

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:) Chapter 11
)
TWG CAPITAL, INC.,) Case No. 12-11019-BHL-11
)
Debtor.)

NOTICE OF MOTION TO SETTLE, OBJECTION DEADLINE AND HEARING

An *Emergency Motion For Approval Of Settlement Of Claims Pursuant To Rule 9019* (the "Motion") (Docket No. 200) was filed by TWG Capital, Inc. (the "Debtor") on February 5, 2013. A brief summary of the Motion is as follows:

1. Settlement of the Claim. The Motion seeks (i) court approval of the Settlement¹ by and between the Debtor, Inservico, Carmel Funding, Senior Lenders, Lender Agent, and 221 Partners, LLC, comprised of and subject to the terms and conditions set forth in the Motion and (ii) authorization for the Debtor to satisfy the Receiver's Claim and discharge the Receiver's Lien using a portion of the Escrowed Proceeds, thereby freeing the balance of the Escrowed Proceeds for distribution to creditors of the Debtor's estate.

2. Key Provisions of the Settlement. The key provisions of the Settlement, as set forth in more detail in the Motion, include:

a. The Settlement resolves and satisfies disputed claims related to the ICRF Agreement and various servicing agreements.

b. The Settlement resolves issues related to the transfer of servicing functions of the IR7 assets from Inservico and Carmel Funding, as assignee of the Subservicing Agreement, to Oak Street Servicing, LLC.

c. The Settlement must be executed on or before February 12, 2013, which is the date the servicing obligations of Inservico and Carmel Funding will terminate.

d. The Debtor, on the one hand, and Senior Lenders and Lender Agent, on the other hand, will enter into a mutual release of all claims, including avoidance action claims under Chapter 5 of the Bankruptcy Code, related to IR7, the ICRF Agreement, and any and all agreements executed in connection therewith.

e. The Milliman Claim and fifty percent (50%) of the Receiver's Claim will be paid out of IR7 assets (the "IR7 Payment"). The Debtor requests authority to release fifty percent (50%) of the Escrowed Proceeds for payment to the Receiver, along with the IR7 Payment, in full satisfaction of the Receiver's Claim and discharge of the Receiver's Lien. The balance of the Escrowed Proceeds will then be general assets available for distribution to creditors. Upon such payment, the Debtor will be relieved of all liability relating to the Milliman Claim and the Receiver's Claim.

3. Copies of the Motion. Copies of the Motion can and will be made available upon request directed to counsel for the Debtor at the address noted below.

¹ Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Motion.

NOTICE IS GIVEN that any objection to the relief requested in the Motion must be filed in writing in accordance with Local Rule S.D. Ind. B-9013-1 with the Clerk's Office and served on the attorney for the moving party on or before February 8, 2013. Those not required or not permitted to file electronically must deliver any objection by U.S. mail, courier, overnight/express mail, or in person at:

Clerk, U.S. Bankruptcy Court
116 U.S. Courthouse
46 E. Ohio Street
Indianapolis, IN 46204

The objecting party must ensure delivery of the objection to the party filing the Motion. **If an objection is NOT timely filed, the requested relief may be granted.**

The Court will hold a telephonic hearing on the Motion on:

Date: February 11, 2013
Time: 1:30 p.m. EST

The dial-in telephone number for interested parties to participate in the hearing by conference call is 1-888-399-7768; passcode 787195, followed by the pound ("#") key.

Respectfully submitted,

FAEGRE BAKER DANIELS LLP

/s/ Kayla D. Britton

Jay Jaffe (#5037-98)
Wendy W. Ponader (#14633-49)
600 E. 96th Street, Suite 600
Indianapolis, IN 46240
Telephone: (317) 569-9600
Facsimile: (317) 569-4800
jay.jaffe@faegrebd.com
wendy.ponader@faegrebd.com

Kayla D. Britton (#29177-06)
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204
Telephone: (317) 237-0300
Facsimile: (317) 237-1000
kayla.britton@faegrebd.com

Counsel for the Debtor and Debtor-in-Possession