set forth in the objection; and (ii) such claim may be temporarily allowed for voting purposes in accordance with Bankruptcy Rule 3018 and the procedures set forth in Paragraph 42.
- (d) If a claim has been estimated or otherwise allowed for voting purposes by order of the Court, the amount and classification shall be that set by the Court.
- (e) Creditors shall not be entitled to vote claims to the extent such claims duplicate or have been superseded by other claims timely filed by or on behalf of such creditors. The Plan Proponents shall determine, in their discretion, whether a claim is duplicative or has been superceded for voting purposes only.
- (f) If a creditor's relevant proof of claim does not indicate the appropriate classification of a claim, and such classification cannot be determined from the Schedules, the holder of such claim may only vote as a General Unsecured Claim in Classes 4A, 4B or 4C, depending on the entity against whom such claim is asserted in accordance with the Plan, unless otherwise permitted by a Court order before commencement of the Confirmation Hearing, except that if such creditor is a Secured Notes Claim holder its vote will apply in Class 3A, 3B and 3C.

B. *Tabulation of Master Ballots and Ballots for Voting Securities*

31. With respect to the Ballots that will be sent to holders of claims in Classes 3A-3C (Secured Notes Claims) (collectively, the "Voting Securities"), the Plan Proponents request authority to send Ballots to nominees and registered holders of such claims, including, without limitation, brokers, banks, dealers, or other agents or nominees (collectively, the "Voting Nominees"). Each Voting Nominee will be entitled to receive reasonably sufficient copies of Ballots and Solicitation Packages for distribution to the beneficial owners of the claims for whom such Voting Nominee holds such claims, and the Debtors will reimburse each Voting Nominee for its reasonable and customary out of pocket expenses associated with the distribution of copies of Ballots to the beneficial owners of such claims and tabulation of the Ballots.

1 which the beneficial owner’s holdings are derived. The beneficial owner is required to return the
2 “prevalidated” Ballot directly to the Balloting Agent by the Voting Deadline.

3 34. With respect to the tabulation of the Master Ballots and Ballots cast by
4 beneficial owners of Secured Notes, for purposes of voting, the amount of Secured Notes that will be
5 used to tabulate acceptance or rejection of the Plan shall be the principal amount held as of the Record
6 Date (the “Record Amount”).
7

8 35. The Plan Proponents request that the Court approve the following procedures for
9 tabulating the Master Ballots and Ballots cast by beneficial owners:

- 10 (a) Votes cast by beneficial owners through a Voting Nominee will be applied
11 against the positions held by such entities in the securities as of the Record Date,
12 as evidenced by the record and depository listings. Votes submitted by a Voting
13 Nominee, whether pursuant to Master Ballots or prevalidated Ballots, will not be
14 counted in excess of the Record Amount
15 of such securities held by such Voting Nominee;
- 16 (b) To the extent that conflicting votes or “overvotes” are submitted by a Voting
17 Nominee, whether pursuant to Master Ballots or prevalidated Ballots, the
18 Balloting Agent will attempt and is authorized to reconcile discrepancies
19 with the Voting Nominees; and
- 20 (c) To the extent that overvotes on Master Ballots or prevalidated Ballots are not
21 reconcilable prior to the preparation of the vote certification, the Balloting Agent
22 will apply the votes to accept and to reject the Plan in the same proportion as the
23 votes to accept and reject the Plan submitted on the Master Ballots or
24 prevalidated Ballots that contained the overvote, but only to the extent of the
25 Voting Nominee’s position in the security.
- 26 (d) A vote cast by a Voting Nominee or a beneficial owner shall be deemed to have
27 been cast in each of Class 3A, 3B and 3C.
28

1 36. These procedures adequately recognize the complex structure of the securities
2 industry, enable the Plan Proponents to transmit materials to the holders of the Debtors' publicly traded
3 securities, and afford beneficial owners a fair and reasonable opportunity to vote.
4

5 **VI. Establishing Voting Deadline for Receipt of Ballots**

6 37. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure
7 statement, the court shall fix a time within which the holders of claims or equity security interests may
8 accept or reject a plan. The Plan Proponents anticipate completing mailing of the Solicitation
9 Packages by the Solicitation Date. Based on such schedule, the Plan Proponents propose that, in order
10 to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed,
11 and delivered to the Balloting Agent (i) by first-class mail, in the return envelope provided with each
12 Ballot, (ii) by overnight courier, or (iii) by hand delivery, so that it is actually received by the Balloting
13 Agent no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the "Voting Deadline"), which
14 is at least twenty-five (25) days after the Solicitation Date. The Plan Proponents submit that such
15 solicitation period provides sufficient time for creditors to make an informed decision whether to
16 accept or reject the Plan.
17
18

19 **VII. Approval of Procedures for Vote Tabulation**

20 38. Section 1126(c) of the Bankruptcy Code provides:
21

22 A class of claims has accepted a plan if such plan has been accepted by
23 creditors, other than any entity designated under subsection (e) of this
24 section, that hold at least two-thirds in amount and more than one-half in
25 number of the allowed claims of such class held by creditors, other than

1 any entity designated under subsection (e) of this section, that have
2 accepted or rejected such plan.

3 11 U.S.C. § 1126(c).

4 39. The Plan Proponents request that (i) whenever a creditor casts more than one
5 Ballot voting the same claim(s) before the Voting Deadline, the last Ballot received before the Voting
6 Deadline be deemed to reflect the voter's intent and will supersede any prior Ballots, and (ii) creditors
7 must vote all of their claims within a particular class under the Plan either to accept or reject the Plan
8 and may not split their vote(s).

9 40. The Plan Proponents further propose that the following Ballots not be counted or
10 considered for any purpose in determining whether the Plan has been accepted or rejected: (i) any
11 Ballot that is properly completed, executed, and timely returned to the Balloting Agent, but does not
12 indicate an acceptance or rejection of the Plan, or that indicates both an acceptance and rejection of the
13 Plan; (ii) any Ballot received after the Voting Deadline unless the Plan Proponents shall have granted
14 an extension of the Voting Deadline in writing with respect to such Ballot; (iii) any Ballot that is
15 illegible or contains insufficient information to permit the identification of the claimant; (iv) any Ballot
16 cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject
17 the Plan; (v) any unsigned Ballot or any Ballot which does not contain an original signature; (vi) any
18 Ballot cast by a creditor whose claims either is not listed, or is listed as "zero" or "unknown" amount
19 (or similarly listed), or is listed as a disputed, contingent, or unliquidated claim on the Schedules, for
20 which no proof of claim was timely filed; (vii) any Ballot cast by a creditor whose claim either is not
21 listed, or is listed as "zero" or "unknown" amount (or similarly listed) or is listed as a disputed,
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1 contingent, or unliquidated claim on the Schedules, for which a proof of claim was timely filed but for
2 which the holder did not obtain an order temporarily allowing its claim; and (viii) any Ballot
3 transmitted to the Balloting Agent by facsimile or other means not specifically approved herein.
4

5 **VIII. Approval of Procedures for**
6 **Temporary Allowance of Claims for Voting Purposes**

7 41. Section 3018 of the Bankruptcy Code provides that, “notwithstanding an
8 objection to a claim or interest, the court, after notice and hearing may temporarily allow the claim or
9 interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan.”
10 11 U.S.C. § 3018(a).

11 42. The Plan Proponents request that the Court enter an order approving the
12 following procedures for determining whether a claim or interest will be temporary allowed for voting
13 purposes. The Plan Proponents will file objections to claims for voting purposes and certain other
14 substantive purposes by April 13, 2007 (the “Claims Objection Deadline”). If an objection for voting
15 purposes is filed on or before the Claims Objection Deadline, the relevant claimant will not be entitled
16 to vote on the Plan, unless such claimant files a motion on or before April 26, 2007 (the “Temporary
17 Allowance Deadline”) seeking temporary allowance of its claim for voting purposes only and obtains
18 an order from the Court granting such motion, or such objection is withdrawn. The Court will conduct
19 a hearing beginning on May 3, 2007 at ____ __.m. (prevailing Pacific Time) (the “Temporary
20 Allowance Motion Hearing Date”) to consider all temporary allowance motions. A temporary
21 allowance motion is required to set forth with particularity the amount and classification at which such
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1 claimant believes its claim should be allowed for voting purposes and the evidence in support of that
2 belief, otherwise such motion shall be deemed invalid.

3 43. The Plan Proponents further propose that if this Court has not temporarily
4 allowed all or a portion of such claim for voting purposes pursuant to Bankruptcy Rule 3018(a) on or
5 before the Temporary Allowance Motion Hearing Date, that such claim will not be counted for voting
6 purposes.
7

8 44. In addition, if a creditor reaches an agreement with the Plan Proponents as to the
9 amount and classification of its otherwise disputed claim, for voting purposes, the creditor and Plan
10 Proponents will file a stipulation setting forth that agreement may be presented to the Court for
11 approval by notice of a proposed stipulation and order at or before the Confirmation Hearing. Subject
12 to the Court's approval, such claim will be counted for purposes of accepting or rejecting the Plan in
13 the amount agreed to by the Plan Proponents and such creditor in the stipulation.
14

15 **WAIVER OF MEMORANDUM OF LAW**

16 45. Authority for relief requested is set forth herein, therefore the Plan Proponents
17 respectfully request that the Court waive the requirement in Rule 9013-1(d) of the Local Rules that the
18 Plan Proponents submit a separate memorandum of law.

19 **NOTICE**

20 46. No trustee or examiner has been appointed in these chapter 11 cases. The Plan
21 Proponents served notice of this Motion on the Noticed Parties and any party who has filed a notice of
22
23

1 appearance in the Debtors' chapter 11 cases. In light of the relief requested, the Plan Proponents
2 submit that no further notice is needed.

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

5 WHEREFORE the Plan Proponents respectfully request entry of an order granting the
6 relief requested herein and such other and further relief as it may deem just and appropriate.
7

8 Dated: March 14, 2007
9 Seattle, Washington

10 **BUSH STROUT & KORNFELD**

11 /s/ Gayle E. Bush
12 Gayle E. Bush, Esq.
13 Katriana L. Samiljan, Esq.
14 5500 Two Union Square
15 601 Union Street
16 Seattle, Washington 98101-2373
17 Telephone: 206.292.2110

18 Counsel for the Debtors

19 and

20 **FOSTER PEPPER PLLC**

21 /s/ Jack Cullen
22 Jack Cullen, Esq.
23 1111 3rd Avenue, Suite 3400
24 Seattle, WA 98101
25 Telephone: 206.447.4400

26 and

27 25

28 **MOTION OF THE DEBTORS AND INFORMAL COMMITTEE OF SENIOR SECURED NOTEHOLDERS FOR ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING THE RECORD DATE; (III) APPROVING THE NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN OF REORGANIZATION; (IV) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (V) APPROVING THE FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN OF REORGANIZATION; AND (VI) APPROVING THE FORMS OF NOTICES TO NON-VOTING CLASSES UNDER THE PLAN OF REORGANIZATION**

BUSH STROUT & KORNFELD
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Counsel for the Informal Committee of Senior
Secured Noteholders

MOTION OF THE DEBTORS AND INFORMAL COMMITTEE OF SENIOR SECURED NOTEHOLDERS FOR ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING THE RECORD DATE; (III) APPROVING THE NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN OF REORGANIZATION; (IV) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (V) APPROVING THE FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN OF REORGANIZATION; AND (VI) APPROVING THE FORMS OF NOTICES TO NON-VOTING CLASSES UNDER THE PLAN OF REORGANIZATION

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EXHIBIT A

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASS 4A (PTPC GENERAL UNSECURED CLAIMS)**

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4A
(PTPC GENERAL UNSECURED CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:	07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al.,	Chapter 11
Debtors.	BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4A (PTPC GENERAL UNSECURED CLAIMS)

VOTING DEADLINE: MAY 8, 2007 AT 4:00 P.M. PREVAILING PACIFIC TIME

PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), are soliciting votes with respect to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), from the holders of certain impaired claims and interests against the Debtors. The United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”) has approved the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote. All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. If you have any questions on how to properly complete this Ballot, please call BMC Group, Inc. (the “Balloting Agent”) at (888) 909-0100.

Class 4A (PTPC General Unsecured Claims) includes Allowed non-priority General Unsecured Claims against Port Townsend Paper Corporation (“PTPC”). PTPC General Unsecured Claims generally include the claims of vendors and other business creditors for goods and services provided to PTPC prior to January 29, 2007, the date the Debtors commenced these chapter 11 cases (the “Petition Date”), and Claims asserted against PTPC in lawsuits relating to events arising prior to the Petition Date.

In order for your vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the “Voting Deadline”), unless such time is extended in writing by the Plan Proponents.**

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4A
(PTPC GENERAL UNSECURED CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 PLEASE COMPLETE THE FOLLOWING:

2 **ITEM 1. Principal Amount of PTPC General Unsecured Claim.** The undersigned hereby
3 certifies that as of the Petition Date the undersigned holds a PTPC General Unsecured Claim in the following
4 aggregate unpaid principal amount (insert amount in box below).

5 Aggregate principal amount of
6 PTPC General Unsecured Claim:*

7 \$ _____

8 * In calculating this amount, the Holder
9 should include the aggregate amount of
10 all general unsecured claims held against
11 PTPC. To the extent any claim against
12 PTPC is partially secured, only vote the
13 unsecured amount of such claim.

14 **ITEM 2. Vote on the Plan.** The holder of the PTPC General Unsecured Claim identified in Item
15 1 hereby votes to either accept or reject the Plan with respect to such PTPC General Unsecured Claim as
16 follows:

Class 4A (PTPC General Unsecured Claims)	<u>Check one box:</u> <input type="checkbox"/> Accept the Plan <input type="checkbox"/> Reject the Plan
---	--

17 **ITEM 3. Certification as to PTPC General Unsecured Claims held in Additional Accounts.**
18 By completing and returning this Ballot, the undersigned certifies that it has not submitted any other Ballots for
19 other PTPC General Unsecured Claims held in other accounts or names.

20 **ITEM 4. Acknowledgements and Certification.** By returning this Ballot, the undersigned
21 (i) acknowledges that it has been provided with a copy of the Disclosure Statement including all exhibits
22 thereto; (ii) certifies that (a) it is the holder of the PTPC General Unsecured Claim identified in Item 1 above
23 and (b) it has full power and authority to vote to accept or reject the Plan; and (iii) further acknowledges that the
24 Plan Proponents' solicitation of votes is subject to all terms and conditions set forth in the Disclosure Statement
25 and the order of the Bankruptcy Court approving the Disclosure Statement and the procedures for the
26 solicitation of votes to accept or reject the Plan contained therein.

1 The undersigned acknowledges that, upon acceptance of the Plan by Classes 4A, 4B and 4C, each
2 Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Holder's
3 Allowed General Unsecured Claim, such Holder's Pro Rata share of the Class 3 Contribution, *provided,*
4 *however,* that if Class 4A, 4B or 4C votes to reject the Plan, holders of General Unsecured Claims in Classes
5 4A-4C shall receive no distributions on account of their respective Claims and all rights with respect thereto.

6 Print or Type Name of Claimant: _____

7 Social Security or Federal Tax I.D. No. of Claimant: _____

8 Signature: _____

9 Name of Signatory (if different than claimant): _____

10 If by Authorized Agent, Title of Agent: _____

11 Street Address: _____

12 City, State, and Zip Code: _____

13 Telephone Number: _____

14 Date Completed: _____

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**VOTING INSTRUCTIONS FOR COMPLETING THE
BALLOT FOR HOLDERS OF PTPC GENERAL UNSECURED CLAIMS**

- A. This Ballot is submitted to you to solicit your vote to accept or reject the Plan. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**
- B. The Plan will be accepted by Class 4A if it is accepted by the holders of two-thirds in amount and more than one-half in number of Claims in Class 4A voting on the Plan. If the Plan is confirmed by the Bankruptcy Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from voting on or reject the Plan, and those holders who are not entitled to vote on the Plan) will be bound by the confirmed Plan and the transactions contemplated thereby.
- C. In order for your Class 4A vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The Voting Deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007, unless such time is extended in writing by the Plan Proponents.** The Balloting Agent is BMC Group, Inc. and can be contacted by telephone at (888) 909-0100. All Ballots must be timely sent to the Balloting Agent at BMC Group, Inc., Re: Port Townsend Paper Corporation, 720 Third Avenue, 23rd Floor, Seattle, Washington 98104.

Ballots will NOT be accepted by telecopy, facsimile, or other electronic means of transmission.

- D. To properly complete this Ballot, you must follow the procedures described below:
- (i) make sure that the information contained in Item 1 is correct;
 - (ii) if you have a Claim in Class 4A, cast one vote to accept or reject the Plan by checking the appropriate box in Item 2;
 - (iii) if you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing and submit satisfactory evidence of your authority to so act (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act);
 - (iv) if you also hold a Claim in a Class other than Class 4A, you may receive more than one Ballot labeled for a different Class of Claims. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims only if you complete, sign, and return the Ballot labeled for that Class of Claims in accordance with the instructions on that Ballot;
 - (v) if you believe that you have received the wrong Ballot, please contact the Balloting Agent immediately;
 - (vi) provide your name and mailing address;
 - (vii) sign and date your Ballot; and
 - (viii) return your Ballot using the enclosed pre-addressed return envelope.

1 IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, OR IF YOU DID NOT
2 RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, OR IF YOU DID NOT RECEIVE A
3 COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR IF YOU NEED ADDITIONAL COPIES
4 OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE PLAN
5 PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. at (888) 909-0100. COPIES OF THE
6 PLAN AND DISCLOSURE STATEMENT CAN BE ACCESSED ON THE BALLOTING AGENT'S
7 WEBSITE AT: WWW.BMCGROUP.COM/PTPC. PLEASE DO NOT DIRECT ANY INQUIRIES TO
8 THE BANKRUPTCY COURT.
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EXHIBIT B

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASS 4B (PT HOLDINGS GENERAL UNSECURED CLAIMS)**

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4B
(PT HOLDINGS GENERAL UNSECURED CLAIMS)**

BUSH STROUT & KORNFELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:	07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al.,	Chapter 11
Debtors.	BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4B (PT HOLDINGS GENERAL UNSECURED CLAIMS)

VOTING DEADLINE: MAY 8, 2007 AT 4:00 P.M. PREVAILING PACIFIC TIME

PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), are soliciting votes with respect to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), from the holders of certain impaired claims and interests against the Debtors. The United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”) has approved the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote. All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. If you have any questions on how to properly complete this Ballot, please call BMC Group, Inc. (the “Balloting Agent”) at (888) 909-0100.

Class 4B (PT Holdings General Unsecured Claims) includes Allowed non-priority General Unsecured Claims against PT Holdings Company, Inc. (“PT Holdings”). PT Holdings General Unsecured Claims generally include the claims of vendors and other business creditors for goods and services provided to PT Holdings prior to January 29, 2007, the date the Debtors commenced these chapter 11 cases (the “Petition Date”), and Claims asserted against PT Holdings in lawsuits relating to events arising prior to the Petition Date.

In order for your vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the “Voting Deadline”), unless such time is extended in writing by the Plan Proponents.**

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4B
(PT HOLDINGS GENERAL UNSECURED CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 PLEASE COMPLETE THE FOLLOWING:

2 **ITEM 1. Principal Amount of PT Holdings General Unsecured Claim.** The undersigned
3 hereby certifies that as of the Petition Date the undersigned holds a PT Holdings General Unsecured Claim in
4 the following aggregate unpaid principal amount (insert amount in box below).

5 Aggregate principal amount of
6 PT Holdings General Unsecured Claim:*

7 \$ _____

8 * In calculating this amount, the Holder
9 should include the aggregate amount of
10 all general unsecured claims held against
11 PT Holdings. To the extent any claim
12 against PT Holdings is partially secured,
13 only vote the unsecured amount of such
14 claim.

15 **ITEM 2. Vote on the Plan.** The holder of the PT Holdings General Unsecured Claim identified
16 in Item 1 hereby votes to either accept or reject the Plan with respect to such PT Holdings General Unsecured
17 Claim as follows:

Class 4B (PT Holdings General Unsecured Claims)	<u>Check one box:</u> <input type="checkbox"/> Accept the Plan <input type="checkbox"/> Reject the Plan
--	--

18 **ITEM 3. Certification as to PT Holdings General Unsecured Claims held in Additional**
19 **Accounts.** By completing and returning this Ballot, the undersigned certifies that it has not submitted any other
20 Ballots for other PT Holdings General Unsecured Claims held in other accounts or names.

21 **ITEM 4. Acknowledgements and Certification.** By returning this Ballot, the undersigned
22 (i) acknowledges that it has been provided with a copy of the Disclosure Statement including all exhibits
23 thereto; (ii) certifies that (a) it is the holder of the PT Holdings General Unsecured Claim identified in Item 1
24 above and (b) it has full power and authority to vote to accept or reject the Plan; and (iii) further acknowledges
25 that the Plan Proponents' solicitation of votes is subject to all terms and conditions set forth in the Disclosure
26 Statement and the order of the Bankruptcy Court approving the Disclosure Statement and the procedures for the
27 solicitation of votes to accept or reject the Plan contained therein.

1 The undersigned acknowledges that, upon acceptance of the Plan by Classes 4A, 4B and 4C, each
2 Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Holder's
3 Allowed General Unsecured Claim, such Holder's Pro Rata share of the Class 3 Contribution, *provided,*
4 *however,* that if Class 4A, 4B or 4C votes to reject the Plan, holders of General Unsecured Claims in Classes
5 4A-4C shall receive no distributions on account of their respective Claims and all rights with respect thereto.

6 Print or Type Name of Claimant: _____

7 Social Security or Federal Tax I.D. No. of Claimant: _____

8 Signature: _____

9 Name of Signatory (if different than claimant): _____

10 If by Authorized Agent, Title of Agent: _____

11 Street Address: _____

12 City, State, and Zip Code: _____

13 Telephone Number: _____

14 Date Completed: _____

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**VOTING INSTRUCTIONS FOR COMPLETING THE
BALLOT FOR HOLDERS OF PT HOLDINGS GENERAL UNSECURED CLAIMS**

- A. This Ballot is submitted to you to solicit your vote to accept or reject the Plan. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**
- B. The Plan will be accepted by Class 4B if it is accepted by the holders of two-thirds in amount and more than one-half in number of Claims in Class 4B voting on the Plan. If the Plan is confirmed by the Bankruptcy Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from voting on or reject the Plan, and those holders who are not entitled to vote on the Plan) will be bound by the confirmed Plan and the transactions contemplated thereby.
- C. In order for your Class 4B vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The Voting Deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007, unless such time is extended in writing by the Plan Proponents.** The Balloting Agent is BMC Group, Inc. and can be contacted by telephone at (888) 909-0100. All Ballots must be timely sent to the Balloting Agent at BMC Group, Inc., Re: Port Townsend Paper Corporation, 720 Third Avenue, 23rd Floor, Seattle, Washington 98104.

Ballots will NOT be accepted by telecopy, facsimile, or other electronic means of transmission.

- D. To properly complete this Ballot, you must follow the procedures described below:
- (i) make sure that the information contained in Item 1 is correct;
 - (ii) if you have a Claim in Class 4B, cast one vote to accept or reject the Plan by checking the appropriate box in Item 2;
 - (iii) if you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing and submit satisfactory evidence of your authority to so act (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act);
 - (iv) if you also hold a Claim in a Class other than Class 4B, you may receive more than one Ballot labeled for a different Class of Claims. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims only if you complete, sign, and return the Ballot labeled for that Class of Claims in accordance with the instructions on that Ballot;
 - (v) if you believe that you have received the wrong Ballot, please contact the Balloting Agent immediately;
 - (vi) provide your name and mailing address;
 - (vii) sign and date your Ballot; and
 - (viii) return your Ballot using the enclosed pre-addressed return envelope.

1 IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, OR IF YOU DID NOT
2 RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, OR IF YOU DID NOT RECEIVE A
3 COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR IF YOU NEED ADDITIONAL COPIES
4 OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE PLAN
5 PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. at (888) 909-0100. COPIES OF THE
6 PLAN AND DISCLOSURE STATEMENT CAN BE ACCESSED ON THE BALLOTING AGENT'S
7 WEBSITE AT: WWW.BMCGROUP.COM/PTPC. PLEASE DO NOT DIRECT ANY INQUIRIES TO
8 THE BANKRUPTCY COURT.
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EXHIBIT C

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASS 4C (PACKAGING GENERAL UNSECURED CLAIMS)**

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4C
(PACKAGING GENERAL UNSECURED CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:	07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al.,	Chapter 11
Debtors.	BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4C (PACKAGING GENERAL UNSECURED CLAIMS)

VOTING DEADLINE: MAY 8, 2007 AT 4:00 P.M. PREVAILING PACIFIC TIME

PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), are soliciting votes with respect to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), from the holders of certain impaired claims and interests against the Debtors. The United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”) has approved the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote. All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. If you have any questions on how to properly complete this Ballot, please call BMC Group, Inc. (the “Balloting Agent”) at (888) 909-0100.

Class 4C Packaging General Unsecured Claims) includes Allowed non-priority General Unsecured Claims against PTPC Packaging Co., Inc. (“Packaging”). Packaging General Unsecured Claims generally include the claims of vendors and other business creditors for goods and services provided to Packaging prior to January 29, 2007, the date the Debtors commenced these chapter 11 cases (the “Petition Date”), and Claims asserted against Packaging in lawsuits relating to events arising prior to the Petition Date.

In order for your vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the “Voting Deadline”), unless such time is extended in writing by the Plan Proponents.**

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 4C
(PACKAGING GENERAL UNSECURED CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 PLEASE COMPLETE THE FOLLOWING:

2 **ITEM 1. Principal Amount of Packaging General Unsecured Claim.** The undersigned hereby
3 certifies that as of the Petition Date the undersigned holds a Packaging General Unsecured Claim in the
4 following aggregate unpaid principal amount (insert amount in box below).

5 Aggregate principal amount of
6 Packaging General Unsecured Claim:*

7 \$ _____

8 * In calculating this amount, the Holder
9 should include the aggregate amount of
10 all general unsecured claims held against
11 Packaging. To the extent any claim
12 against Packaging is partially secured,
13 only vote the unsecured amount of such
14 claim.

15 **ITEM 2. Vote on the Plan.** The holder of the Packaging General Unsecured Claim identified in
16 Item 1 hereby votes to either accept or reject the Plan with respect to such Packaging General Unsecured
17 Claims as follows:

Class 4C (Packaging General Unsecured Claims)	<u>Check one box:</u> <input type="checkbox"/> Accept the Plan <input type="checkbox"/> Reject the Plan
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18 **ITEM 3. Certification as to Packaging General Unsecured Claims held in Additional**
19 **Accounts.** By completing and returning this Ballot, the undersigned certifies that it has not submitted any other
20 Ballots for other Packaging General Unsecured Claims held in other accounts or names.

21 **ITEM 4. Acknowledgements and Certification.** By returning this Ballot, the undersigned
22 (i) acknowledges that it has been provided with a copy of the Disclosure Statement including all exhibits
23 thereto; (ii) certifies that (a) it is the holder of the Packaging General Unsecured Claim identified in Item 1
24 above and (b) it has full power and authority to vote to accept or reject the Plan; and (iii) further acknowledges
25 that the Plan Proponents' solicitation of votes is subject to all terms and conditions set forth in the Disclosure
26 Statement and the order of the Bankruptcy Court approving the Disclosure Statement and the procedures for the
27 solicitation of votes to accept or reject the Plan contained therein.

1 The undersigned acknowledges that, upon acceptance of the Plan by Classes 4A, 4B and 4C, each
2 Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Holder's
3 Allowed General Unsecured Claim, such Holder's Pro Rata share of the Class 3 Contribution, *provided,*
4 *however,* that if Class 4A, 4B or 4C votes to reject the Plan, holders of General Unsecured Claims in Classes
5 4A-4C shall receive no distributions on account of their respective Claims and all rights with respect thereto.

6 Print or Type Name of Claimant: _____
7 Social Security or Federal Tax I.D. No. of Claimant: _____
8 Signature: _____
9 Name of Signatory (if different than claimant): _____
10 If by Authorized Agent, Title of Agent: _____
11 Street Address: _____
12 City, State, and Zip Code: _____
13 Telephone Number: _____
14 Date Completed: _____

1 **VOTING INSTRUCTIONS FOR COMPLETING THE**
2 **BALLOT FOR HOLDERS OF PACKAGING GENERAL UNSECURED CLAIMS**

- 3 A. This Ballot is submitted to you to solicit your vote to accept or reject the Plan. **PLEASE READ THE**
4 **PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS**
5 **BALLOT.**
- 6 B. The Plan will be accepted by Class 4C if it is accepted by the holders of two-thirds in amount and more than
7 one-half in number of Claims in Class 4C voting on the Plan. If the Plan is confirmed by the Bankruptcy
8 Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from
9 voting on or reject the Plan, and those holders who are not entitled to vote on the Plan) will be bound by the
10 confirmed Plan and the transactions contemplated thereby.
- 11 C. In order for your Class 4C vote to be counted, this Ballot must be properly completed, signed, and returned
12 in the envelope provided. **The Voting Deadline for the receipt by the Balloting Agent of all Ballots is no**
13 **later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007, unless such time is extended in writing**
14 **by the Plan Proponents.** The Balloting Agent is BMC Group, Inc. and can be contacted by telephone at
15 (888) 909-0100. All Ballots must be timely sent to the Balloting Agent at BMC Group, Inc., Re: Port
16 Townsend Paper Corporation, 720 Third Avenue, 23rd Floor, Seattle, Washington 98104.
17 **Ballots will NOT be accepted by telecopy, facsimile, or other electronic means of transmission.**

18 D. To properly complete this Ballot, you must follow the procedures described below:

- 19 (i) make sure that the information contained in Item 1 is correct;
- 20 (ii) if you have a Claim in Class 4C, cast one vote to accept or reject the Plan by checking
21 the appropriate box in Item 2;
- 22 (iii) if you are completing this Ballot on behalf of another person or entity, indicate your
23 relationship with such person or entity and the capacity in which you are signing and
24 submit satisfactory evidence of your authority to so act (e.g., a power of attorney or a
25 certified copy of board resolutions authorizing you to so act);
- 26 (iv) if you also hold a Claim in a Class other than Class 4C, you may receive more than one
27 Ballot labeled for a different Class of Claims. Your vote will be counted in determining
28 acceptance or rejection of the Plan by a particular Class of Claims only if you complete,
sign, and return the Ballot labeled for that Class of Claims in accordance with the
instructions on that Ballot;
- (v) if you believe that you have received the wrong Ballot, please contact the Balloting
Agent immediately;
- (vi) provide your name and mailing address;
- (vii) sign and date your Ballot; and
- (viii) return your Ballot using the enclosed pre-addressed return envelope.

1 IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, OR IF YOU DID NOT
2 RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, OR IF YOU DID NOT RECEIVE A
3 COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR IF YOU NEED ADDITIONAL COPIES
4 OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE PLAN
5 PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. at (888) 909-0100. COPIES OF THE
6 PLAN AND DISCLOSURE STATEMENT CAN BE ACCESSED ON THE BALLOTING AGENT'S
7 WEBSITE AT: WWW.BMCGROUP.COM/PTPC. PLEASE DO NOT DIRECT ANY INQUIRIES TO
8 THE BANKRUPTCY COURT.
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EXHIBIT D

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASS 8A (PT HOLDINGS INTERESTS)**

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**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 8A
(PT HOLDINGS INTERESTS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors.

**BALLOT FOR CHAPTER 11 PLAN OF
REORGANIZATION – CLASS 8A (PT
HOLDINGS INTERESTS)**

VOTING DEADLINE: MAY 8, 2007 AT 4:00 P.M. PREVAILING PACIFIC TIME

PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), are soliciting votes with respect to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), from the holders of certain impaired claims and interests against the Debtors. The United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”) has approved the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote. All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. If you have any questions on how to properly complete this Beneficial Owner Ballot, please call BMC Group, Inc. (the “Balloting Agent”) at (888) 909-0100.

Class 8A (PT Holdings Interests) consists of all issued and outstanding common stock of PT Holdings (“PT Holdings Common Stock”). In order for your vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the “Voting Deadline”), unless such time is extended in writing by the Plan Proponents.**

PLEASE COMPLETE THE FOLLOWING:

ITEM 1. Number of Shares of PT Holdings Common Stock. The undersigned hereby certifies that as of April 2, 2007 (the “Voting Record Date”), the undersigned is the beneficial owner of PT Holdings Common Stock in the amount indicated the box below.

Number of Shares of
PT Holdings Common Stock: _____

**BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASS 8A
(PT HOLDINGS INTERESTS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 **ITEM 2. Vote on the Plan.** The holder of PT Holdings Common Stock identified in Item 1
2 hereby votes to **either** accept or reject the Plan with respect to such PT Holdings Interests as follows:

Class 8A (PT Holdings Interests)	<u>Check one box:</u> <input type="checkbox"/> Accept the Plan <input type="checkbox"/> Reject the Plan
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5 **ITEM 3. Certification as to PT Holdings Common Stock held in Additional Accounts.** By
6 completing and returning this Ballot, the undersigned certifies that it has not submitted any other Ballots for
7 other PT Holdings Common Stock held in other accounts or names.

8 **ITEM 4. Acknowledgements and Certification.** By returning this Ballot, the undersigned
9 (i) acknowledges that it has been provided with a copy of the Disclosure Statement for Plan of Reorganization
10 Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of
11 Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the
12 "Disclosure Statement"), including all exhibits thereto; (ii) certifies that (a) it is the holder of the PT Holdings
13 Interests identified in Item 1 above and (b) it has full power and authority to vote to accept or reject the Plan;
14 and (iii) further acknowledges that the Plan Proponents' solicitation of votes is subject to all terms and
15 conditions set forth in the Disclosure Statement and the order of the Bankruptcy Court approving the Disclosure
16 Statement and the procedures for the solicitation of votes to accept or reject the Plan contained therein.

17 By signing this Ballot, the undersigned acknowledges that, upon acceptance of the Plan by Class 8A,
18 holders of Class 8A Interests will receive in exchange for such Interests, on a Pro Rata basis, Equity Warrants,
19 *provided, however*, if Class 8A votes to reject the Plan, holders of Class 8A Interests will receive no
20 distributions on account of their respective Interests and all rights with respect thereto.

21 By signing this Ballot, the undersigned further acknowledges that the shares of New Common Stock to
22 be issued upon exercise of an Equity Warrant issued pursuant to the Plan will be subject to a Shareholders'
23 Agreement the terms of which will be disclosed no later than 10 days prior to the Confirmation Hearing, and
24 that the Shareholders' Agreement will, among other things, (i) impose restrictions with regard to the sale or
25 transfer of the shares of New Common Stock that will be issued upon exercise of an Equity Warrant issued in
26 connection with the Plan, and (ii) govern matters pertaining to the access to information with regard to the
27 Reorganized Debtors. By completing this Ballot and signing below, the undersigned agrees that the
28 Shareholders' Agreement will be binding on and enforceable by the interest holder to the same extent and with
the same effect as if the interest holder had executed and delivered to the Debtors a counterpart or joinder to the
Shareholders' Agreement. In addition, upon the request of the Debtors or Reorganized Debtors, the undersigned
will, or cause its Nominee to, execute and deliver to the Debtors or Reorganized Debtors a counterpart or joinder
to the Shareholders' Agreement on behalf of such interest holder.

22 Print or Type Name of Interest Holder: _____
23 Social Security or Federal Tax I.D. No. of Claimant: _____
24 Signature: _____
25 Name of Signatory (if different than claimant): _____
26 If by Authorized Agent, Title of Agent: _____
27 Street Address: _____

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**VOTING INSTRUCTIONS FOR COMPLETING THE
BALLOT FOR HOLDERS OF PT HOLDINGS INTERESTS**

- A. This Ballot is submitted to you to solicit your vote to accept or reject the Plan. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**
- B. The Plan will be accepted by Class 8A if it is accepted by the holders of two-thirds in amount of Interests in Class 8A voting on the Plan. If the Plan is confirmed by the Bankruptcy Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from voting on or reject the Plan, and those holders who are not entitled to vote on the Plan) will be bound by the confirmed Plan and the transactions contemplated thereby.
- C. In order for your Class 8A vote to be counted, this Ballot must be properly completed, signed, and returned in the envelope provided. **The Voting Deadline for the receipt by the Balloting Agent of all Ballots is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007, unless such time is extended in writing by the Plan Proponents.** The Balloting Agent is BMC Group, Inc. and can be contacted by telephone at (888) 909-0100. All Ballots must be timely sent to the Balloting Agent at BMC Group, Inc., Re: Port Townsend Paper Corporation, 720 Third Avenue, 23rd Floor, Seattle, Washington 98104.
- Ballots will NOT be accepted by telecopy, facsimile, or other electronic means of transmission.**
- D. To properly complete this Ballot, you must follow the procedures described below:
- (i) make sure that the information contained in Item 1 is correct;
 - (ii) if you have an Interest in Class 8A, cast one vote to accept or reject the Plan by checking the appropriate box in Item 2;
 - (iii) if you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing and submit satisfactory evidence of your authority to so act (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act);
 - (iv) if, in addition to interests in Class 8A, you hold a claim in a class, you may receive more than one Ballot labeled for a different class of claims. Your vote will be counted in determining acceptance or rejection of the Plan by a particular class of claims only if you complete, sign, and return the Ballot labeled for that class of claims in accordance with the instructions on that Ballot;
 - (v) if you believe that you have received the wrong Ballot, please contact the Balloting Agent immediately;
 - (vi) provide your name and mailing address;
 - (vii) sign and date your Ballot; and
 - (viii) return your Ballot using the enclosed pre-addressed return envelope.

1 IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, OR IF YOU DID NOT
2 RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, OR IF YOU DID NOT RECEIVE A
3 COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR IF YOU NEED ADDITIONAL COPIES
4 OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE PLAN
5 PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. at (888) 909-0100. COPIES OF THE
6 PLAN AND DISCLOSURE STATEMENT CAN BE ACCESSED ON THE BALLOTING AGENT'S
7 WEBSITE AT: WWW.BMCGROUP.COM/PTPC. PLEASE DO NOT DIRECT ANY INQUIRIES TO
8 THE BANKRUPTCY COURT.
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EXHIBIT E

**BENEFICIAL OWNER BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASSES 3A-3C (SECURED NOTES CLAIMS)**

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**BENEFICIAL OWNER BALLOT FOR CHAPTER 11 PLAN OF
REORGANIZATION – CLASSES 3A-3C (SECURED NOTES CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:	07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al.,	Chapter 11
Debtors.	BENEFICIAL OWNER BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION – CLASSES 3A-3C (SECURED NOTES CLAIMS)

VOTING DEADLINE: MAY 8, 2007 AT 4:00 P.M. PREVAILING PACIFIC TIME

NOTE: AS STATED BELOW, YOU MUST RETURN THIS BALLOT TO YOUR NOMINEE WELL IN ADVANCE OF THE VOTING DEADLINE SO THAT YOUR NOMINEE MAY SUBMIT THE VOTING INFORMATION ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE BALLOTING AGENT BEFORE THE VOTING DEADLINE.

PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), are soliciting votes with respect to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), from the holders of certain impaired claims and interests against the Debtors. The United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”) has approved the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote. All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. If you have any questions on how to properly complete this Beneficial Owner Ballot, please call BMC Group, Inc. (the “Balloting Agent”) at (888) 909-0100.

This ballot is being sent to all beneficial owners (the “Beneficial Owners”) as of April 2, 2007 (the “Record Date”) of Claims under the 11% Senior Secured Notes due 2011 issued by Port Townsend Paper Corporation (“PTPC”) pursuant to the indenture, dated as of April 13, 2004 among PTPC and the Guarantors and U.S. Bank National Association, as indenture trustee (the “Secured Notes”), which are unconditionally guaranteed, jointly and severally, by PT Holdings Company, Inc., PTPC Packaging Co., Inc. and the Non-Debtor Affiliates¹ (the “Secured Notes Claims”). Secured Notes Claims against each of the Debtors are separately classified in Classes 3A-3C. **THIS BALLOT IS ONLY FOR THE BENEFICIAL OWNERS OF THE SECURED NOTES.**

¹ The Non-Debtor Affiliates means PTPC Corrugated Company and Crown Properties Packaging, Ltd.

**BENEFICIAL OWNER BALLOT FOR CHAPTER 11 PLAN OF
REORGANIZATION – CLASSES 3A-3C (SECURED NOTES CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 The Plan contains releases, exculpations, and injunctions, including the following release:

2 [E]ach holder of a Secured Notes Claim and the Indenture Trustee shall be
3 deemed to have forever waived, released, and discharged the Non-Debtor
4 Affiliates of any Liens, Claims, claims, causes of action, rights, or liabilities
5 arising from the Guarantees granted to the holders of the Secured Notes Claims
6 under the Indenture as well as any Secured Notes Deficiency Claims. In
7 addition, the Confirmation Order shall authorize the Indenture Trustee to take
8 whatever action may be necessary or appropriate, in its reasonable discretion, to
9 effectuate the foregoing, including, without limitation, providing a release of
10 the Liens. (Section 10.3 of the Plan).

11 In order for your vote to be counted, this Beneficial Owner Ballot must be properly completed, signed,
12 and returned in the envelope provided. **The deadline for the receipt by the Balloting Agent of all Ballots
13 (including Beneficial Owner Ballots and Master Ballots cast on behalf of Beneficial Owners) is no later
14 than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the “Voting Deadline”), unless such time is
15 extended in writing by the Plan Proponents. IF YOU RECEIVED A RETURN ENVELOPE
16 ADDRESSED TO YOUR BANK, BROKER, OR OTHER NOMINEE (EACH OF THE FOREGOING, A
17 “NOMINEE”), PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO PROCESS YOUR
18 VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE BALLOTING
19 AGENT BEFORE THE VOTING DEADLINE.**

20 PLEASE COMPLETE THE FOLLOWING:

21 **ITEM 1. Principal Amount of Secured Notes Claims.** The undersigned hereby certifies that as
22 of April 2, 2007 the undersigned was the Beneficial Owner (or authorized signatory for a Beneficial Owner), or
23 the Nominee of a Beneficial Owner, of Secured Notes in the following aggregate unpaid principal amount
24 (insert amount in box below). If your Secured Notes are held by a Nominee on your behalf and you do not
25 know the amount of the Secured Notes held, please contact your Nominee immediately.

26
27
28
Aggregate principal amount of
Secured Notes: \$ _____
Account Number(s): _____

ITEM 2. Vote on the Plan. The Beneficial Owner of the Secured Notes identified in Item 1 hereby votes to **either** accept or reject the Plan with respect to such Secured Notes Claims against each Debtor as follows:

Classes 3A – 3C	<u>Check one box:</u> <input type="checkbox"/> Accept the Plan <input type="checkbox"/> Reject the Plan
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ITEM 3. Certification as to Secured Notes Claims held in Additional Accounts. By completing and returning this Beneficial Owner Ballot, the Beneficial Owner certifies that either (i) it has not submitted any other Beneficial Owner Ballots for other Secured Notes Claims held in other accounts or other record names or (ii) it has provided the information specified in the following table for all other Secured Notes Claims for which it has submitted additional Beneficial Owner Ballots, each of which indicates the same vote to accept or reject the Plan (please use additional sheets of paper if necessary):

ONLY COMPLETE THIS SECTION IF YOU HAVE VOTED BENEFICIAL OWNER BALLOTS OTHER THAN THIS BENEFICIAL OWNER BALLOT.

Account Number	Name of Owner ²	Amount of Other Class 3 Claims Voted

ITEM 4. Acknowledgements and Certification. By returning this Beneficial Owner Ballot, the Beneficial Owner of the Secured Notes identified in Item 1 above (i) acknowledges that it has been provided with a copy of the Disclosure Statement including all exhibits thereto; (ii) certifies that (a) it is the holder of the Secured Notes identified in Item 1 above and (b) it has full power and authority to vote to accept or reject the Plan; and (iii) further acknowledges that the Plan Proponents’ solicitation of votes is subject to all terms and conditions set forth in the Disclosure Statement and the order of the Bankruptcy Court approving the Disclosure Statement and the procedures for the solicitation of votes to accept or reject the Plan contained therein.

By signing this Beneficial Owner Ballot, the undersigned acknowledges that upon acceptance of the Plan by Classes 3A-3C, the Holders of all Allowed Secured Notes Claims will, upon the Effective Date, (i) contribute, out of the aggregate distribution Holders of Allowed Secured Notes Claims would otherwise be legally entitled to receive, (a) the Class 3 Contribution to Holders of Allowed General Unsecured Claims in Classes 4A-4C on a Pro Rata basis if Holders of General Unsecured Claims in Classes 4A-4C each vote as a Class to accept the Plan, and (b) the Equity Warrants to Holders of Allowed Class 8A Interests on a Pro Rata basis if Holders of Class 8A Interests vote as a Class to accept the Plan, and (ii) waive the Secured Notes Deficiency Claims.

² Insert your name if the Secured Notes are being held by you in record name or, if held in street name, insert the name of your broker or bank.

1 By signing this Beneficial Owner Ballot, the undersigned further acknowledges that the New Common
2 Stock to be issued pursuant to the Plan will be subject to a Shareholders' Agreement the terms of which will be
3 disclosed no later than 10 days prior to the Confirmation Hearing, and that the Shareholders' Agreement will,
4 among other things, (i) impose restrictions with regard to the sale or transfer of the shares of New Common
5 Stock that will be issued in connection with the Plan, and (ii) govern matters pertaining to access to information
6 with regard to the Reorganized Debtors. By completing this Beneficial Owner Ballot and signing below, the
7 undersigned agrees that the Shareholders' Agreement will be binding on and enforceable by the Beneficial
8 Owner to the same extent and with the same effect as if the Beneficial Owner had executed and delivered to the
9 Debtors a counterpart or joinder to the Shareholders' Agreement. In addition, upon the request of the Debtors or
10 Reorganized Debtors, the undersigned will, or cause its Nominee to, execute and deliver to the Debtors or
11 Reorganized Debtors a counterpart or joinder to the Shareholders' Agreement on behalf of such Beneficial
12 Owner.

9 Print or Type Name of Claimant: _____
10 Social Security or Federal Tax I.D. No. of Claimant: _____
11 Signature: _____
12 Name of Signatory (if different than claimant): _____
13 If by Authorized Agent, Title of Agent: _____
14 Street Address: _____
15 City, State, and Zip Code: _____
16 Telephone Number: _____
17 Date Completed: _____

1 **VOTING INSTRUCTIONS FOR COMPLETING THE**
2 **BALLOT FOR HOLDERS OF SECURED NOTE CLAIMS**

- 3 A. This Beneficial Owner Ballot is submitted to you to solicit your vote to accept or reject the Plan. **PLEASE**
4 **READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE**
5 **COMPLETING THIS BENEFICIAL OWNER BALLOT.**
- 6 B. The Plan will be accepted by Classes 3A-3C if it is accepted by the holders of two-thirds in amount and
7 more than one-half in number of Claims in Classes 3A-3C voting on the Plan. If the Plan is confirmed by
8 the Bankruptcy Court, all holders of Claims against and Equity Interests in the Debtors (including those
9 holders who abstain from voting on or reject the Plan, and those holders who are not entitled to vote on the
10 Plan) will be bound by the confirmed Plan and the transactions contemplated thereby.
- 11 C. In order for your Class 3A-3C vote to be counted, this Beneficial Owner Ballot must be properly completed,
12 signed, and returned in the envelope provided. **The Voting Deadline for the receipt by the Balloting**
13 **Agent of all Ballots (including Beneficial Owner Ballots and Master Ballots cast on behalf of**
14 **Beneficial Owners) is no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007, unless such**
15 **time is extended in writing by the Plan Proponents. IF YOU RECEIVED A RETURN ENVELOPE**
16 **ADDRESSED TO YOUR BANK, BROKER, OR OTHER NOMINEE (EACH OF THE**
17 **FOREGOING, A “NOMINEE”), PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE**
18 **TO PROCESS YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT**
19 **TO THE BALLOTING AGENT BEFORE THE VOTING DEADLINE.** The Balloting Agent is BMC
20 Group, Inc. and can be contacted at (888) 909-0100. All Ballots must be timely sent to the Balloting
21 Agent at BMC Group, Inc., Re: Port Townsend Paper Corporation, 720 Third Avenue, 23rd Floor, Seattle,
22 Washington 98104.
- 23 **Ballots will NOT be accepted by telecopy, facsimile, or other electronic means of transmission.**
- 24 D. To properly complete this Ballot, you must follow the procedures described below:
- 25 (i) make sure that the information contained in Item 1 is correct;
 - 26 (ii) if you have a Claim in Classes 3A-3C, cast one vote to accept or reject the Plan by
27 checking the appropriate box in Item 2;
 - 28 (iii) provide the information required by Item 3, if applicable to you;
 - (iv) if you are completing this Beneficial Owner Ballot on behalf of another person or
entity, indicate your relationship with such person or entity and the capacity in which
you are signing and submit satisfactory evidence of your authority to so act (e.g., a
power of attorney or a certified copy of board resolutions authorizing you to so act);
 - (v) if you also hold a Claim in a Class other than Class 3A-3C, you may receive more than
one Ballot, labeled for a different Class of Claims. Your vote will be counted in
determining acceptance or rejection of the Plan by a particular Class of Claims only if
you complete, sign and return the Ballot labeled for that Class of Claims in accordance
with the instructions on that Ballot;

- (vi) if you believe that you have received the wrong Beneficial Owner Ballot, please contact the Balloting Agent immediately;
- (vii) provide your name and mailing address;
- (viii) sign and date your Beneficial Owner Ballot; and
- (ix) return your Beneficial Owner Ballot using the enclosed pre-addressed return envelope.

IF YOU HAVE ANY QUESTIONS REGARDING THE BENEFICIAL OWNER BALLOT, OR IF YOU DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BENEFICIAL OWNER BALLOT, OR IF YOU DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR IF YOU NEED ADDITIONAL COPIES OF THE BENEFICIAL OWNER BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE PLAN PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. at (888) 909-0100. COPIES OF THE PLAN AND DISCLOSURE STATEMENT CAN BE ACCESSED ON THE BALLOTING AGENT'S WEBSITE AT: WWW.BMCGROUP.COM/PTPC. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

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EXHIBIT F

**MASTER BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASSES 3A-3C (SECURED NOTES CLAIMS)**

**MASTER BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASSES 3A-3C (SECURED NOTES CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors.

**MASTER BALLOT FOR CHAPTER 11
PLAN OF REORGANIZATION –
CLASSES 3A-3C (SECURED NOTES
CLAIMS)**

Security Description: **11% Senior Secured Notes due 2011**
CUSIP NUMBERS: 019049329
019049264
019051412
019051498

VOTING DEADLINE: MAY 8, 2007 AT 4:00 P.M. PREVAILING PACIFIC TIME

PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”), are soliciting votes with respect to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), from the holders of certain impaired claims and interests against the Debtors. The United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”) has approved the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”). All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. If you have any questions on how to properly complete this Master Ballot, please call BMC Group, Inc. (the “Balloting Agent”) at (888) 909-0100.

This Master Ballot is to be used by you as a broker, bank, or other nominee; or as the agent of a broker, bank, or other nominee (each of the foregoing, a “Voting Nominee”); or as the proxy holder of a Voting Nominee for beneficial owners (“Beneficial Owners”) of Claims under the 11% Senior Secured Notes due 2011 issued by Port Townsend Paper Corporation (“PTPC”) pursuant to the indenture, dated as of April 13, 2004 among PTPC and the Guarantors and U.S. Bank National Association, as indenture trustee (the “Secured Notes”), which are unconditionally guaranteed, jointly and severally, by PT Holdings Company, Inc., PTPC Packaging Co., Inc. and the Non-Debtor Affiliates (the “Secured Notes Claims”). Secured Notes Claims against each of the Debtors are separately classified in Classes 3A-3C. This Master Ballot is being sent to Voting Nominees to use to cast votes to accept or reject the Plan on behalf of Beneficial Owners of the Secured Notes Claims.

**MASTER BALLOT FOR CHAPTER 11 PLAN OF REORGANIZATION –
CLASSES 3A-3C (SECURED NOTES CLAIMS)**

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 The Plan contains releases, exculpations, and injunctions, including the following release:

2 [E]ach holder of a Secured Notes Claim and the Indenture Trustee shall be
3 deemed to have forever waived, released, and discharged the Non-Debtor
4 Affiliates¹ of any Liens, Claims, claims, causes of action, rights, or liabilities
5 arising from the Guarantees granted to the holders of the Secured Notes
6 Claims under the Indenture as well as any Secured Notes Deficiency Claims.
7 In addition, the Confirmation Order shall authorize the Indenture Trustee to
8 take whatever action may be necessary or appropriate, in its reasonable
9 discretion, to effectuate the foregoing, including, without limitation,
10 providing a release of the Liens. (Section 10.3 of the Plan).

11 PLEASE COMPLETE THE FOLLOWING:

12 **ITEM 1. Certification of Authority to Vote.** The undersigned certifies that as of April 2, 2007
13 (the "Record Date"), the undersigned (please check the appropriate box):

- 14 Is a broker, bank, or other nominee for the Beneficial Owners of the aggregate principal amount of the
15 Secured Notes listed in Item 2 below, and is the registered holder of such securities, or
16 Is acting under a power of attorney and/or agency (a copy of which will be provided upon request)
17 granted by a broker, bank, or other nominee that is the registered holder of the aggregate principal
18 amount of the Secured Notes listed in Item 2 below, or
19 Has been granted a proxy (a copy of which is attached hereto) from a broker, bank, or other nominee, or
20 a Beneficial Owner, that is the registered holder of the aggregate principal amount of the Secured Notes
21 listed in Item 2 below, and accordingly, has full power and authority to vote to accept or reject the Plan,
22 on behalf of Secured Notes Claims held by the Beneficial Owners of the Secured Notes described in
23 Item 2 below.

24
25
26 ¹ The term "Non-Debtor Affiliates" means PTPC Corrugated Company and Crown Properties Packaging, Ltd.

ITEM 2. Vote. The undersigned transmits the following votes of Beneficial Owners in respect of their Secured Notes Claims, and certifies that the following Beneficial Owners of the Secured Notes, as identified by their respective customer account numbers set forth below, are the Beneficial Owners of such securities as of April 2, 2007, the Voting Record Date, and have delivered to the undersigned, as Voting Nominee, their ballots (“Beneficial Owner Ballots”) casting such votes. Indicate in the appropriate column the aggregate principal amount voted for each account, or attach such information to this Master Ballot in the form of the following table. Please note that each Beneficial Owner must vote **all** of each of his, her, or its Secured Notes Claim to accept **or** to reject the Plan and may **not** split such vote.

Your Customer Account Number for Each Beneficial Owner of Voting Secured Notes	Aggregate Principal Amount of Secured Notes Voted to ACCEPT or REJECT Plan*		
	Claim	ACCEPT	REJECT
	Classes 3A – 3C	\$	\$

* In order to vote on the Plan, the Beneficial Owner must have checked a box in Item 2 to ACCEPT or REJECT the Plan with respect to Classes 3A-3C on its individual Beneficial Owner Ballot. By order of the United States Bankruptcy Court for the Western District of Washington at Seattle (the “Bankruptcy Court”), if the Beneficial Owner did not check a box in Item 2 on its individual Beneficial Owner Ballot with respect to Classes 3A-3C, its vote will not be counted for such Class.

ITEM 3. Certification as to Transcription of Information from Item 3 as to Secured Notes Claims Voted Through Other Beneficial Owner Ballots. The undersigned certifies that the undersigned has transcribed in the following table the information, if any, provided by Beneficial Owners in Item 3 of the Beneficial Owner's original Beneficial Owner Ballot, identifying any Secured Notes Claims for which such Beneficial Owners have submitted other Beneficial Owner Ballots other than to the undersigned:

YOUR Customer Account Number for Each Beneficial Owner Who Completed Item 3 of the beneficial Owner Ballots	TRANSCRIBE FROM ITEM 3 OF THE BENEFICIAL OWNER BALLOTS		
	Account Number	Name of Owner	Amount of Secured Notes Claims Voted
1.			\$
2.			\$
3.			\$
4.			\$
5.			\$
6.			\$
7.			\$
8.			\$
9.			\$
10.			\$

ITEM 4. Certification and Acknowledgement. By signing this Master Ballot, the undersigned certifies that each Beneficial Owner of the Secured Notes listed in Item 2 above has been provided with a copy of the Disclosure Statement, including the exhibits thereto, and acknowledges that the solicitation of votes for the Plan is subject to all of the terms and conditions set forth in the Disclosure Statement.

By signing this Master Ballot, the undersigned further acknowledges on behalf of itself and such Beneficial Owners that the New Common Stock to be issued pursuant to the Plan to or for the account of Beneficial Owners will be subject to a Shareholders' Agreement the terms of which will be disclosed no later than ten (10) days prior to the Confirmation Hearing, and that the Shareholders' Agreement will, among other things, (i) impose restrictions with regard to the sale or transfer of the shares of New Common Stock that will be issued in connection with the Plan, and (ii) govern matters pertaining to access to information with regard to the Reorganized Debtors. As instructed by such Beneficial Owners, upon the request of the Debtors or Reorganized Debtors, the undersigned will execute and deliver to the Debtors or Reorganized Debtors a counterpart or joinder to the Shareholders' Agreement on behalf of such Beneficial Owners.

Name of Voting Nominee:	
<u>(PRINT OR TYPE)</u>	
Participant Number:	
Name of Proxy Holder or Agent for Voting Nominee (if applicable):	
<u>(PRINT OR TYPE)</u>	
Social Security or Federal Tax I.D. No.:	
Signature:	
By:	
<u>(IF APPROPRIATE)</u>	
Title:	
<u>(IF APPROPRIATE)</u>	
Street Address:	
City, State, Zip Code:	
Telephone Number:	()
	(Including Area Code)
Date Completed:	

1 **INSTRUCTIONS FOR COMPLETING THE MASTER BALLOT**

2 **VOTING DEADLINE/BALLOTING AGENT:**

3 **The Voting Deadline is 4:00 p.m. (prevailing Pacific Time) on May 8, 2007, unless extended by the**
4 **Plan Proponents in writing.** To have the vote of the Beneficial Owner(s) for whom you act as Voting
5 Nominee count, you must complete, sign, and return the Master Ballot so that it is actually received by the
6 Balloting Agent, before the Voting Deadline. The Balloting Agent is BMC Group, Inc. and can be contacted by
7 telephone at (888) 909-0100. All Ballots must be timely sent to the Balloting Agent at BMC Group, Inc., Re:
8 Port Townsend Paper Corporation, 720 Third Avenue, 23rd Floor, Seattle, Washington 98104.

9 The Master Ballot will not be accepted by telecopy, facsimile, or other electronic means of transmission.

10 **HOW TO VOTE:**

11 If you are both the registered owner and the Beneficial Owner of any principal amount of the Secured
12 Notes and you wish to vote any Secured Notes Claims held on account thereof, you may complete, execute, and
13 return to the Balloting Agent either an individual Beneficial Owner Ballot or a Master Ballot.

14 **If you are transmitting the votes of any Beneficial Owners of Secured Notes Claims other than**
15 **yourself, you may either:**

- 16 A. "Prevalidate" the individual Beneficial Owner Ballot contained in the materials sent out in
17 connection with the voting and solicitation of the Plan (collectively, the "Solicitation Package")
18 and then forward the Solicitation Package to the Beneficial Owner of the Secured Notes Claims
19 for voting within five (5) days after the receipt by such Voting Nominee of the Solicitation
20 Package, with the Beneficial Owner then returning the individual Beneficial Owner Ballot
21 directly to the Balloting Agent in the return envelope to be provided in the Solicitation Package.
22 A Voting Nominee "prevalidates" a Beneficial Owner Ballot by indicating thereon the record
23 holder of the Secured Notes Claims voted, the amount of the Secured Notes held by the
24 Beneficial Owner, and the appropriate account numbers through which the Beneficial Owner's
25 holdings are derived. The Beneficial Owner shall return the "prevalidated" Beneficial Owner
26 Ballot to the Balloting Agent;

27 OR

- 28 B. Within three (3) days after receipt of the Solicitation Package by the Voting Nominee, forward
the Solicitation Package to the Beneficial Owner of the Secured Notes Claims for voting
together with a return envelope provided by and addressed to the Voting Nominee, with the
Beneficial Owner then returning the individual Beneficial Owner Ballot to the Voting Nominee.
In such case, the Voting Nominee will tabulate the votes of its respective Beneficial Owners on
a Master Ballot that will be provided to the Voting Nominee separately by the Balloting Agent,
in accordance with any instructions set forth in the instructions to the Master Ballot, and then
return the Master Ballot to the Balloting Agent. The Voting Nominee should advise the
Beneficial Owners to return their individual Beneficial Owner Ballots to the Voting Nominee
by a date calculated by the Voting Nominee to allow it to prepare and return the Master Ballot
to the Balloting Agent so that the Master Ballot is **ACTUALLY RECEIVED** by the Balloting
Agent by the Voting Deadline.

1 With respect to all Beneficial Owner Ballots returned to you, you must properly complete the Master
2 Ballot as follows:

- 3 a. Check the appropriate box in Item 1 on the Master Ballot;
- 4 b. Indicate the votes to accept or reject the Plan in Item 2 of the Master Ballot, as
5 transmitted to you by the Beneficial Owners of the Secured Notes Claims. To identify
6 such Beneficial Owners without disclosing their names, please use the customer
7 account number assigned by you to each such Beneficial Owner, or if no such customer
8 account number exists, please assign a number to each account (making sure to retain a
9 separate list of each Beneficial Owner and the assigned number). **IMPORTANT:**
10 **EACH BENEFICIAL OWNER MUST VOTE ALL OF HIS, HER, OR ITS**
11 **SECURED NOTES CLAIMS EITHER TO ACCEPT OR REJECT THE PLAN,**
12 **AND MAY NOT SPLIT SUCH VOTE. IF ANY BENEFICIAL OWNER HAS**
13 **ATTEMPTED TO SPLIT SUCH VOTE, PLEASE CONTACT THE**
14 **BALLOTING AGENT IMMEDIATELY.** By order of the Bankruptcy Court, any
15 Beneficial Owner Ballot that is signed, dated, and timely received, but does not indicate
16 acceptance or rejection of the Plan will not be counted;
- 17 c. Please note that Item 3 of the Master Ballot requests that you transcribe the information
18 provided by each Beneficial Owner in Item 3 of each completed Beneficial Owner
19 Ballot relating to other Secured Notes Claims voted;
- 20 d. Review the certification in Item 4 of the Master Ballot;
- 21 e. Sign and date the Master Ballot, and provide the remaining information requested;
- 22 f. If additional space is required to respond to any item on the Master Ballot, please use
23 additional sheets of paper clearly marked to indicate the applicable Item of the Master
24 Ballot to which you are responding;
- 25 g. Contact the Balloting Agent if you need any additional information; and
- 26 h. Deliver the completed, executed Master Ballot so as to be received by the Balloting
27 Agent before the Voting Deadline. For each completed, executed Beneficial Owner
28 Ballot returned to you by a Beneficial Owner, either forward such Beneficial Owner
Ballot (along with your Master Ballot) to the Balloting Agent or retain such Beneficial
Owner Ballot in your files for one year from the Voting Deadline.

PLEASE NOTE:

22 **The Master Ballot is *not* a letter of transmittal and may *not* be used for any purpose other than to**
23 **cast votes to accept or reject the Plan.** Holders should not surrender, at this time, certificates representing
24 their securities. Neither the Plan Proponents nor the Balloting Agent will accept delivery of any such
certificates surrendered together with the Master Ballot.

25 No Beneficial Owner Ballot nor Master Ballot shall constitute or be deemed a proof of claim or equity
26 interest or an assertion of a claim or equity interest.

1 No fees, commissions, or other remuneration will be payable to any Voting Nominee for soliciting votes
2 on the plan. We will, however, reimburse you for reasonable, documented, actual out of pocket expenses
3 incurred by you in forwarding the Beneficial Owner Ballots and other enclosed materials to the Beneficial
4 Owners of the Secured Notes held by you as a Voting Nominee or in a fiduciary capacity and in tabulating the
5 Beneficial Owner Ballots.

6 **NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER**
7 **YOU OR ANY OTHER PERSON THE AGENT OF THE PLAN PROPONENTS OR THE**
8 **BALLOTING AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY**
9 **DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT**
10 **TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE ENCLOSED**
11 **DOCUMENTS.**

12 IF YOU HAVE ANY QUESTIONS REGARDING THE MASTER BALLOT, OR IF YOU DID NOT
13 RECEIVE A RETURN ENVELOPE WITH YOUR MASTER BALLOT, OR IF YOU DID NOT RECEIVE A
14 COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR IF YOU NEED ADDITIONAL COPIES OF
15 THE MASTER BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE PLAN
16 PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. at (888) 909-0100. COPIES OF THE PLAN
17 AND DISCLOSURE STATEMENT CAN BE ACCESSED ON THE BALLOTING AGENT'S WEBSITE AT:
18 WWW.BMCGROUP.COM/PTPC. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY
19 COURT.
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EXHIBIT G

NOTICE OF NON-VOTING STATUS – UNIMPAIRED CLASSES

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NOTICE OF NON-VOTING STATUS – UNIMPAIRED CLASSES

BUSH STROUT & KORNFIELD
LAW OFFICES
5500 Two Union Square
601 Union Street
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:

PT HOLDINGS COMPANY, INC., et al.,

Debtors.

07-10340 [Lead Case]

Chapter 11

**NOTICE OF NON-VOTING STATUS –
UNIMPAIRED CLASSES¹**

PLEASE TAKE NOTICE THAT on March ___, 2007, the United States Bankruptcy Court for the Western District of Washington at Seattle entered an order (the “Order”) approving the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Disclosure Statement”) filed by PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), jointly with the Informal Committee of Senior Secured Noteholders (the “Informal Committee”, and together with the Debtors, the “Plan Proponents”). The Order also authorizes the Plan Proponents to solicit votes to accept or reject the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the “Plan”), a copy of which is annexed as Exhibit A to the Disclosure Statement.

UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST, OR INTERESTS IN, THE DEBTOR(S) IS/ARE NOT IMPAIRED, AND THEREFORE, PURSUANT TO SECTION 1126(F) OF THE BANKRUPTCY 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 INTERESTS(S), OR YOU WANT TO REQUEST A COPY OF THE PLAN AND DISCLOSURE STATEMENT, YOU SHOULD (I) TELEPHONE THE PLAN PROPONENTS’ BALLOTING AGENT, BMC GROUP, INC. (THE “BALLOTING AGENT”), at (888) 909-0100, ((II) WRITE TO SUCH BALLOTING AGENT AT: BMC GROUP, INC., RE: PORT TOWNSEND PAPER CORPORATION, 720 THIRD AVENUE, 23RD FLOOR, SEATTLE, WASHINGTON 98104, OR (III) VIEW SUCH DOCUMENTS BY ACCESSING THE COURT’S WEBSITE: [HTTP://WWW.WAWB.USCOURTS.GOV](http://www.wawb.uscourts.gov). A PACER PASSWORD AND LOGIN ARE NEEDED TO ACCESS DOCUMENTS ON THE COURT’S WEBSITE. A PACER PASSWORD CAN BE OBTAINED AT [HTTP://WWW.PACER.PSC.USCOURTS.GOV](http://www.pacer.psc.uscourts.gov). COPIES OF THE PLAN AND DISCLOSURE STATEMENT MAY ALSO BE ACCESSED ON THE BALLOTING AGENT’S WEBSITE AT [WWW.BMCGROUP.COM/PTPC](http://www.bmcgroup.com/ptpc).

¹ The Unimpaired Classes are as follows: Class 1 (Other Secured Claims), Class 2 (Priority Claims), Class 5 (Intercompany Claims), Class 6 (Workers’ Compensation Claims), Class 8B (PTPC Interests) and 8C (Packaging Interests).

NOTICE OF NON-VOTING STATUS – UNIMPAIRED CLASSES

BUSH STROUT & KORNFELD
LAW OFFICES

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DATED: _____, 2007
Seattle, Washington

BUSH STROUT & KORNFELD

Gayle E. Bush, Esq.
Katriana L. Samiljan, Esq.
5500 Two Union Square
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Counsel for the Debtors

FOSTER PEPPER PLLC

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Telephone: 206.447.4400

and

AKIN GUMP STRAUSS HAUER & FELD LLP

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Telephone: 212.872.1000

James R. Savin, Esq.
Scott L. Alberino, Esq.
Joanna F. Newdeck, Esq.
1333 New Hampshire Avenue, N.W.
Washington D.C. 20036
Telephone: 202.887.4000

Counsel for the Informal Committee of Senior Secured
Noteholders

EXHIBIT H

NOTICE OF NON-VOTING STATUS – IMPAIRED CLASS

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NOTICE OF NON-VOTING STATUS – IMPAIRED CLASS

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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors. **NOTICE OF NON-VOTING STATUS –
IMPAIRED CLASS¹**

PLEASE TAKE NOTICE THAT on March ___, 2007, the United States Bankruptcy Court for the Western District of Washington at Seattle entered an order (the "Order") approving the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the "Disclosure Statement") filed by PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), jointly with the Informal Committee of Senior Secured Noteholders (the "Informal Committee", and together with the Debtors, the "Plan Proponents"). The Order also authorizes the Plan Proponents to solicit votes to accept or reject the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, 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 THE DEBTOR(S). THEREFORE, PURSUANT TO SECTION 1126(G) OF THE BANKRUPTCY 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 CLAIM(S), OR YOU WANT TO REQUEST A COPY OF THE PLAN AND DISCLOSURE STATEMENT, YOU SHOULD (I) TELEPHONE THE PLAN PROPONENTS' BALLOTING AGENT, BMC GROUP, INC. (THE "BALLOTING AGENT"), at (888) 909-0100, (II) WRITE TO SUCH BALLOTING AGENT AT: BMC GROUP, INC., RE: PORT TOWNSEND PAPER CORPORATION, 720 THIRD AVENUE, 23RD FLOOR, SEATTLE, WASHINGTON 98104, OR (III) VIEW SUCH DOCUMENTS BY ACCESSING THE COURT'S WEBSITE: [HTTP://WWW.WAWB.USCOURTS.GOV](http://www.wawb.uscourts.gov). A PACER PASSWORD AND LOGIN ARE NEEDED TO ACCESS DOCUMENTS ON THE COURT'S WEBSITE. A PACER PASSWORD CAN BE OBTAINED AT [HTTP://WWW.PACER.PSC.USCOURTS.GOV](http://www.pacer.psc.uscourts.gov). COPIES OF THE PLAN AND DISCLOSURE STATEMENT MAY ALSO BE ACCESSED ON THE BALLOTING AGENT'S WEBSITE AT [WWW.BMCGROUP.COM/PTPC](http://www.bmcgroup.com/ptpc).

¹ The Impaired Class is Class 7 (Subordinated Claims).

NOTICE OF NON-VOTING STATUS – IMPAIRED CLASS

BUSH STROUT & KORNFIELD
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Telephone (206) 292-2110
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1 DATED: _____, 2007
2 Seattle, Washington
3

4 **BUSH STROUT & KORNFELD**

5 Gayle E. Bush, Esq.
6 Katriana L. Samiljan, Esq.
7 5500 Two Union Square
8 601 Union Street
9 Seattle, Washington 98101-2373
10 Telephone: 206.292.2110
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12 Counsel for the Debtors
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4 **FOSTER PEPPER PLLC**

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10 and
11

12 **AKIN GUMP STRAUSS HAUER & FELD LLP**

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18 James R. Savin, Esq.
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22 Washington D.C. 20036
23 Telephone: 202.887.4000
24

25 Counsel for the Informal Committee of Senior Secured
26 Noteholders
27

EXHIBIT I

CONFIRMATION HEARING NOTICE

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NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF RECORD DATES, (III) HEARING ON CONFIRMATION OF THE PLAN AND PROCEDURES FOR OBJECTION TO CONFIRMATION OF THE PLAN, AND (IV) PROCEDURES AND DEADLINE FOR VOTING ON THE PLAN

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HEARING DATE: MAY 15, 2007
HEARING TIME: _____M. (PACIFIC TIME)
LOCATION: COURTROOM 8206
RESPONSE DUE: MAY 8, 2007, 4:00 P.M. (PACIFIC TIME)

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors.

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF RECORD DATES, (III) HEARING ON CONFIRMATION OF THE PLAN AND PROCEDURES FOR OBJECTION TO CONFIRMATION OF THE PLAN, AND (IV) PROCEDURES AND DEADLINE FOR VOTING ON THE PLAN

PLEASE TAKE NOTICE that:

A. Approval of Disclosure Statement. On March _____, 2007, the United States Bankruptcy Court for the Western District of Washington at Seattle (the "Court") entered an order (the "Disclosure Statement Order") approving the Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the "Disclosure Statement") filed by PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), jointly with the Informal Committee of Senior Secured Noteholders (the "Informal Committee", and together with the Debtors, the "Plan Proponents"). The Disclosure Statement Order also authorizes the Plan Proponents to solicit votes with respect to the acceptance or rejection of the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time, the "Plan"), a copy of which is annexed as Exhibit A to the Disclosure Statement. Any capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

B. Confirmation Hearing. A hearing (the "Confirmation Hearing") to consider confirmation of the Plan will be held at _____m. (prevailing Pacific Time) on May 15, 2007, before the Honorable Samuel J. Steiner, United States Bankruptcy Judge, in Room 8206 of the United States Bankruptcy Court for the Western District of Washington at Seattle, 700 Stewart Street, #6301, Seattle, WA 98101. The Confirmation Hearing may be adjourned or continued from time to time without further notice other than the announcement by the Plan Proponents of the adjourned date(s) at the Confirmation Hearing or any continued hearing or as indicated in any notice of agenda of matters scheduled for hearing filed by the Plan Proponents with the Court. The Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing.

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF RECORD DATES, (III) HEARING ON CONFIRMATION OF THE PLAN AND PROCEDURES FOR OBJECTION TO CONFIRMATION OF THE PLAN, AND (IV) PROCEDURES AND DEADLINE FOR VOTING ON THE PLAN

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1 **C. Record Date for Voting Purposes.** Pursuant to the Disclosure Statement Order, April 2, 2007
2 (the "Record Date") shall be the record date for determining the holders of Claims and Interests entitled to vote
3 to accept or reject the Plan.

4 **D. Voting Deadline.** All votes to accept or reject the Plan must be received by the Plan
5 Proponents' balloting agent, BMC Group, Inc. (the "Balloting Agent"), by no later than 4:00 p.m. (prevailing
6 Pacific Time) on May 8, 2007. Any failure to follow the voting instructions included with your Ballot may
7 disqualify your Ballot and your vote.

8 **E. Parties in Interest Not Entitled to Vote.** Holders of unimpaired claims or interests and
9 holders of claims or interests in a class that is not entitled to receive any distribution under the Plan are not
10 entitled to vote on the Plan.

11 **F. Objections to Confirmation.** Any party in interest objecting to the Plan shall file objections on
12 or before May 8, 2007 at 4:00 p.m. (prevailing Pacific Time). Any objection to confirmation must: (i) be in
13 writing; (ii) state the name and address of the objecting party and the nature of the claim or interest of such
14 party; (iii) state with particularity the basis and nature of any objection or proposed modification to the Plan; (iv)
15 be filed with the Court; and (v) be served on (i) Bush Strout & Kornfeld, counsel for the Debtors, 601 Union
16 Street, Seattle, WA, 98101-2373 (Attn: Gayle E. Bush, Esq.); (ii) (a) Akin Gump Strauss Hauer & Feld LLP,
17 counsel for the Informal Committee, 1333 New Hampshire Avenue, N.W., Washington DC 20036 (Attn: James
18 R. Savin, Esq.) and (b) Foster Pepper PLLC, counsel for the Informal Committee, 1111 3rd Avenue, Suite 3400,
19 Seattle, WA 98101 (Attn: Jack Cullen, Esq.); (iii) Graham & Dunn PC, counsel for the Creditors' Committee,
20 Pier 70, 2801 Alaskan Way, Suite 300, Seattle, WA 98121 (Attn: Mark D. Northrup, Esq.); (iv) Lane Powell
21 PC, counsel for the DIP Lender, 1420 Fifth Avenue, Suite 4100, Seattle, WA 98101 (Attn: Charles R. Ekberg,
22 Esq.); (v) BuchalterNemer, a Professional Law Corporation, counsel for the DIP Lender, 1000 Wilshire
23 Boulevard, Suite 1500, Los Angeles, CA 90017 (Attn: Randye Soref, Esq.); and (vi) the Office of the U.S.
24 Trustee, 700 Stewart Street, Suite 5103, Seattle, WA 98101 (Attn: Martin L. Smith). **IF ANY OBJECTION
25 TO CONFIRMATION OF THE PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED
26 HEREIN, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO CONFIRMATION
27 OF THE PLAN AND MAY NOT BE HEARD AT THE HEARING.** The Debtors and the Informal
28 Committee may serve replies to such responses or objections by May 11, 2007.

1 **G. Temporary Allowance Motion Deadline.** Pursuant to Federal Rule of Bankruptcy Procedure
2 3018(a), and except as otherwise noted in the Disclosure Statement Order, April 26, 2007 at 4:00 p.m.
3 (prevailing Pacific Time) (the "Temporary Allowance Motion Deadline") is fixed as the last date and time for
4 filing and serving motions pursuant to Fed. R. Bankr. P. 3018(a) ("Temporary Allowance Motions") seeking
5 temporary allowance of claims for the purpose of voting to accept or reject the Plan. Temporary Allowance
6 Motions must be filed and served so that they are RECEIVED no later than the Temporary Allowance Motion
7 Deadline. Temporary Allowance Motions that are not timely filed and served shall not be considered and the
8 claims referred to therein shall not be counted in determining whether any Plan has been accepted or rejected.
9 The Court will conduct a hearing beginning on May 3, 2007 at _____ .m. (prevailing Pacific Time) (the
10 "Temporary Allowance Motion Hearing Date") to consider all temporary allowance motions.

11 **H. Releases, Exculpations, and Injunctive Relief.** The Disclosure Statement describes, and the
12 Plan includes, the following releases, exculpations, and injunctive relief:

- 13 • *Each holder of a Secured Notes Claim and the Indenture Trustee shall be deemed to have
14 forever waived, released, and discharged the Non-Debtor Affiliates of any Liens, Claims,
15 claims, causes of action, rights, or liabilities arising from the Guarantees granted to the*

1 holders of the Secured Notes Claims under the Indenture as well as any Secured Notes
2 Deficiency Claims. In addition, the Confirmation Order shall authorize the Indenture
3 Trustee to take whatever action may be necessary or appropriate, in its reasonable discretion,
4 to effectuate the foregoing, including, without limitation, providing a release of the Liens.
(Section 10.3 of the Plan).

- 5 • On the Effective Date, and to the greatest extent permissible by law, (i) the Debtors and
6 Reorganized Debtors, on behalf of themselves and their estates, (ii) all of the Debtors'
7 respective officers, directors, employees, legal and financial advisors, and other
8 representatives of the Debtors who served in such capacity on or subsequent to the Filing
9 Date, in their capacity as such, (iii) all shareholders of the Debtors as of the Filing Date,
10 including, without limitation, Northwest Capital, in its capacity as such and (iv) the members
11 of the Informal Committee including their legal and financial advisors, in their capacity as
12 such (collectively clauses (i) through (iv) being the "Released Parties", and each a "Released
13 Party"), shall be deemed to and hereby unconditionally and irrevocably release each other
14 from any and all claims or Causes of Action, known or unknown, relating to any pre-Filing
15 Date acts or omissions, except that no Released Party shall be released from any act or
16 omission that constitutes willful misconduct or fraud. (Section 10.4 of the Plan).
- 17 • The Debtors, the Reorganized Debtors, the Non-Debtor Affiliates, Northwest Capital, in its
18 capacity as a shareholder of PT Holdings, the Informal Committee, the members of the
19 Informal Committee in their capacities as such, the Indenture Trustee, in its capacity as such,
20 and the DIP Lenders, and any of such parties' respective current and/or post-Filing Date and
21 pre-Effective Date members, officers, directors, employees, advisors, attorneys,
22 representatives, financial advisors, investment bankers, or agents and any of such parties'
23 successors and assigns, shall not have or incur, and are hereby released from, any claim,
24 obligation, cause of action, or liability to one another or to any Holder of any Claim or
25 Interest, or any other party-in-interest, or any of their respective agents, employees,
26 representatives, financial advisors, attorneys, or Affiliates, or any of their successors or
27 assigns, for any act or omission in connection with, relating to, or arising out of the
28 Bankruptcy Cases, the negotiation and filing of the Plan, the filing of the Bankruptcy Cases,
the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration
of the Plan or the property to be distributed under the Plan, except for their willful
misconduct or fraud, and in all respects shall be entitled to reasonably rely upon the advice of
counsel with respect to their duties and responsibilities under the Plan. (Section 10.6 of the
Plan).
- Except as otherwise expressly provided in the Plan or in the Confirmation Order, all Persons
or entities who have held, hold, or may hold Claims against or Interests in the Debtors are
permanently enjoined, from and after the Effective Date, from: (i) commencing or continuing
in any manner any action or other proceeding of any kind on any such Claim or Interest
against any of the Reorganized Debtors or the Non-Debtor Affiliates on account of such
Claims or Interests; (ii) the enforcement, attachment, collection, or recovery by any manner
or means of any judgment, award, decree, or order against any Reorganized Debtor or Non-
Debtor Affiliate with respect to such Claim or Interest; (iii) creating, perfecting, or enforcing
any encumbrance of any kind against any Reorganized Debtor or Non-Debtor Affiliate or
against the property or interests in property of any Reorganized Debtor or Non-Debtor
Affiliate with respect to such Claim or Interest; (iv) asserting any right of setoff, subrogation,
or recoupment of any kind against any obligation owed to any Reorganized Debtor or Non-

1 *Debtor Affiliate or against the property or interest in property of any Reorganized Debtor or*
2 *Non-Debtor Affiliate with respect to such Claim or Interest; and (v) pursuing any claim*
3 *released pursuant to this section 11 of the Plan. (Section 10.7 of the Plan).*

4 **I. Additional Information.** Any party in interest wishing to obtain information about the
5 solicitation procedures or copies of the Disclosure Statement or the Plan should (i) telephone the Balloting
6 Agent at (888) 909-0100, (ii) write to the Balloting Agent at BMC Group, Inc., Re: Port Townsend Paper
7 Corporation, 720 Third Avenue, 23rd Floor, Seattle, Washington 98104, or (iii) view such documents by
8 accessing the Court's website: <http://www.wawb.uscourts.gov>. A PACER password and login are needed to
9 access documents on the Court's website. A PACER password can be obtained at
10 <http://www.pacer.psc.uscourts.gov>. Copies of the Plan and Disclosure Statement may also be accessed on the
11 Balloting Agent's website at www.bmcgroup.com/ptpc.

12 **J. Names of Debtors.** The names of each Debtor and their respective case numbers are as
13 follows:

14 PT Holdings Company, Inc.	07-10340 (SJS)
15 PT Packaging Co., Inc.	07-10341 (SJS)
16 Port Townsend Paper Corporation	07-10342 (SJS)

17 DATED: _____, 2007
18 Seattle, Washington

19 **BUSH STROUT & KORNFELD**
20 Gayle E. Bush, Esq.
21 Katriana L. Samiljan, Esq.
22 5500 Two Union Square
23 601 Union Street
24 Seattle, Washington 98101-2373
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26 Counsel for the Debtors

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James R. Savin, Esq.
Scott L. Alberino, Esq.
Joanna F. Newdeck, Esq.
1333 New Hampshire Avenue, N.W.
Washington D.C. 20036
Telephone: 202.887.4000

Counsel for the Informal Committee of Senior Secured
Noteholders

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re: 07-10340 [Lead Case]
PT HOLDINGS COMPANY, INC., et al., Chapter 11
Debtors.

ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING THE RECORD DATE; (III) APPROVING THE NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN OF REORGANIZATION; (IV) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (V) APPROVING THE FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN OF REORGANIZATION; AND (VI) APPROVING THE FORMS OF NOTICES TO NON-VOTING CLASSES UNDER THE PLAN OF REORGANIZATION

Upon the Motion dated March 14, 2007 (the "Motion") of PT Holdings Company, Inc., Port Townsend Paper Corporation, and PTPC Packaging Co., Inc., debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors") and the Informal Committee of Senior Secured Noteholders (the "Informal Committee", and together with the Debtors, the "Plan Proponents"), pursuant to sections 1125, 1126, and 1128 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 3016, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 3017-1 and 3020-1 of the Local Bankruptcy Rules for the United

ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING THE RECORD DATE; (III) APPROVING THE NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN OF REORGANIZATION; (IV) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (V) APPROVING THE FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN OF REORGANIZATION; AND (VI) APPROVING THE FORMS OF NOTICES TO NON-VOTING CLASSES UNDER THE PLAN OF REORGANIZATION

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1 States Bankruptcy Court for the Western District of Washington at Seattle (the “Local Rules”), seeking
2 entry of an order: (i) approving the Disclosure Statement for Plan of Reorganization Under Chapter 11
3 of the Bankruptcy Code Jointly Proposed by the Debtors and the Informal Committee of Senior
4 Secured Noteholders, dated February 28, 2007 (as it may be modified or amended from time to time,
5 the “Disclosure Statement”); (ii) fixing the record date for purposes of voting on the Plan of
6 Reorganization Under Chapter 11 of the Bankruptcy Code Jointly Proposed by the Debtors and the
7 Informal Committee of Senior Secured Noteholders, dated February 28, 2007 (as it may be modified or
8 amended from time to time, the “Plan”); (iii) approving the notice of the hearing and objection
9 procedures in respect of confirmation of the Plan, and setting the date for the hearing on confirmation
10 of the Plan; (iv) approving the solicitation packages (the “Solicitation Packages”) and procedures for
11 distribution thereof; (v) approving the forms of ballots and establishing procedures for voting on the
12 Plan; and (vi) approving the forms of the notices to non-voting classes under the Plan, all as more fully
13 set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief
14 requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and
15 the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being
16 proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the
17 Motion having been provided to (i) counsel for The CIT Group/Business Credit, Inc. (the “DIP
18 Lender”); (ii) U.S. Bank National Association (the “Indenture Trustee”); (iii) counsel for the Indenture
19 Trustee; (iv) the Office of the United States Trustee; (v) the United States Attorney’s Office; (vi) the
20 Attorney General for the State of Washington; (vii) counsel for the Official Committee of Unsecured
21 Creditors (the “Creditors’ Committee”); and (viii) holders of claims or interests who filed with the
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26 **ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING**
27 **THE RECORD DATE; (III) APPROVING THE NOTICE AND**
28 **OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF**
THE PLAN OF REORGANIZATION; (IV) APPROVING SOLICITATION
PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (V)
APPROVING THE FORMS OF BALLOTS AND ESTABLISHING
PROCEDURES FOR VOTING ON THE PLAN OF REORGANIZATION;
AND (VI) APPROVING THE FORMS OF NOTICES TO NON-VOTING
CLASSES UNDER THE PLAN OF REORGANIZATION

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1 Court and served a copy on counsel for the Debtors a request for special notice ((i) through (viii) above
2 being collectively referred to as the “Noticed Parties”); and it appearing that no other or further notice
3 need be provided; and a hearing having been held before the Court with respect to the Motion on
4 March 29, 2007 (the “Hearing”); and the Plan Proponents having filed the Disclosure Statement on
5 February 28, 2007; and the Court having determined that the legal and factual bases set forth in the
6 Motion establish cause for the relief granted herein; and upon the record at the Hearing and all of the
7 proceedings had before the Court; and after due deliberation and sufficient cause appearing, therefore,
8

9 IT IS HEREBY FOUND THAT:

10 A. The Disclosure Statement contains adequate information within the meaning of section
11 1125 of the Bankruptcy Code.

12 B. The Notice of the Hearing on Approval of Disclosure Statement, dated March 2, 2007
13 (the “Disclosure Statement Notice”), and the deadline for filing objections to the Disclosure Statement
14 was provided to the Noticed Parties, and such notice constitutes good and sufficient notice to all
15 interested parties.
16

17 C. The form and manner of notice of the time set for filing objections to, and the time,
18 date, and place of, the Hearing to consider the approval of the Disclosure Statement was adequate and
19 comports with due process.
20

21 D. The forms of the ballots (the “Ballots”), substantially in the forms annexed hereto as
22 Exhibits A, B, C, D and E and the master ballot (the “Master Ballot”), substantially in the form
23 annexed hereto as Exhibit F, are sufficiently consistent with Official Form No. 14 and adequately
24

1 address the particular needs of these chapter 11 cases and are appropriate for each class of claims or
2 interests entitled to vote to accept or reject the Plan.

3 E. Holders of claims or interests in Class 1 (Other Secured Claims), Class 2 (Priority
4 Claims), Class 5 (Intercompany Claims), Class 6 (Workers' Compensation Claims), Class 8B (PTPC
5 Interests), and Class 8C (Packaging Interests) under the Plan (collectively, the "Unimpaired Classes")
6 are unimpaired and, thus, are conclusively presumed to accept the Plan. Accordingly, holders of claims
7 in the Unimpaired Classes will not be provided with a Ballot.
8

9 F. Holders of claims in Class 7 (Subordinated Claims) (the "Non-Voting Impaired Class")
10 will not receive or retain any property under the Plan and, thus, are deemed to reject the Plan.
11 Accordingly, holders of claims in the Non-Voting Impaired Class shall not be provided with a Ballot.
12

13 G. The "Notice of Non-Voting Status – Unimpaired Classes" and the "Notice of Non-
14 Voting Status – Impaired Class", substantially in the form annexed hereto as Exhibit G and Exhibit H
15 respectively (collectively, the "Non-Voting Notices"), each satisfy the requirements of the Bankruptcy
16 Code and the Bankruptcy Rules.

17 H. The period, set forth below, during which the Plan Proponents may solicit acceptances
18 to the Plan is a reasonable period of time for entities entitled to vote on the Plan to make an informed
19 decision whether to accept or reject the Plan.
20

21 I. The procedures for the solicitation and tabulation of votes to accept or reject the Plan
22 (as set forth below) provide for a fair and equitable voting process and are consistent with section 1126
23 of the Bankruptcy Code.
24

1 J. The procedures set forth below regarding notice to all parties in interest of the time,
2 date, and place of the hearing to consider confirmation of the Plan (the “Confirmation Hearing”) and
3 the distribution and contents of the Solicitation Packages comply with Bankruptcy Rules 2002 and
4 3017 and constitute sufficient notice to all interested parties.
5

6 NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:
7

8 1. The Motion is GRANTED in all respects.

9 2. The Disclosure Statement is APPROVED in all respects.

10 3. All objections to the Disclosure Statement that have not been otherwise resolved are
11 hereby overruled.

12 4. Capitalized terms used but not defined in this Order shall have the meaning ascribed to
13 them in the Motion.

14 5. The forms of Ballots and the Master Ballot are APPROVED.

15 6. The record date for determining which holders of Claims or Interests are entitled to vote
16 to accept or reject the Plan and receive distributions pursuant to the Plan is **April 2, 2007 at 4:00 p.m.**
17 **(prevailing Pacific Time)** (the “Record Date”). The Record Date will also be used to determine which
18 creditors and interest holders in non-voting classes are entitled to receive a Non-Voting Notice.
19

20 7. The Plan Proponents shall file all exhibits to the Plan (the “Plan Supplement”) that are
21 not otherwise attached to the Plan or the Disclosure Statement, as filed with the Court, no later than ten
22 (10) days prior to the date set for the Confirmation Hearing, *provided, however*, that the Plan
23 Proponents shall file Schedule 5.1 with the Bankruptcy Court and serve Schedule 5.1 on the non-
24

1 Debtor parties under the agreements no later than fifteen (15) days prior to the last date for filing
2 objections to confirmation of the Plan.

3 8. The Confirmation Hearing will be held at _____ .m. (prevailing Pacific Time) on
4 May 15, 2007; *provided, however*, that the Confirmation Hearing may be adjourned or continued from
5 time to time by the Court or the Plan Proponents without further notice other than adjournments
6 announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed
7 by the Plan Proponents with the Court.

9 9. The notice (the "Confirmation Hearing Notice") of (i) the time fixed for filing
10 objections to confirmation of the Plan (the "Plan Objection Deadline") and (ii) the time, date, and place
11 of the Confirmation Hearing, substantially in the form annexed hereto as Exhibit I is APPROVED.

12 10. The Plan Proponents shall publish the Confirmation Hearing Notice, on one occasion, at
13 least twenty-five (25) days prior to the Plan Objection Deadline, in (i) the Seattle Times or the Seattle
14 Post-Intelligencer, (ii) the Puget Sound Business Journal, and (iii) Port Townsend & Jefferson County
15 Leader, which notice is APPROVED and deemed adequate and sufficient notice of the Confirmation
16 Hearing in accordance with Bankruptcy Rule 2002(1).

18 11. Any objections to confirmation of the Plan must (i) be in writing, (ii) state the name and
19 address of the objecting party and the nature of the claim or interest of such party, (iii) state with
20 particularity the basis and nature of any objection, and (iv) be filed, together with proof of service, with
21 the Court, and be served so as to be actually filed and received no later than **4:00 p.m. (prevailing**
22 **Pacific Time) on May 8, 2007** by (i) Bush Strout & Kornfeld, counsel for the Debtors, 601 Union
23 Street, Seattle, WA, 98101-2373 (Attn: Gayle E. Bush, Esq.); (ii) (a) Akin Gump Strauss Hauer & Feld
24

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**ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING
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APPROVING THE FORMS OF BALLOTS AND ESTABLISHING
PROCEDURES FOR VOTING ON THE PLAN OF REORGANIZATION;
AND (VI) APPROVING THE FORMS OF NOTICES TO NON-VOTING
CLASSES UNDER THE PLAN OF REORGANIZATION**

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1 LLP, counsel for the Informal Committee, 1333 New Hampshire Avenue, N.W., Washington DC 20036
2 (Attn: James R. Savin, Esq.) and (b) Foster Pepper PLLC, counsel for the Informal Committee, 1111
3 3rd Avenue, Suite 3400, Seattle, WA 98101 (Attn: Jack Cullen, Esq.); (iii) Graham & Dunn PC,
4 counsel for the Creditors' Committee, Pier 70, 2801 Alaskan Way, Suite 300, Seattle, WA 98121 (Attn:
5 Mark D. Northrup, Esq.); (iv) Lane Powell PC, counsel for the DIP Lender, 1420 Fifth Avenue, Suite
6 4100, Seattle, WA 98101 (Attn: Charles R. Ekberg, Esq.); (v) BuchalterNemer, a Professional Law
7 Corporation, counsel for the DIP Lender, 1000 Wilshire Boulevard, Suite 1500, Los Angeles, CA
8 90017 (Attn: Randye Soref, Esq.); and (vi) the Office of the U.S. Trustee, 700 Stewart Street, Suite
9 5103, Seattle, WA 98101 (Attn: Martin L. Smith). Objections to confirmation of the Plan that are not
10 timely filed, served, and actually received in the manner set forth above shall not be considered and
11 shall be deemed overruled.
12

13
14 12. The Plan Proponents are authorized to file replies or responses to any objections by
15 May 11, 2007.

16 13. The Plan Proponents shall complete the mailing of the Solicitation Packages on or
17 before April 6, 2007 (the "Solicitation Date").

18 14. The Solicitation Packages distributed to creditors in Classes 3A-3C (Secured Notes
19 Claims), Class 4A-4C (General Unsecured Claims), and Class 8A (PT Holdings Interests) (collectively,
20 the "Voting Classes") shall contain a copy of (i) this Order (excluding the exhibits annexed hereto), (ii)
21 the Confirmation Hearing Notice, (iii) the appropriate Ballot(s) (with instructions), together with a
22 return envelope, (iv) the Disclosure Statement (together with the Plan annexed thereto), and (v) such
23 other materials as the Court may direct.
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1 Proponents shall send Solicitation Packages and Ballots to the nominees and registered holders (as of
2 the Record Date) of the Voting Securities, including, without limitation, brokers, banks, dealers, or
3 other agents or nominees (collectively, the “Voting Nominees”), and the Voting Nominee shall be
4 entitled to receive reasonably sufficient copies of Solicitation Packages and Ballots to distribute to the
5 beneficial owners of the Voting Securities, and the Debtors shall reimburse the Voting Nominee for its
6 reasonable and customary out of pocket expenses associated with the distribution of copies of
7 Solicitation Packages and Ballots for distribution to the beneficial owners of such claims and
8 tabulation of the Ballots.
9

10 19. Any Voting Nominee shall (i) forward the Solicitation Packages and appropriate Ballots
11 to each beneficial owner of the Voting Securities within three (3) days of the receipt by such Voting
12 Nominee of the Solicitation Packages and Ballots, and include a return envelope provided by and
13 addressed to the Voting Nominee, so that the beneficial owner may return the completed Ballot to the
14 Voting Nominee, (ii) summarize on the Master Ballot the individual votes of its respective beneficial
15 owners from the returned individual Ballots received by the Voting Nominee, and (iii) return the
16 Master Ballot to the Balloting Agent by the Voting Deadline.
17

18 20. The Voting Nominee shall complete the Master Ballot according to the instructions set
19 forth in the Master Ballot. The Voting Nominee shall advise the beneficial owners to return their
20 individual Ballots to the Voting Nominee by a date calculated by the Voting Nominee to allow it to
21 prepare and return the Master Ballot to the Balloting Agent so that the Master Ballot is actually
22 received by the Balloting Agent by the Voting Deadline.
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1 21. In the event a Voting Nominee determines to “prevalidate” the Ballots sent to beneficial
2 owners of Voting Securities by indicating thereon the name and address of the beneficial owners of the
3 Voting Securities, the amount of the Voting Securities held by the beneficial owner, and the appropriate
4 account numbers through which the beneficial owner’s holdings are derived, the Voting Nominee shall
5 forward the Solicitation Package and appropriate Ballot to the beneficial owner of the Voting Securities
6 within five (5) days after the receipt by such Voting Nominee of the Solicitation Package, with the
7 beneficial owner then returning the “prevalidated” individual Ballot directly to the Balloting Agent in
8 the return envelope to be provided in the Solicitation Package.

10 22. All Ballots and Master Ballots must be properly executed, completed, and delivered to
11 the Balloting Agent by first-class mail, overnight courier, or personal delivery, so that they are actually
12 received by the Balloting Agent no later than 4:00 p.m. (prevailing Pacific Time) on May 8, 2007 (the
13 “Voting Deadline”).

15 23. Any entity that holds a claim in more than one class that is entitled to vote must use
16 separate Ballots for each such claim, except that each holder of a claim in Classes 3A-3C shall only
17 receive one Ballot on which to vote its Secured Notes Claims against each of the Debtors. Each
18 creditor that votes to accept or reject the Plan is deemed to have voted the full amount of its claim
19 therefor.

21 24. The amount and classification of a claim for purposes of voting on the Plan, other than
22 Secured Notes Claims, shall be determined as follows:

- 23 (a) If a proof of claim has not been timely filed (i.e., was not filed by the applicable
24 Bar Date), the amount of a claim shall be equal to the amount, if any, listed in
25 respect of such claim in the Debtors’ bankruptcy schedules and/or statement of
financial affairs (as may be amended from time to time, the “Schedules”), to the

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1 extent such claim is not listed as contingent, unliquidated, undetermined or
2 disputed (subject to any applicable limitations set forth below). Such claim shall
3 be placed in the appropriate class of the Plan based upon the Debtors' records
4 and the classification scheme set forth in the Plan.

5 (b) If a proof of claim has been timely filed for a liquidated, non-contingent claim,
6 and has not been objected to by April 13, 2007, the amount and classification
7 shall be that specified in such proof of claim for voting purposes only and shall
8 not be binding for any other purpose, subject to any applicable limitations set
9 forth below.

10 (c) A claim which is the subject of an objection filed by April 13, 2007 and not
11 resolved by the Voting Deadline shall be disallowed for voting purposes, except
12 to the extent and manner that: (i) may be set forth in the objection; and (ii) such
13 claim may be temporarily allowed for voting purposes in accordance with
14 Bankruptcy Rule 3018 and the procedures set forth in Paragraph 29.

15 (d) If a claim has been estimated or otherwise allowed for voting purposes by order
16 of the Court, the amount and classification shall be that set by the Court.

17 (e) Creditors shall not be entitled to vote claims to the extent such claims duplicate
18 or have been superseded by other claims timely filed by or on behalf of such
19 creditors. The Plan Proponents shall determine, in their discretion, whether a
20 claim is duplicative or has been superceded for voting purposes only.

21 (f) If a creditor's relevant proof of claim does not indicate the appropriate
22 classification of a claim, and such classification cannot be determined from the
23 Schedules, the holder of such claim may only vote as a General Unsecured
24 Claim in Classes 4A, 4B or 4C, depending on the entity against whom such
25 claim is asserted in accordance with the Plan, unless otherwise permitted by a
26 Court order before commencement of the Confirmation Hearing, except that if
27 such creditor is a Secured Notes Claim holder its vote will apply in Class 3A, 3B
28 and 3C.

29 25. That creditors must vote all of their claims within a particular class under the Plan either
30 to accept or reject the Plan and may not split their vote(s) and, thus, a Ballot that partially rejects and
31 partially accepts the Plan shall not be counted. This provision shall not apply to Master Ballots
32 completed by Voting Nominees acting on behalf of multiple beneficial claims holders that reflect the
33 votes of Beneficial Holders of such claims.

1 26. In the event a creditor casts more than one Ballot or Master Ballot voting the same
2 claim(s) before the Voting Deadline, the last Ballot or Master Ballot received before the Voting
3 Deadline is deemed to reflect the voter’s intent, and thus, supersedes any prior Ballots or Master
4 Ballots.

5 27. With respect to voting, the Plan will be accepted or rejected based upon votes of
6 creditors in each class under such Plan.

7 28. The following types of Ballots will not be counted in determining whether the Plan has
8 been accepted or rejected: (i) any Ballot that is properly completed, executed, and timely returned to
9 the Balloting Agent, but does not indicate an acceptance or rejection of the Plan, or that indicates both
10 an acceptance and rejection of the Plan; (ii) any Ballot received after the Voting Deadline unless the
11 Plan Proponents shall have granted an extension of the Voting Deadline in writing with respect to such
12 Ballot; (iii) any Ballot that is illegible or contains insufficient information to permit the identification
13 of the claimant; (iv) any Ballot cast by a person or entity that does not hold a claim in a class that is
14 entitled to vote to accept or reject the Plan; (v) any unsigned Ballot or any Ballot which does not
15 contain an original signature; (vi) any Ballot cast by a creditor whose claim either is not listed, or is
16 listed as “zero” or “unknown” amount (or similarly listed), or is listed as a disputed, contingent, or
17 unliquidated claim on the Schedules, for which no proof of claim was timely filed; (vii) any Ballot cast
18 by a creditor whose claim either is not listed, or is listed as “zero” or “unknown” amount (or similarly
19 listed) or is listed as a disputed, contingent, or unliquidated claim on the Schedules, for which a proof
20 of claim was timely filed but for which the holder did not obtain an order temporarily allowing its
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1 claim in accordance with Paragraph 29; and (viii) any Ballot transmitted to the Balloting Agent by
2 facsimile or other means not specifically approved herein.

3 29. The following procedures shall apply for temporary allowance motions, pursuant to
4 Bankruptcy Rule 3018(a), with respect to voting on the Plan. The Plan Proponents will file objections
5 to claims for voting purposes and certain other substantive purposes by April 13, 2007 (the "Claims
6 Objection Deadline"). If an objection for voting purposes is filed on or before the Claims Objection
7 Deadline, the relevant claimant will not be entitled to vote on the Plan, unless such claimant files a
8 motion on or before April 26, 2007 (the "Temporary Allowance Deadline") seeking temporary
9 allowance of its claim for voting purposes only and obtains an order from the Court granting such
10 motion, or such objection is withdrawn. The Court will conduct a hearing beginning on May 3, 2007
11 at _____ .m. (prevailing Pacific Time) (the "Temporary Allowance Motion Hearing Date") to
12 consider all temporary allowance motions. A temporary allowance motion is required to set forth with
13 particularity the amount and classification at which such claimant believes its claim should be allowed
14 for voting purposes and the evidence in support of that belief, otherwise such motion shall be deemed
15 invalid.
16

17
18 30. If this Court has not temporarily allowed all or a portion of such claim for voting
19 purposes pursuant to Bankruptcy Rule 3018(a) on or before the Temporary Allowance Motion Hearing
20 Date such claim shall not be counted for voting purposes.
21

22 31. If a creditor reaches an agreement with the Plan Proponents as to the amount and
23 classification of its otherwise disputed claim, for voting purposes, (i) a stipulation setting forth that
24 agreement may be presented to the Court for approval by notice of a proposed stipulation and order at
25

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1 or before the Confirmation Hearing; and (ii) subject to the Court’s approval such claim will be counted
2 for purposes of accepting or rejecting the Plan in the amount agreed to by the Plan Proponents and
3 such creditor in the stipulation.

4 32. Within two (2) business days of a creditor’s filing of a motion for temporary allowance
5 of its claim, the Balloting Agent shall transmit a Solicitation Package to such creditor. Any Ballot
6 contained in such a Solicitation Package shall be provisional and shall only be effective if and to the
7 extent the Court grants the creditor’s motion for temporary allowance in accordance with the
8 procedures set forth in this Order. The provision of a Solicitation Package to a creditor pursuant to this
9 paragraph shall not affect the Voting Deadline as to such creditor (i.e., any provisional Ballot provided
10 to such a creditor is due to the Balloting Agent before the Voting Deadline as stated above) or
11 otherwise affect the procedures for temporary allowance of and voting based upon such creditor’s
12 claim as established by this Order.

13
14 33. With respect to the tabulation of the Master Ballots and Ballots cast by beneficial
15 owners of Secured Notes, for purposes of voting, the amount that will be used to tabulate acceptance or
16 rejection of the Plan shall be the principal amount of Secured Notes held as of the Record Date (the
17 “Record Amount”). The following additional rules shall apply to the tabulation of the Master Ballots
18 and Ballots cast by beneficial owners:
19

- 20 (a) Votes cast by beneficial owners through a Voting Nominee will be applied
21 against the positions held by such entities in the securities as of the Record Date,
22 as evidenced by the record and depository listings. Votes submitted by a Voting
23 Nominee, whether pursuant to Master Ballots or prevalidated Ballots, will not be
24 counted in excess of the Record Amount
25 of such securities held by such Voting Nominee;

- 1 (b) To the extent that conflicting votes or “overvotes” are submitted by a Voting
2 Nominee, whether pursuant to Master Ballots or prevalidated Ballots, the
3 Balloting Agent will attempt and is authorized to reconcile discrepancies
4 with the Voting Nominees; and
- 5 (c) To the extent that overvotes on Master Ballots or prevalidated Ballots are not
6 reconcilable prior to the preparation of the vote certification, the Balloting Agent
7 will apply the votes to accept and to reject the Plan in the same proportion as the
8 votes to accept and reject the Plan submitted on the Master Ballots or
9 prevalidated Ballots that contained the overvote, but only to the extent of the
10 Voting Nominee’s position in the security.
- 11 (d) A vote cast by a Voting Nominee or a beneficial owner shall be deemed to have
12 been cast in each of Class 3A, 3B and 3C.

13 34. The Plan Proponents are authorized to take or refrain from taking any action necessary
14 or appropriate to implement the terms of and the relief granted in this Order without seeking further
15 order of the Court.

16 35. The Plan Proponents are authorized to make non-substantive changes to the Disclosure
17 Statement, the Plan, and related documents without further order of the Court, including, without
18 limitation, changes to correct typographical and grammatical errors and to make conforming changes
19 among the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages prior to
20 mailing.

21 36. All notices to be provided pursuant to the procedures set forth herein are good and
22 sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to
23 the Confirmation Hearing and no other or further notice need be provided.

1 37. The requirement pursuant to Local Rule 9013-1(d) that the Plan Proponents file a
2 memorandum of law in support of the Motion is waived.
3

4 Dated: March __, 2007
5 Seattle, Washington
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HONORABLE SAMUEL J. STEINER
UNITED STATES BANKRUPTCY JUDGE

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