

SO ORDERED: September 6, 2013.



Basil H. Lorch III

**Basil H. Lorch III
United States Bankruptcy Judge**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
UNDER 11 U.S.C. § 1129(a) AND (b) AND FED. R. BANKR. P. 3020
CONFIRMING CHAPTER 11 PLAN OF LIQUIDATION OF TWG CAPITAL, INC.**

This matter is before this Court for the entry of an order confirming the Chapter 11 Plan of Liquidation of TWG Capital, Inc. dated June 12, 2012 (the “Plan”) [Docket No. 270], as it may be immaterially modified, filed by TWG Capital, Inc., the debtor and debtor-in-possession (the “Debtor”) in the above-captioned Chapter 11 case (the “Chapter 11 Case”). The Plan is attached as Exhibit A to this Confirmation Order. Any capitalized term not defined in this Confirmation Order has the definition given it in the Plan.

In making the following findings of fact and conclusions of law and confirming the Plan, this Court considered, evaluated, and weighed the following: (i) Certification of Ballot Report [Docket No. 311] (the “Ballot Report”), (ii) Affidavit of Mark P. Nondorf in Support of

Confirmation of the Chapter 11 Plan of Liquidation of TWG Capital, Inc. [Docket No. 313] (the “Nondorf Affidavit”), (iii) all other evidence admitted and arguments of counsel made at the hearing held on September 4, 2013 to consider confirmation of the Plan (the “Confirmation Hearing”), and (iv) the entire record of the Chapter 11 Case.

After due deliberation and finding good and sufficient cause, this Court makes the following findings of fact, conclusions of law, and enters this Confirmation Order confirming the Plan.

THIS COURT FINDS AND CONCLUDES:

A. Filing of the Plan. On June 12, 2013, the Debtor filed the *Chapter 11 Plan of Liquidation of TWG Capital, Inc.* [Docket No. 270] and the *Disclosure Statement with Respect to the Chapter 11 Plan of Liquidation of TWG Capital, Inc.* [Docket No. 271]. On July 12, 2013, the Debtor filed the *Disclosure Statement with Respect to the Chapter 11 Plan of Liquidation of TWG Capital, Inc. (as Immaterially Modified)* [Docket No. 287] (as it may be further immaterially modified, the “Disclosure Statement”).

B. Order Approving Disclosure Statement. Following a duly noticed hearing held on July 11, 2013, the Bankruptcy Court entered its order approving the Disclosure Statement (“Disclosure Statement Order”) as containing adequate information within the meaning of Section 1125 of the Bankruptcy Code and Fed. R. Bankr. P. 3017 [Docket No. 293]. The Disclosure Statement Order (i) fixed September 4, 2013 as the date for the Confirmation Hearing, (ii) established voting and objection deadlines with respect to the Plan and the Confirmation Hearing, and (iii) established certain procedures for soliciting and tabulating votes with respect to the Plan.

C. Objections. No objections to the Plan were filed on or before the deadline established in the Disclosure Statement Order.

D. Classes of Claims under the Plan. The Plan provides for six classes of Claims and Equity Interests: Class 1 consists of Allowed Other Priority Claims; Class 2 consists of Allowed Secured Claims; Class 3 consists of Allowed Insider Claims; Class 4 consists of Allowed Affinity Claims; Class 5 consists of Allowed Other General Unsecured Claims; and Class 6 consists of Allowed Equity Interests. Classes 3, 4, and 5 were identified as impaired Classes. Classes 1 and 2 were identified as unimpaired Classes and were deemed to accept the Plan. Holders of Class 6 Allowed Equity Interests will not receive or retain any property under the Plan and were deemed to reject the Plan.

E. Transmittal of Solicitation Package. Pursuant to the Disclosure Statement Order, a “solicitation” packet consisting of (1) the Disclosure Statement and the Plan, (2) a ballot and return envelope for voting on the Plan (“Ballot”) was transmitted to Classes 3, 4 and 5 (collectively, the “Voting Classes”) in accordance with Fed. R. Bank. P. 3017(d), and (3) the Disclosure Statement Order setting forth the voting deadlines, the date of the Confirmation Hearing, and the deadline for objections (the “Solicitation Packet”).

F. Voting Reports. On August 28, 2013, the Debtor filed the Ballot Report, certifying the method and results of the Ballot tabulation for each of the Voting Classes voting to accept or reject the Plan. *See Ballot Report, Exhibit A.*

G. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. § 157(b)(2) and 1334(a)). The Bankruptcy Court has jurisdiction over the Chapter 11 Case pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2), and the Bankruptcy

Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

H. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Case and all related cases maintained by the Clerk of the Bankruptcy Court and/or its duly-appointed agent, including without limitation, all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered or admitted at the hearings held before the Bankruptcy Court during the pendency of the Chapter 11 Case.

I. Transmittal and Mailing of Materials; Notice. Due, adequate and sufficient notice of the Disclosure Statement and Plan and of the Confirmation Hearing, along with all deadlines for voting on or filing objections to the Plan, has been given to all known holders of Claims in accordance with the procedures set forth in the Disclosure Statement Order. The Disclosure Statement, Plan, Ballots, Disclosure Statement Order, and notice of the date of the Confirmation Hearing and the deadlines for voting and objecting were transmitted and served in substantial compliance with the Disclosure Statement Order, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the local rules applicable to the United States Bankruptcy Court for the Southern District of Indiana ("Local Rules"), and such transmittal and service were adequate and sufficient and no other or further notice is or shall be required.

J. Good Faith Solicitation (11 U.S.C. § 1125(e)). The Debtor and its agents, representatives, attorneys, and advisors have solicited votes on the Plan in good faith and in compliance with Sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, the Disclosure Statement Order, and all other applicable rules, laws, and regulations. The Debtor and its agents, representatives, attorneys, and advisors are entitled to the protections

afforded by Section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 10.4 of the Plan.

K. Ballots. All procedures used to distribute solicitation materials to the applicable holders of Claims and to tabulate the Ballots were fair and conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all other applicable rules, laws, and regulations.

L. Impaired Classes Voted to Accept the Plan. As evidenced by the Ballot Report, which certified the results of the voting, pursuant to the requirements of Section 1124 and 1126, at least one impaired Class of Claims, determined without including any acceptance by an insider of the Debtor, has voted to accept the Plan. Impaired Classes 3, 4 and 5 accepted the Plan by more than half in number and two-thirds in amount of the valid Ballots returned.

M. Class 6 Deemed to Have Rejected the Plan. Holders of Equity Interests in Class 6 are not entitled to receive any distribution under the Plan on account of their Equity Interests. As none of the holders of Equity Interests in Class 6 are unconditionally entitled to receive a distribution under the Plan, pursuant to Section 1126(g) of the Bankruptcy Code, Class 6 is conclusively presumed to have rejected the Plan, and the votes of Equity Interests therefore were not required to be solicited.

N. Presumed Acceptances by Unimpaired Classes. Claims in Classes 1 and 2 are unimpaired by the Plan. Pursuant to Section 1126(f) of the Bankruptcy Code and/or the Disclosure Statement Order, holders of Claims in Classes 1 and 2 are conclusively presumed to have accepted the Plan, and the votes of holders of Claims in Classes and 2 were not required to be solicited.

O. Burden Of Proof. The Nondorf Affidavit was admitted into evidence without objection at the Confirmation Hearing. The Debtor has met its burden of proving the elements of Sections 1129(a) and (b) of the Bankruptcy Code.

P. Plan Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(1) of the Bankruptcy Code.

a. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Expense Claims and Priority Tax Claims (which are not required to be classified), Article 3 of the Plan designates five (5) Classes of Claims and one (1) Class of Equity Interests. The Claims and Equity Interests placed in each Class are substantially similar to other Claims or Equity Interests in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests created under the Plan, and such Classes do not unfairly discriminate between holders of Claims or Equity Interests. Thus, the Plan satisfies Sections 1122 and 1123(a)(1) of the Bankruptcy Code.

b. Specification Of Treatment Of Impaired Classes (11 U.S.C. 1123(a)(3)). The Plan specifies the Classes of Claims and Equity Interests that are impaired under the Plan and the treatment of impaired Claims and Equity Interests in all such Classes. Thus, the Plan satisfies Section 1123(a)(3) of the Bankruptcy Code.

c. No Impermissible Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Equity Interest in each

respective Class unless the holder of a particular Claim has agreed to less favorable treatment with respect to such Claim or the law allows for a different treatment. Thus, the Plan satisfies Section 1123(a)(4) of the Bankruptcy Code.

d. Implementation Of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for implementation of the Plan, including, without limitation, (a) the appointment of a Plan Officer with specific duties to implement the Plan; (b) the sale of the Ownership Interests at public auction; and (c) the distribution of assets. Thus, the Plan satisfies Section 1123(a)(5) of the Bankruptcy Code.

e. Prohibition Against Issuance Of Non-Voting Equity Securities And Provisions For Voting Power Of Classes Of Securities (11 U.S.C. § 1123(a)(6)). No securities are issued under the Plan, and Section 1123(a)(6) is not applicable.

f. Selection Of Officers And Directors (11 U.S.C. § 1123(a)(7)). Pursuant to Section 5.1 of the Plan and the Nondorf Affidavit, Mark P. Nondorf will serve as the Plan Officer and the President of the Debtor pursuant to Sections 5.1(e) and 5.3(b) of the Plan. The appointment or employment of such individual and the proposed compensation and indemnification arrangements for such officer is consistent with the interests of the holders of Claims and Equity Interests and with public policy. Thus, Section 1123(a)(7) of the Bankruptcy Code is satisfied.

g. Additional Plan Provisions (11 U.S.C. § 1123(b)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code, including without limitation, provisions for (a) distributions to

holders of Allowed Claims, (b) the disposition of executory contracts and unexpired leases, (c) the retention of, and right to enforce, sue on, settle or compromise (or refuse to do any of the foregoing with respect to) certain claims or causes of action against third parties, to the extent not waived and released under the Plan, (d) resolution of Disputed Claims, (e) allowance of certain Claims, (f) injunction binding creditors to a treatment under the Plan, and (g) exculpation and releases.

h. Fed. R. Bankr. P. 3016(a). The Plan is dated June 12, 2013, and identifies the entity submitting it, thereby satisfying Bankruptcy Rule 3016(a).

Q. The Debtor's Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtor has complied with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(2) of the Bankruptcy Code. Specifically, the Debtor is a proper debtor under Section 109 of the Bankruptcy Code, and the Debtor is a proper proponent of the Plan under Section 1121(a) of the Bankruptcy Code. The Debtor has complied with the applicable provisions of the Bankruptcy Code, including as provided or permitted by orders of the Bankruptcy Court, the Bankruptcy Rules, and the Disclosure Statement Order in transmitting the Plan, the Disclosure Statement, the Ballots and related documents, and in soliciting and tabulating votes on the Plan.

R. Plan Proposed In Good Faith (11 U.S.C. § 1129(a)(3)). Following good faith negotiations among the Debtor and other parties in interest, the Debtor has proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying Section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Bankruptcy Court has examined the totality of the circumstances surrounding the filing of the

Chapter 11 Case, the pleadings filed in the Chapter 11 Case and its related proceedings, statements and arguments made at hearings before this Court, and the formulation and provisions of the Plan. *See* Bankruptcy Rule 3020(b). The Court finds that the Plan was proposed with the legitimate and honest purpose of maximizing the value of the recovery to the holders of Allowed Claims under the circumstances of the Chapter 11 Case.

S. Payments For Services Or Costs And Expenses (11 U.S.C. § 1129(a)(4)).

Any payment made or to be made by the Debtor for services or for costs and expenses in connection with the Chapter 11 Case, including all administrative expenses under Sections 503 and 507 of the Bankruptcy Code, or in connection with the Plan and incident to the Chapter 11 Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable, thereby satisfying Section 1129(a)(4) of the Bankruptcy Code.

T. Directors, Officers And Insiders (11 U.S.C. § 1129(a)(5)). The Debtor has

complied with and met the requirements of Section 1129(a)(5) of the Bankruptcy Code and has disclosed the identity of the sole officer of the Debtor. The continuance of such service is consistent with the interests of creditors and equity security holders and with public policy. Mark Nondorf's continued service as President of the Debtor is necessary for the efficient wind-down and liquidation of the Debtor's business, as he understands the complex operations of the Debtor.

U. No Rate Changes (11 U.S.C. § 1129(a)(6)). Section 1129(a)(6) of the

Bankruptcy Code is satisfied or is not applicable because the Plan does not provide for any change in rates over which a governmental regulatory commission has jurisdiction.

V. Best Interests Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies Section

1129(a)(7) of the Bankruptcy Code. The liquidation discussion in the Disclosure Statement, and

evidence admitted at the Confirmation Hearing (1) are persuasive, credible and accurate as of the dates such evidence was prepared, presented, or proffered, (2) either have not been controverted by other persuasive evidence or have not been challenged, (3) are based upon reasonable and sound assumptions of the effect on distributions from the Debtor upon conversion to a case under chapter 7 of the Bankruptcy Code, and (4) reasonably establishes that each holder of a Claim or Equity Interest in an impaired Class that has not accepted the Plan will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that it would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date.

W. Acceptance By Impaired Classes (11 U.S.C. § 1129(a)(8)). The Court finds that all Voting Classes as set forth on the Ballot Report voted to accept the Plan. The Plan continues to remain accepted by all impaired Classes even when any Ballots that were excluded under the approved tabulation procedures set forth in the Ballot Report are included in the voting totals. Classes 1 and 2 are not impaired and are deemed to have accepted the Plan. The Plan is confirmable under Section 1129(a) of the Bankruptcy Code as to Classes 1, 2, 3, 4, and 5. Class 6 is deemed to have rejected the Plan and, accordingly, confirmation as to that Class is determined pursuant to 11 U.S.C. § 1129(b).

X. Treatment Of Administrative Expense Claims And Priority Tax Claims And Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Expense Claims and Other Priority Claims under the Plan satisfies the requirements of Section 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Priority Tax Claims under the Plan satisfies the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

Y. Acceptance By Impaired Class (11 U.S.C. § 1129(a)(10)). Impaired Classes 3, 4, and 5 have voted to accept the Plan. Thus, Section 1129(a)(10) of the Bankruptcy Code is satisfied.

Z. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan satisfies Section 1129(a)(11) of the Bankruptcy Code. The Plan is feasible and adequately provides for the liquidation and distribution of the assets of the Debtor's Estate. Upon the Effective Date, the Plan Officer and the Debtor will have sufficient operating cash and liquidity to meet their fiduciary duties under the Plan, to fund the liquidation, and pay all anticipated Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Other Priority Claims.

AA. Payment Of Fees (11 U.S.C. § 1129(a)(12)). The Debtor has paid or will pay by the Effective Date fees payable under 28 U.S.C. § 1930, thereby satisfying Section 1129(a)(12) of the Bankruptcy Code.

BB. Retiree Benefits (11 U.S.C. § 1129(a)(13)). Section 1129(a)(13) of the Bankruptcy Code requires that, following the Effective Date of the Plan, the payment of all retiree benefits (as defined in Section 1114 of the Bankruptcy Code), if any, will continue at the levels established pursuant to subsections (e)(1)(B) or (g) of Section 1114 of the Bankruptcy Code, at any time prior to the entry of this Confirmation Order, for the duration of the period the debtor has obligated itself to provide such benefits. The Debtor has never funded nor maintained retiree benefits plans, funds, or programs as defined in Section 1114 of the Bankruptcy Code, and therefore, Section 1129(a)(13) is either not applicable or is satisfied.

CC. Section 1129(b) Confirmation of the Plan Over Nonacceptance Of Impaired Classes. Class 6 "Equity Interests" is impaired under the Plan and is deemed to have

rejected the Plan pursuant to 11 U.S.C. § 1126(g). Pursuant to Section 1129(b) of the Bankruptcy Code, the Plan may be confirmed notwithstanding the fact that not all impaired Classes have voted to accept the Plan. All of the requirements of Section 1129(a) of the Bankruptcy Code, other than Section 1129(a)(8), with respect to Class 6, have been met. With respect to Class 6, no holders of Claims or Equity Interests junior to the holders of Claims and Equity Interests in this Class will receive or retain any property under the Plan on account of such Equity Interests, and, as evidenced in the Disclosure Statement and put into evidence at the Confirmation Hearing, no Class of Claims or Equity Interests senior to Class 6 is receiving more than full payment on account of such Claim or Equity Interests. Accordingly, the Plan is fair and equitable and does not discriminate unfairly, all as required by Section 1129(b) of the Bankruptcy Code, and the Plan is able to be confirmed under Section 1129(b) as to Class 6.

DD. Principal Purpose Of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933 (15 U.S.C. § 77e), and no governmental unit that is a party in interest in the Chapter 11 Case has asserted any such claim.

EE. Plan Sale. The Debtor has soundly exercised its business judgment in determining to sell the Ownership Interests identified on Exhibit B hereto to the highest bidder at public auction pursuant to the terms and conditions set forth on Exhibit B hereto. The Debtor has reasonably determined that a public sale of the Ownership Interests is the best alternative for maximizing the value of the Ownership Interests for distribution to the creditors of the Debtor's Estate pursuant to the terms of the Plan. The Debtor's Estate will receive material benefits from the Plan Sale, as the Debtor's Estate will be relieved of obligations to continue the operations or otherwise maintain IR7 and the IR7 Commission Vehicles, as the sole member of such entities.

The Debtor has full corporate power and authority to execute and deliver all documents or agreements necessary to complete the Plan Sale, and no other or further consents or approvals are required for the Debtor to consummate the Plan Sale.

FF. Section 363(f). With respect to any and all entities asserting any liens, claims, interests or encumbrances related to or against the Ownership Interests (collectively, "Encumbrances"), either (i) such entity has consented to the sale and transfer free and clear of its Encumbrance, with such Encumbrance to attach to the sale proceeds, (ii) applicable nonbankruptcy law permits sale of the assets free and clear of such Encumbrance, (iii) such interest is in *bona fide* dispute, or (iv) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Encumbrance, so that the conditions of Section 363(f) of the Bankruptcy Code are satisfied. Upon the closing of the Plan Sale, the sale and transfer of the Ownership Interests shall be a legal, valid, binding and effective transfer of the Ownership Interests to the purchaser, and shall vest in the purchaser all right, title and interest in the Ownership Interests free and clear of any and all Encumbrances pursuant to Section 363(f) of the Bankruptcy Code. Upon closing of the Plan Sale, the Plan Officer is hereby further authorized to deliver an Assignment to any purchaser of the Ownership Interests, substantially in the form attached hereto as Exhibit C.

GG. Executory Contracts. The Debtor has exercised reasonable business judgment in determining whether to assume or assume and assign or reject each of their executory contracts and unexpired leases as set forth in Article 8 of the Plan. Each assumption or assumption and assignment or rejection of an executory contract or unexpired lease pursuant to Sections 8.1 through 8.2 of the Plan shall be legal, valid and binding upon the Debtor and all non-Debtor parties to such executory contract or unexpired lease, all to the same extent as if such

assumption or assumption and assignment or rejection had been effectuated pursuant to an appropriate authorizing order of the Bankruptcy Court entered before the Confirmation Date under Section 365 of the Bankruptcy Code. All executory contracts and unexpired leases that exist and have not, prior to the Effective Date, been rejected pursuant to a Final Order of the Bankruptcy Court, between the Debtor and any person, shall be deemed rejected as of the Effective Date, except for an executory contract and unexpired lease (i) assumed by the Debtor and assigned to Carmel Funding pursuant to the Sale Order, or (ii) as to which a motion for approval of the assumption or rejection of such contract or lease has been filed and served prior to the Effective Date.

HH. Injunction. The injunction described in Section 10.6 of the Plan constitutes a necessary means of implementing the Plan. The injunction in the Plan: (1) is within the jurisdiction of the Bankruptcy Court under 28 U.S.C. §§ 1334(a), (b), and (d); (2) is an essential means of implementing the Plan pursuant to Section 1123(a)(5) of the Bankruptcy Code; (3) is an integral element of the transactions incorporated into the Plan; (4) confers material benefit on, and is in the best interest of, the Debtor's Estate and its creditors; (5) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties-in-interest in the Chapter 11 Case with respect to the Debtor; and (6) is consistent with Sections 105, 1123, 1129 and other applicable provisions of the Bankruptcy Code.

II. Exculpation. The exculpation provision described in Section 10.4(a) of the Plan constitutes a necessary means of implementing the Plan by allowing the Plan Officer, the Debtor, and the other Released Parties to implement the Plan, distribute the assets, and bring the Chapter 11 Case to closure in the most efficient manner. The exculpation provision is reasonable and is within the jurisdiction of the Bankruptcy Court to grant and is in the best

interests of the Debtor's Estate and creditors by allowing the Chapter 11 Case to close as promptly as possible.

JJ. Release. The Court finds that the release by the Debtor contained in Section 10.2(b) of the Plan is (i) in exchange for good and valuable consideration provided by the Released Parties, (ii) a good faith settlement and compromise of claims released by the Debtor, (iii) in the best interests of the Debtor and all holders of Claims and Equity Interests, (iv) fair, equitable, and reasonable, (v) given and made after due notice and opportunity for hearing, and (vi) a bar to the Debtor asserting any claim or Cause of Action released pursuant to the foregoing release by the Debtor.

KK. Conditions To Consummation. Each of the conditions to the Effective Date, as set forth in Article 9 of the Plan, is reasonably likely to be satisfied. The conditions set forth in Section 9.1 of the Plan may be waived by the Debtor without any notice to other parties-in-interest or the Bankruptcy Court and without a hearing. The failure of the Debtor in its sole discretion to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

LL. Retention of Jurisdiction. The Bankruptcy Court properly may retain jurisdiction over the matters set forth in Article 11 of the Plan.

MM. Preservation of Causes of Action. It is in the best interests of the holders of Claims and Equity Interests that the Asserted Causes of Action and all Causes of Action that are not expressly released under the Plan be retained by the Debtor pursuant to Section 10.3 of the Plan in order to maximize the value of the Debtor's Estate.

ACCORDINGLY, IT IS ORDERED:

1. Confirmation. The Plan, including all immaterial modifications, is APPROVED and CONFIRMED under Section 1129 of the Bankruptcy Code. The terms of the Plan and the Exhibits to the Plan (substantially in the forms filed on the Exhibit Filing Date) are incorporated by reference into and are an integral part of the Plan and this Confirmation Order.

2. Provisions Of Plan And Order Nonseverable And Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

3. Plan Classification Controlling. The classification of Claims and Equity Interests for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the holders of Claims against, or Equity Interests in, the Debtor in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims or Equity Interests under the Plan for distribution purposes, (c) may not be relied upon by any holder of a Claim or Equity Interest as representing the actual classification of such Claims or Equity Interests under the Plan for distribution purposes, and (d) shall not be binding on the Debtor or its Estate.

4. Effects of Confirmation; Immediate Effectiveness; Successors and Assigns. The stay contemplated by Bankruptcy Rule 3020(e) shall not apply to this Confirmation Order. Subject to the applicable provisions of the Plan, and notwithstanding any otherwise applicable law, immediately upon the entry of this Confirmation Order, the terms of the Plan (including the Exhibits and all documents and agreements executed pursuant to the Plan) and this Confirmation Order are deemed binding upon (a) the Debtor and its Estate, (b) all

holders of Claims against and Equity Interests in the Debtor, whether or not impaired under the Plan and whether or not, if impaired, such holders accepted the Plan, (c) each Person acquiring property under the Plan, (d) any other party-in-interest, (e) any Person making an appearance in the Chapter 11 Case, and (f) respective heirs, successors, assigns, trustees, executors, administrators, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians of each of the foregoing.

5. Treatment of Claims Classes. The treatments of the classified Claims and Equity Interests (Classes 1 through 6) as set forth in Article 3 of the Plan are approved and distributions made in accordance with those treatments shall be in full and final satisfaction of any and all of the Allowed Claims and Allowed Equity Interests in Classes 1 through 6.

6. Plan Officer. The appointment of the Plan Officer as identified and disclosed in Article 5 of the Plan is approved subject to the occurrence of the Effective Date to hold such powers, jointly with the Debtor, all as set forth in Article 5 of the Plan. The Plan Officer is qualified to exercise the powers set forth in the Plan and perform the responsibilities and duties contemplated by the Plan.

7. Continued Corporate Existence. Except as otherwise provided in the Plan, the Debtor shall continue to exist after the Effective Date as a separate legal entity, with all the powers of a legal entity under applicable law in the jurisdiction in which the Debtor is incorporated or organized and pursuant to its certificate of incorporation and bylaws or other organizational documents in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws or other organizational documents are amended by the Plan to conduct those duties set forth in Article 5 of the Plan. As of the Effective Date, the Debtor, conferring with the Plan Officer, may use, acquire, and dispose of property and settle

and compromise Claims or Equity Interests and such other duties as set forth in Article 5 of the Plan without supervision of the Bankruptcy Court, free of any restriction of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and this Confirmation Order.

8. Plan Sale. The sale of the Ownership Interests identified on Exhibit B hereto is approved. The Debtor is authorized to consummate the Plan Sale pursuant to the terms, conditions, and bidding procedures set forth on Exhibit B hereto. The Debtor is authorized to sell the Ownership Interests free and clear of Encumbrances, with liens to attach to proceeds. The Debtor is authorized, without need of further corporate action or approval, to execute and deliver and is empowered to fully perform under, consummate and implement, all instruments and documents that may be reasonably necessary or desirable to implement the Plan Sale, including an Assignment substantially in the form of Exhibit C attached hereto, and to take all further actions as may be reasonably requested by the purchaser, as identified in the report of sale and consistent with Section 5.5 of the Plan, for the purpose of transferring the Ownership Interests.

9. Timing of Plan Sale. The Debtor is authorized to conduct the Plan Sale at any time within thirty (30) days of the entry of this Confirmation Order. Within five (5) days of the entry of this Confirmation Order and at least twenty-one (21) days prior to the auction, the Debtor shall file and serve a notice of the Plan Sale and the time and location of the auction and the bidding procedures to the United States Trustee, all counsel of record, all creditors and parties in interest, Carmel Funding, and all entities known to have expressed an interest in the possible acquisition of any assets of the Debtor after the Petition Date or within three (3) years

prior to the Petition Date. Within five (5) days after the auction, the Debtor shall file a report of sale pursuant to Bankruptcy Rule 6004(f)(1) and Local Rule B-6004-1(f).

10. Dissolution of IR7 and IR7 Commission Vehicles. If the Plan Sale fails to produce a purchaser for the Ownership Interests, the Ownership Interests shall be abandoned to the Debtor. If the Ownership Interests are abandoned, the Debtor, as the sole member of IR7 and the IR7 Commission Vehicles, is entitled to cease all efforts to operate and maintain IR7 and the IR7 Commission Vehicles and to allow IR7 and the IR7 Commission Vehicles to be dissolved pursuant to Indiana Code §§ 23-1-46-1 to -4, and the Debtor shall be relieved of any obligation (i) to prepare and file tax returns on behalf of IR7 and the IR7 Commission Vehicles after the Effective Date, except to the extent the Debtor determines in its sole discretion to do so, and (ii) to comply with the requirements set forth in Indiana Code § 6-8.1-10-9, § 22-4-32-23, §§ 23-1-45-1 to -7, §§ 23-1-47-1 to -4, and § 32-34-1-25 and in Section 6043 of the Internal Revenue Code of 1986, as amended, including without limitation, submission of Form 966 to the Internal Revenue Service.

11. Dissolution of Dormant Subsidiaries. On and after the Effective Date, the Debtor is entitled, without further approval of the Bankruptcy Court, to allow the Dormant Subsidiaries to be administratively dissolved pursuant to Indiana Code §§ 23-1-46-1 to -4, and the Debtor shall be relieved of any obligation to (x) conduct the business operations or obligations as the sole member of the Dormant Subsidiaries after the Effective Date, (y) prepare and file tax returns on behalf of the Dormant Subsidiaries, except to the extent the Debtor determines in its sole discretion to do so, and (z) comply with the requirements set forth in Indiana Code § 6-8.1-10-9, § 22-4-32-23, §§ 23-1-45-1 to -7, §§ 23-1-47-1 to -4, and § 32-34-1-

25 and in Section 6043 of the Internal Revenue Code of 1986, as amended, including without limitation, submission of Form 966 to the Internal Revenue Service.

12. Liquidation of Assets. Subject to the Effective Date, the Debtor may, without further approval of the Bankruptcy Court, use, sell assign, transfer, abandon, or otherwise dispose of at a public or private sale any of the Debtor's remaining assets for the purpose of liquidating and converting such assets to Cash, making distributions, and fully consummating the Plan.

13. Termination of Employee Benefits. The Employee Benefits programs identified in Section 5.8 of the Plan shall be terminated as of the date of this Confirmation Order and subsequently liquidated. The Debtor is authorized to take all administrative actions necessary to process the termination of the Employee Benefits as required by applicable, nonbankruptcy law, including but not limited to, filing applicable forms with the Internal Revenue Service and the administrator of the Employee Benefits and to provide any applicable notices to the participants of the Employee Benefits.

14. Exculpation. The exculpation and limitation of liability provisions set forth in Section 10.4 of the Plan are deemed incorporated in this Confirmation Order as if set forth in full herein and are hereby approved in their entirety.

15. Debtor's Release. The Debtor's release set forth in Section 10.4 of the Plan is deemed incorporated in this Confirmation Order as if set forth in full herein and is approved in its entirety.

16. Injunction. The injunction set forth in Section 10.6 of the Plan is incorporated in this Confirmation Order in its entirety as if fully set forth herein, and except as

otherwise specifically provided in the Plan or ordered by this Court, from and after the Confirmation Date and subject to the Effective Date, all Persons are bound by this injunction.

17. Automatic Stay. The stay in effect in the Chapter 11 Case pursuant to Section 105 or 362(a) of the Bankruptcy Code shall continue to be in effect until all obligations of the Debtor and the Plan Officer under the Plan have been performed and the Chapter 11 Case has been closed, and at that time shall be dissolved and of no further force or effect, subject to the injunction set forth in this Confirmation Order and/or Sections 524 and 1141 of the Bankruptcy Code.

18. Matters Relating to Implementation of the Plan: General Authorizations. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Debtor or any officer thereof to take any and all actions necessary or appropriate to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan or this Confirmation Order. In addition to the authority to execute and deliver, adopt, assign, or amend, as the case may be, the contracts, leases, instruments, releases and other agreements specifically granted in this Confirmation Order, the Debtor is authorized and empowered, without action of its stockholders or board of directors, to take any and all such actions as its sole remaining officer may determine are necessary or appropriate to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan or this Confirmation Order, including: (a) enter into, execute and deliver, adopt or amend, as the case may be, any of the contracts, leases, instruments, releases and other agreements or documents and plans to be entered into, executed and delivered, adopted or amended in connection with the Plan, and, following the Effective Date, each of such contracts, leases, instruments, releases and other agreements shall be a legal, valid and binding

obligation of the Debtor and enforceable against the Debtor in accordance with its terms; or (b) authorize the Debtor to engage in any of the activities set forth in this paragraph or otherwise contemplated by the Plan. Mark P. Nondorf as the President of the Debtor, or his respective designees, will be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, this Confirmation Order and any and all documents or transactions contemplated by the Plan or this Confirmation Order, all without further application to or order of the Bankruptcy Court and whether or not such actions or documents are specifically referred to in the Plan, the Disclosure Statement, the Disclosure Statement Order, this Confirmation Order or the exhibits or appendices to any of the foregoing, and the signature of such officer on a document shall be conclusive evidence of the officer's determination that such document and any related actions are necessary and appropriate to effectuate or further evidence the terms and conditions of the Plan, this Confirmation Order or other documents or transactions contemplated by the Plan or this Confirmation Order. Pursuant to Section 1142 of the Bankruptcy Code, to the extent that, under applicable nonbankruptcy law, any of the foregoing actions otherwise would require the consent or approval of the stockholders or the board of directors of the Debtor, this Confirmation Order shall constitute such consent or approval, and such actions are deemed to have been taken by unanimous action of the stockholders and directors of the Debtor.

19. Directors and Officers. The existing directors and officer of the Debtor shall serve in the same capacities after the Effective Date, pursuant to the Plan through the date the officer resigns, is replaced, or is terminated.

20. Preservation Of Causes Of Action. The Debtor shall retain and may (but is not required to) enforce all Causes of Action or claims arising under applicable state laws, if any, and including Causes of Action of a trustee or debtor-in-possession under the Bankruptcy Code except those expressly released under the Plan. The Debtor will determine whether to bring, settle, release, compromise, or enforce any such rights (or decline to do any of the foregoing). The failure of the Debtor to specifically list any Cause of Action on Exhibit B to the Plan, or otherwise, does not and will not be deemed to constitute a waiver or release by the Debtor of such Cause of Action, and the Debtor and the Plan Officer will retain the right to pursue such Causes of Action in their discretion and, therefore, no preclusion doctrine, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches will apply to such Cause of Action upon or after the confirmation or consummation of the Plan; provided, however, that notwithstanding the payment on account of an Allowed Claim, the Debtor and the Plan Officer shall retain the right to assert and/or pursue any Causes of Action against the parties subject thereto any and all rights ancillary thereto, including the right to collect judgments thereon.

21. Exemption From Certain Taxes And Recording Fees. Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of any security, or the making, delivery, filing or recording of any instrument of transfer under, or in connection with, the Plan shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax or similar tax. Furthermore, and without limiting the foregoing, any transfers from the Debtor to any other Person pursuant to the Plan, as contemplated by the Plan, or pursuant to any agreement regarding the transfer of title to or ownership of the Debtor's property in the United States will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar

tax, sales or use tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of Section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. The Bankruptcy Court shall retain specific jurisdiction with respect to these matters.

22. Executory Contracts. Except as otherwise provided in the Plan, or this Confirmation Order or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan or in connection with the assumption or assumption and assignment of an executory contract, each executory contract and unexpired lease that exist and have not, prior to the Effective Date, been rejected pursuant to a Final Order of the Bankruptcy Court, between the Debtor and any Person, shall be deemed rejected as of the Effective Date, except for any executory contract and expired lease (i) assumed by the Debtor and assigned to Carmel Funding pursuant to the Sale Order, or (ii) as to which a motion for approval of the assumption or rejection of such contract or lease has been filed and served prior to the Effective Date. The rejection of any executory contract and unexpired lease pursuant to the Bankruptcy Code shall not affect the rights or claims of the Debtor, including without limitation, the Debtor's rights or claims to or against any purported "assignment" or "termination" of such executory contract or unexpired lease, to continue with or to bring claims or actions against a contract counterparty or a third party associated with such rejected executory contract or unexpired lease.

23. Bar Date for Rejection Damages Claims. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Article 8 of the Plan must be filed with the Bankruptcy Court no later than the later of (i) the Bar Date, and (ii) thirty (30) days after the Effective Date, or be forever barred.

24. Professional Claims And Final Fee Applications. The provisions of Sections 6.7 and 12.2 of the Plan shall govern Professional Fee Claims, including final fee applications, payment of interim amounts, and deadlines and procedures relating thereto, as well as post-Effective Date compensation and retention. Objections to any final fee and expense application shall be filed on or before thirty (30) days following the final date set by the Plan for filing such applications and any notice of the filing of a final fee application shall include the objection deadline.

25. Resolution Of Claims And Equity Interests. Except as otherwise ordered by the Bankruptcy Court, any Claim or Equity Interest that is not an Allowed Claim or Allowed Equity Interest shall be determined, resolved, or adjudicated in accordance with the terms of the Plan. The Debtor, in consultation with the Plan Officer, may (a) until thirty (30) days after the Effective Date (unless extended pursuant to Article 7.1 of the Plan or by order of the Bankruptcy Court) file objections in the Bankruptcy Court to the allowance of any Claim or Equity Interest (whether or not a proof of Claim or Equity Interest has been filed) and/or (b) amend its schedules at any time before the Chapter 11 Case is closed.

26. Payment Of Fees. All fees payable by the Debtor under 28 U.S.C. § 1930 shall be paid on or before the Effective Date, and the Debtor shall thereafter pay any statutory fees that come due until the Chapter 11 Case is closed, converted or dismissed.

27. Authorization To Consummate Plan. The Bankruptcy Court authorizes the Debtor to consummate the Plan after entry of this Confirmation Order. The Debtor is authorized to execute, acknowledge, and deliver such deeds, assignments, conveyances, and other assurances, documents, instruments of transfer, uniform commercial code financing statements, trust agreements, mortgages, indentures, security agreements, and bills of sale and to take such other actions as may be reasonably necessary to perform the terms and provisions of the Plan, all transactions contemplated by the Plan, and all other agreements related thereto.

28. Failure To Consummate Plan And Substantial Consummation. If consummation of the Plan does not occur, then the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Equity Interest or Class of Claims or Equity Interests), the rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be null and void. In such event, nothing contained in the Plan or this Confirmation Order, and no acts taken in preparation for consummation of the Plan, shall (a) constitute a waiver or release of any claims by or against (including any Claims) or Equity Interests in the Debtor or any other Person, (b) prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor, (c) constitute an admission of any sort by the Debtor or any other Person, or (d) be construed as a finding of fact or conclusion of law with respect thereto. Upon the occurrence of the Effective Date, the Plan shall be deemed substantially consummated.

29. Retention Of Jurisdiction. Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction as provided in the Plan over all matters arising out of, and related to, the Chapter 11 Case and the Plan to the fullest

extent permitted by law, including, among other items and matters, jurisdiction over those items and matters set forth in Article 11 of the Plan.

30. References To Plan Provisions. The failure to include or specifically reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court that the Plan be confirmed in its entirety. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; however, that if there is determined to be any inconsistency between any Plan provision and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

31. Filing And Recording. This Confirmation Order (a) is and shall be effective as a determination that, on the Effective Date, all Claims and Equity Interests existing prior to such date shall be limited to the treatments set forth in the Plan, and (b) is and shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required, by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any document or instruments. Each and every federal, state and local government agency is hereby directed to accept any and all documents and instruments necessary, useful or appropriate (including Uniform Commercial Code financing statements) to effectuate, implement

and consummate the transactions contemplated by the Plan and this Confirmation Order without payment of any recording tax, stamp tax, transfer tax or similar tax imposed by state or local law.

32. Notice Of Confirmation Order And Occurrence Of Effective Date. On or before the fifth (5th) Business Day following the occurrence of the Effective Date, the Debtor and the Plan Officer shall serve notice of this Confirmation Order and of the Effective Date pursuant to Bankruptcy Rules 2002(f)(7), 2002(k), and 3020(c), on all creditors and equity security holders, the United States Trustee, and other parties-in interest, by causing a notice of this Confirmation Order and of the Effective Date (the “Notice of Effective Date”), to be delivered to such parties by electronic mail or first class mail, postage prepaid, provided, however, that notice need not be given or served under the Bankruptcy Code, the Bankruptcy Rules, or this Confirmation Order to any Person to whom the Debtor mailed a notice of the Bar Date or the Solicitation Packet, but received such notice returned marked “undeliverable as addressed,” “moved-left no forwarding address,” “forwarding order expired,” or similar reason, unless the Debtor has been informed in writing by such Person of that Person’s new address. Pursuant to the *Order on Motion for Entry of an Order Establishing Procedures for Expunging Satisfied Claims* [Docket No. 194] entered by the Bankruptcy Court on February 4, 2013, the Debtor is not required to mail a Notice of Effective Date to any party whose claim has been expunged from the Debtor's Schedules and creditor list. The notice described herein is adequate under the particular circumstances of the Chapter 11 Case, and no other or further notice is necessary.

28. Exhibits Will Operate As Controlling Documents. In the event of an inconsistency between the Plan and the Exhibits (as may be modified), the Exhibits will control.

29. 28 U.S.C. § 157(d). Nothing in this Confirmation Order or the Plan is intended to modify or violate 28 U.S.C. § 157(d).

30. If in this Order, any finding of fact is more properly a conclusion of law or if any conclusion of law is more properly a finding of fact, the Bankruptcy Court so finds and concludes.

Requested by:

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EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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

CHAPTER 11 PLAN OF LIQUIDATION OF TWG CAPITAL, INC.

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INTRODUCTION

TWG Capital, Inc., the debtor and debtor-in-possession (the "Debtor"), proposes the following Chapter 11 plan of liquidation pursuant to Section 1121(a) of the Bankruptcy Code, providing for the liquidation of the Debtor's assets and distributions in accordance with the priorities established by the Bankruptcy Code.

ARTICLE 1.

DEFINITIONS AND INTERPRETATION

A. **Definitions.** As used in this Plan, and unless the context otherwise requires, the following terms shall have the respective meanings specified below:

1.1 **Administrative Claims Bar Date** means the date that is thirty (30) days after the Confirmation Date.

1.2 **Administrative Expense Claim** means any Claim under Sections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the assets of the Debtor-in-Possession, any actual and necessary expenses of operating the business of the Debtor-in-Possession, all compensation and reimbursement of expenses allowed by the Bankruptcy Court under Sections 330 or 503 of the Bankruptcy Code, and any fees and charges assessed against the Debtor-in-Possession under Section 1930 of Chapter 123 of Title 28 of the United States Code.

1.3 **Affinity** means a counterparty to an Affinity Agreement.

1.4 **Affinity Agreement** means all contracts and arrangements between the Debtor, as assignee of LTPC, and an Affinity, under which the Debtor owed any compensation or had any payment obligation to such Affinity arising out of or related to assigned commission rights and the policies of long term care insurance that relate to the assigned commission rights.

1.5 **Affinity Claim** means any Claim of an Affinity related to or arising out of the Debtor's obligations under an Affinity Agreement.

1.6 **Agent** means an insurance agent, broker, underwriter or insurance agency but does not include an insurance company that is the issuer of an insurance policy.

1.7 **Allowed** means, with respect to a Claim or Equity Interest, any Claim or Equity Interest, proof of which was timely and properly filed or, if no proof of Claim or proof of interest was filed, which has been or hereafter is listed by the Debtor-in-Possession on the Schedules as liquidated in amount and not disputed or contingent and, in either case, as to which no objection to allowance has been interposed, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder. Unless otherwise specified in this Plan or by order of the Bankruptcy Court, "Allowed Claim" shall not, for purposes of computation of distributions under this Plan, include interest on a

Claim from and after the Petition Date. Further, “Allowed Claim” shall not include any portion of a Claim that is a Disputed Claim.

1.8 **Asserted Causes of Action** means all Causes of Action commenced by the Debtor or the Plan Officer on or before thirty (30) days after the Effective Date.

1.9 **Auction** means the auction of the Ownership Interests to the highest bidder pursuant to the terms and bidding procedures set forth in Exhibit A to the Plan.

1.10 **Available Cash** means all Cash of the Estate to be distributed to the holders of Allowed Claims against the Estate on the Distribution Date.

1.11 **Bankruptcy Code** means Title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Case.

1.12 **Bankruptcy Court** means the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, or the court so authorized with respect to any such proceeding.

1.13 **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Case, including the local rules and general orders of the Bankruptcy Court.

1.14 **Bar Dates** means the date(s) designated by the Bankruptcy Court as the last date(s) for filing claims against the Debtor, including general unsecured claims and rejection damages claims.

1.15 **Business Day** means any day other than a Saturday, a Sunday, or any other day on which banking institutions in Indianapolis, Indiana are required or authorized to close by law or executive order.

1.16 **Carmel Funding** means Carmel Funding, LLC, a Delaware limited liability company.

1.17 **Cash** means cash and cash equivalents.

1.18 **Causes of Action** means any and all claims, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, and privileges, licenses and franchises of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, whether arising before, on or after the Petition Date in contract or in tort, in law or equity, or under any other theory of law, including all turnover, avoidance or preference actions arising under Chapter 5 of the Bankruptcy Code.

1.19 **Chapter 11 Case** means the voluntary case commenced under Chapter 11 of the Bankruptcy Code by the Debtor, styled In re TWG Capital, Inc., Case No. 12-11019-BHL-11.

1.20 **Claim** means any right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, known or unknown; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, known or unknown.

1.21 **Class** means any group of substantially similar Claims or Equity Interests classified by this Plan pursuant to Section 1123(a)(1) of the Bankruptcy Code.

1.22 **Closing Date** means December 31, 2012, the date the sale to Carmel Funding, as approved by the Sale Order, closed.

1.23 **Confirmation Date** means the date upon which the Bankruptcy Court enters an order confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

1.24 **Confirmation Order** means the order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

1.25 **Cost Sharing Agreement** means the Agreement for Allocation of Costs and Reimbursement of Expenses executed by the Debtor and Carmel Funding and dated January 1, 2013, and approved by the Bankruptcy Court on February 4, 2013, pursuant to the *Order Granting Motion for an Order Approving Certain Agreement for Allocation of Costs and Reimbursement of Expenses and Interim Services of Mark P. Nondorf as President* [Docket No. 199].

1.26 **Debtor** means TWG Capital, Inc., a Delaware registered corporation.

1.27 **Debtor-in-Possession** means the Debtor in its capacity as Debtor-in-Possession pursuant to Section 1107 of the Bankruptcy Code.

1.28 **Disclosure Statement** means the disclosure statement, as the same may be amended from time to time, which is required by Section 1125 of the Bankruptcy Code and which accompanies this Plan.

1.29 **Disputed** means, with respect to a Claim, (a) any such Claim proof of which was timely and properly filed and (i) which has been or hereafter is listed on each of the Schedules as unliquidated, disputed, or contingent, and which has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, or (ii) as to which the Debtor or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order, and (b) any Claim as to which a proof of Claim was required to be filed by order of the Bankruptcy Court but as to which a proof of Claim was filed untimely or improperly. Prior to (x) the time that an objection has been filed and (y) the expiration of the time within which to object to such Claim set forth herein or a date otherwise established by order of the Bankruptcy Court, for purposes of this Plan, (A) a Claim shall be considered a **Disputed Claim** if the amount of the Claim specified in the proof of

Claim exceeds the amount of the Claim scheduled by the Debtor as other than disputed, contingent or unliquidated or (B) in the event that a Claim is not listed on the Schedules, then the entire amount of such Claim shall be considered a Disputed Claim. Because it is not anticipated that the holders of Allowed Equity Interests will receive any distributions on account of such Equity Interests, it is unnecessary to characterize any Equity Interest, or any portion thereof, as Disputed.

1.30 **Distribution Date** means the date on which distribution of Available Cash is made pursuant to Article 6 of this Plan. The Distribution Date shall be a date, as determined by the Debtor and the Plan Officer, which is after (i) the Effective Date, (ii) the liquidation into Cash of all assets of the Debtor (other than those assets abandoned by the Debtor) and collection of other sums due or otherwise remitted or returned to the Estate, (iii) the date that all Disputed Claims have become Allowed Claims or have been disallowed by Final Order of the Bankruptcy Court, (iv) the resolution of all Asserted Causes of Action, and (v) entry of a Final Order allowing or disallowing all timely asserted Professional Fee Claims and Administrative Expense Claims.

1.31 **Dormant Subsidiaries** means certain of the Debtor's wholly-owned subsidiaries, which were acquired by the Debtor in connection with the acquisition of insurance commission receivables and had all agency operations wound down shortly after purchase and prior to the Petition Date, including the following: Professional Benefits, Inc., Senior Health Division, Inc., AIM Neighbors, LLC, and American Insurance Marketing Corp.

1.32 **Downline** means an Agent or Affinity to whom the Debtor owes any obligation to remit commissions pursuant to the Debtor's agreement with LTPC.

1.33 **Effective Date** means the date to be selected by the Debtor on which this Plan shall become effective, which date shall be as soon as reasonably practicable after the date on which the conditions specified in Section 9.1 of this Plan have been satisfied or waived by the Debtor.

1.34 **Employee Benefits** means the Debtor's (i) ERISA qualified retirement plan under Section 401(k) of the Internal Revenue Code and (ii) Section 125 Plan comprised of both medical flexible spending arrangements and dependent care flexible spending arrangements, as both such plans were in effect from the Petition Date through the Closing Date.

1.35 **Equity Interest** means the interest of any holder of equity securities of the Debtor prior to the Effective Date represented by the issued and outstanding shares of common stock, including any existing options, warrants or rights, contractual or otherwise, to acquire such equity securities.

1.36 **Estate** means the Debtor's Estate created pursuant to Section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

1.37 **Exhibit** means an exhibit annexed or to be annexed to this Plan, as it may be amended.

1.38 **Exhibit Filing Date** means the date on which Exhibits to the Plan shall be filed with the Bankruptcy Court, which date shall be no fewer than ten (10) days prior to the Voting Deadline, unless a later date is approved by the Bankruptcy Court.

1.39 **Final Order** means an order or judgment, the operation or effect of which has not been stayed, reversed or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing or move for a new trial has expired, and as to which no appeal or petition for review, reargument, rehearing or proceeding for a new trial was timely filed or, if timely filed, remains pending.

1.40 **ICRs** means insurance commission receivables.

1.41 **Insider** means any Person that qualified as an "insider" as defined in Section 101 of the Bankruptcy Code. "Insider" shall not be limited to the enumerated categories set forth in Section 101(31) of the Bankruptcy Code, and such term shall include all such Persons that qualify as an "insider" within the meaning of the Bankruptcy Code and as the Bankruptcy Court may so rule.

1.42 **Insider Claim** means any non-priority, unsecured Claim of an Insider.

1.43 **IR7** means Insurance Receivables 7, LLC, a Delaware limited liability company.

1.44 **IR7 Commission Vehicles** means certain of the Debtor's wholly owned subsidiaries that may receive insurance commissions periodically but has assigned any rights to those commissions to IR7.

1.45 **LTPC** means Long Term Preferred Care, Inc., a Tennessee corporation.

1.46 **Other General Unsecured Claim** means any Claim other than an Administrative Expense Claim, Priority Tax Claim, Other Priority Claim, Secured Claim, Insider Claim, or Affinity Claim.

1.47 **Other Priority Claim** means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment under Section 507(a) of the Bankruptcy Code.

1.48 **Ownership Interests** means the Debtor's 100% ownership interests in IR7 and the IR7 Commission Vehicles.

1.49 **Person** means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, trustee, United States Trustee, estate, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency, or political subdivision thereof, or other entity.

1.50 **Petition Date** means September 14, 2012, the date on which the Debtor commenced the Chapter 11 Case.

1.51 **Plan** means this Chapter 11 plan (including all exhibits annexed hereto), either in its present form or as it may be altered, amended or modified from time to time.

1.52 **Plan Officer** means the individual deemed to be appointed by the Bankruptcy Court on the Effective Date that, among other things, shall be authorized to take all other steps necessary to effect the provisions of the Plan and shall, together with the Debtor, be an official distribution agent to the holders of Allowed Claims.

1.53 **Plan Sale** means the duly noticed and advertised sale of the Ownership Interests under Section 363 of the Bankruptcy Code.

1.54 **Priority Claim Order** means the *Order Granting Motion for an Order Authorizing the Debtor to Pay Certain Priority Claims Under 11 U.S.C. § 507(a)(4)* entered by the Bankruptcy Court on February 4, 2013 [Docket No. 196].

1.55 **Priority Tax Claim** means any Claim of a governmental unit of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.56 **Professional Fee Claim** means any Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred prior to and including the Effective Date, when and to the extent any such Claim is Allowed by the Bankruptcy Court pursuant to Sections 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

1.57 **Professionals** means those Persons (a) employed pursuant to an order of the Bankruptcy Court in accordance with Sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to Sections 327, 328, 329, 330 and 331 of the Bankruptcy Code, or (b) for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

1.58 **Pro Rata Share** means the proportion that the amount of any Claim bears to the aggregate amount of such Claim and all other Claims in the same Class entitled to distributions from the same source of Cash.

1.59 **Rejection Damages Claim** means any Claim arising from the rejection of an executory contract or unexpired lease pursuant to Section 365 of the Bankruptcy Code.

1.60 **Sale Order** means the *Order Granting Motion for Entry of an Order (I) Approving Asset Purchase Agreement; (II) Authorizing the Sale of Substantially All of the Debtor's Assets Free and Clear of All Liens, Claims and Encumbrances; and (III) Authorizing the Assumption and Assignment of Leases and Contracts* entered by the Bankruptcy Court on November 9, 2012 [Docket No. 142].

1.61 **Schedules** means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtor on October 12, 2012, as required by Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, including any supplements or amendments thereto through the Confirmation Date.

1.62 **Secured Claim** means a Claim held by any entity to the extent of the value, as set forth in this Plan, as agreed to by the holder of such Claim, the Debtor, or as determined by a Final Order of the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code, of any interest in property of the Estate securing such Claim; provided, however, that a Secured Claim shall not include any portion of the Claim that exceeds the value of the interest in property of the Estate securing such Claim.

1.63 **SPV** means a special purpose vehicle.

1.64 **Tax Claim** means a Claim asserted by a taxing entity, including without limitation, Priority Tax Claims.

1.65 **Voting Deadline** means _____, 2013, the date established by order of the Bankruptcy Court for parties to submit their ballots to accept or reject the Plan.

1.66 **Wage Order** means the *Order on First Day Motion of Debtor for Entry of an Order (A) Authorizing, But Not Requiring, Payment of Certain Pre-Petition (i) Wages, Salaries, and Other Compensation, (ii) Employee Medical and Similar Benefits, (iii) Reimbursable Employee Expenses, and (B) Authorizing and Directing Applicable Banks and Other Financial Institutions to Receive, Process, and Honor and Pay All Checks Presented for Payment and to Honor All Electronic Payment Requests Made by the Debtor Related to the Foregoing* entered by the Bankruptcy Court on September 20, 2012 [Docket No. 35].

B. Rules of Interpretation.

(a) For purposes of this Plan, except as expressly provided, all capitalized terms not otherwise defined shall have the meanings given them in Article 1 of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules.

(b) For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) each pronoun stated in the masculine, feminine or neuter includes the masculine, feminine and neuter; (c) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (d) any reference in this Plan to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified or supplemented pursuant to this Plan; (e) any reference to a Person as a Holder of a Claim or Interest includes that Person's heirs, successors, and assigns; (f) all references in this Plan to Articles and Exhibits are references to Articles and Exhibits of or to this Plan; (g) the words "herein," "hereof," "hereunder," and "hereto" unless limited by further reference refer to this Plan in its entirety rather than to a particular portion of this Plan; (h) captions

and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (i) subject to the provisions of any contract, by-laws, instrument, release or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by and construed and enforced in accordance with federal law including the Bankruptcy Code and the Bankruptcy Rules; and (j) the rules of construction set forth in Section 102 of the Bankruptcy Code will apply.

C. **Computation of Time.** In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. A period described as a number of "days" (as opposed to "Business Days") means calendar days.

D. **References to Monetary Figures.** All references in the Plan to monetary figures shall refer to currency of the United States of America unless otherwise expressly provided.

ARTICLE 2.

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

2.1. **Administrative Expense Claims.** Except to the extent that the Debtor and the holder of an Allowed Administrative Expense Claim agree to a different treatment, the Debtor shall pay to each holder of an Allowed Administrative Expense Claim from Available Cash an amount equal to such Allowed Administrative Expense Claim on the Effective Date; provided, however, that Allowed Administrative Expense Claims representing obligations incurred in the ordinary course of business of the Debtor as Debtor-in-Possession shall be paid in full and performed by the Debtor in accordance with the terms and conditions of the particular transactions and any applicable agreements. **Applications for payment of Administrative Expense Claims, other than Professional Fee Claims and liabilities incurred in the ordinary course of business by the Debtor and not yet due and payable according to their terms, shall be filed on or before the Administrative Claims Bar Date.** Claims incurred by the Debtor in the ordinary course of business after the Petition Date will continue to be paid in the ordinary course of business by the Debtor when due. Within three business days of entry of the Confirmation Order, the Debtor will file and serve a Notice of Administrative Expense Claims Bar Date on all creditors and parties of interest of the Debtor's Estate.

2.2. **Priority Tax Claims.** Except to the extent that the Debtor and the holder of an Allowed Priority Tax Claim against the Debtor agree to a different treatment, the Debtor shall pay to each holder of an Allowed Priority Tax Claim from Available Cash an amount equal to such Allowed Priority Tax Claim on the Distribution Date.

ARTICLE 3.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

Claims and Equity Interests are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan. No interest, late fees or charges accruing on any Allowed Claim from and after the Petition Date through the Effective Date will be paid unless specifically included in the plan treatment. The classification and plan treatment of each Allowed Claim and Equity Interest is as follows:

3.1. **Class 1 - Other Priority Claims.** Class 1 consists of all Allowed Other Priority Claims against the Debtor. The Debtor is not aware of any Class 1 Claims that may become an Allowed Claim.

(a) **Impairment and Voting.** Class 1 is unimpaired by this Plan. The holder of an Allowed Claim in Class 1 is not entitled to vote to accept or reject this Plan.

(b) **Distributions to Class 1.** Each holder of an Allowed Claim in Class 1 shall be entitled to receive Cash from Available Cash in an amount equal to such Allowed Claim on the Distribution Date.

3.2. **Class 2 – Secured Claims.** Class 2 consists of all Allowed Secured Claims against the Debtor. The Debtor is not aware of any Class 2 Claims that may become an Allowed Claim.

(a) **Impairment and Voting.** Class 2 is unimpaired by this Plan. The holder of an Allowed Claim in Class 2 is not entitled to vote to accept or reject this Plan.

(b) **Distributions to Class 2.** Except to the extent that a holder of a Class 2 Allowed Secured Claim agrees to different treatment, on the Distribution Date, such holder shall receive one of the following treatments, in the discretion of the Debtor, in full and final satisfaction of such Allowed Secured Claim: (i) the Debtor shall pay such Allowed Secured Claim in full in Cash in an amount equal to the Allowed Secured Claim; (ii) the Debtor shall deliver the collateral securing any such Allowed Secured Claim in full satisfaction of its Allowed Secured Claim, unless the holder of such Claim agrees to less favorable treatment; or (iii) the Debtor shall otherwise treat any Allowed Secured Claim in any manner such that the Claim shall be rendered unimpaired. Each holder of an Allowed Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan. The Debtor does not believe there are any Class 2 Claims that will become Allowed Claims.

3.3. **Class 3 – Insider Claims.** Class 3 consists of all Allowed Insider Claims against the Debtor. Class 3 is comprised primarily of (i) non-priority, unsecured Claims of former employees of the Debtor to the extent such Claims are not entitled to priority pursuant to Section 507(a)(4) of the Bankruptcy Code and therefore already satisfied pursuant to the Wage

Order and the Priority Claim Order, and (ii) non-priority, unsecured Claims held by the Debtor's SPVs and equity security holders.

(a) **Impairment and Voting.** Class 3 is impaired by this Plan. Each holder of an Allowed Claim under Class 3 is entitled to vote to accept or reject this Plan. Pursuant to Section 1129(a)(10) of the Bankruptcy Code, Class 3 will not constitute the sole accepting Class for purposes of a "cram-down" under Section 1129(b) of the Bankruptcy Code.

(b) **Distributions to Class 3.** After satisfaction in full of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and Allowed Secured Claims, and unless otherwise agreed to by the Debtor and the holder of an Allowed Claim in Class 3, each holder of an Allowed Claim in Class 3 shall be entitled to receive its Pro Rata Share of Available Cash (not to exceed the amount of its Allowed Claim) on the Distribution Date. Distributions to holders of Allowed Insider Claims shall be on parity with distributions to holders of Allowed Claims belonging to Classes 4 and 5.

3.4. **Class 4 – Affinity Claims.** Class 4 consists of all Allowed Affinity Claims against the Debtor. Members of Class 4 hold non-priority, unsecured claims against the Debtor. The Debtor separately classifies the holders of Affinity Claims from other holders of non-priority, unsecured claims against the Debtor because the holders of Affinity Claims are each uninformed about their Claims, with any knowledge dependent entirely on the disclosures or actions of the Debtor. Prior to the Petition Date, members of Class 4 were entitled to a small percentage of ICRs collected from policies issued to policy holders marketed through the Affinity. Members of Class 4 have no information from which they could determine any entitlement to or calculate the amount of any Claim to such ICR percentage payment. Members of Class 4 are unable in all cases to independently value their Claims and must rely on the Debtor's determinations as set forth in the Schedules. Given the number of holders, the sums of the Affinity Claims, and the reliance of Class 4 members on the Debtor's data as set forth in the Schedules, Class 4 members are separately classified in voting to accept or reject the Plan.

(a) **Impairment and Voting.** Class 4 is impaired by this Plan. Each holder of an Allowed Claim in Class 4 is entitled to vote to accept or reject this Plan.

(b) **Distributions to Class 4.** After satisfaction in full of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and Allowed Secured Claims, and unless otherwise agreed to by the Debtor and the holder of an Allowed Claim in Class 4, each holder of an Allowed Claim in Class 4 shall be entitled to receive its Pro Rata Share of Available Cash (not to exceed the amount of its Allowed Claim) on the Distribution Date. Distributions to holders of Allowed Affinity Claims shall be on parity with distributions to holders of Allowed Claims belonging to Classes 3 and 5.

3.5. **Class 5 – Other General Unsecured Claims.** Class 5 consists of all Allowed Other General Unsecured Claims against the Debtor, including without limitation, Rejection Damages Claims (except those asserted by Insiders), Claims of trade creditors, and Claims asserted against the Debtor by parties other than Insiders or Affinities. Class 5 represents the Debtor's most independent Class of creditors, whose transactions with the Debtor were conducted at arm's-length and pursuant to a direct agreement with the Debtor. Accordingly, Class 5 members are separately classified.

(a) **Impairment and Voting.** Class 5 is impaired by this Plan. Each holder of an Allowed Claim in Class 5 is entitled to vote to accept or reject this Plan.

(b) **Distributions to Class 5.** After satisfaction in full of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and Allowed Secured Claims, and unless otherwise agreed to by the Debtor and the holder of an Allowed Claim in Class 5, each holder of an Allowed Claim in Class 5 shall be entitled to receive its Pro Rata Share of Available Cash (not to exceed the amount of its Allowed Claim) on the Distribution Date. Distributions to holders of Allowed Other General Unsecured Claims shall be on parity with distributions to holders of Allowed Claims belonging to Classes 3 and 4.

3.6. **Class 6 - Equity Interests.** Class 6 consists of all Allowed Equity Interests.

(a) **Impairment and Voting.** Class 6 is impaired by this Plan. For purposes of this Plan, each holder of an Allowed Equity Interest in Class 6 is conclusively presumed to have rejected this Plan as holders of an Allowed Equity Interest in Class 6 and are not entitled to vote to accept or reject this Plan.

(b) **Distributions to Class 6.** Because the value of the Debtor's assets is less than the total value of its debts and liabilities, it is not anticipated that the holders of Allowed Equity Interests in Class 6 will receive any distributions on account of such Equity Interests. The Debtor will request that the Bankruptcy Court make a finding that the Equity Interests have no value for purposes of the "best interest" test under Section 1129(a)(7) of the Bankruptcy Code. The common stock certificates and other instruments evidencing Equity Interests in the Debtor shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule, and the Equity Interests in the Debtor evidenced thereby shall be extinguished after (i) the Debtor determines following the Confirmation Date that there are not sufficient funds available to holders of Allowed Equity Interests, or (ii) in the event that sufficient funds become available to make a distribution to holders of Allowed Equity Interests, as soon as possible following the Distribution Date, distributions to Allowed Equity Interests, if any, will be paid on the Distribution Date, and the holder of Class 6 Equity Interests shall be entitled to receive its Pro Rata Share of Available Cash.

ARTICLE 4.

ACCEPTANCE OR REJECTION OF THE PLAN

4.1. **Voting of Claims.** Each holder of an Allowed Claim in an impaired Class of Claims (Classes 3, 4 and 5) shall be entitled to vote to accept or reject this Plan by following the procedures set forth herein and in the Disclosure Statement. For purposes of calculating the number of Allowed Claims in a Class of Claims that have voted to accept or reject this Plan under Section 1126(c) of the Bankruptcy Code, all Allowed Claims in such Class held by one entity or any affiliate thereof (as defined in the Securities Act of 1933 and the rules and regulations promulgated thereunder) shall be aggregated and treated as one Allowed Claim in such Class.

4.2. **Blank Ballots.** Any Ballot that is executed by the holder of a Claim or Equity Interest but that does not indicate an acceptance or rejection of the Plan shall be deemed to be an acceptance of the Plan.

4.3. **Acceptance by a Class of Creditors.** Consistent with Section 1126(c) of the Bankruptcy Code and except as provided for in Section 1126(e) of the Bankruptcy Code, a Class of creditors shall have accepted this Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan.

4.4. **Cramdown.** The Debtor shall utilize the provisions of Section 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of this Plan over the rejection, if any, of any Class entitled to vote to accept or reject this Plan.

ARTICLE 5.

MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

5.1. **Utilization of Plan Officer.**

(a) **Purpose of the Plan Officer.** The principal purpose of the Plan Officer is to make distributions in respect of Claims against the Debtor's Estate in accordance with the terms of this Plan.

(b) **Identity of Initial Plan Officer and Compensation of Plan Officer.** The Debtor has determined that Mark P. Nondorf, 6346 Calais Drive, Indianapolis, Indiana 46220, is well suited for the role of Plan Officer and should be so appointed. The compensation of the Plan Officer shall continue pursuant to the terms of the Cost Sharing Agreement, as such agreement has been or may be modified through the closing of the Chapter 11 Case.

(c) **Appointment of Plan Officer.** On the Effective Date, the Plan Officer shall be deemed to be appointed by the Bankruptcy Court pursuant to the terms of this Plan. On the Effective Date, the Plan Officer shall be authorized to take all steps necessary to effect the provisions of this Plan and, together with the

Debtor, shall be an official distribution agent to the holders of Allowed Claims. If, for any reason, the Plan Officer ceases to perform the functions and responsibilities set forth below prior to the completion of all distributions to be made under this Plan, the Debtor may appoint a replacement Plan Officer effective upon the submission of a Notice of Appointment of Plan Officer to the Bankruptcy Court or, if the parties are unable to agree upon the identity of a Plan Officer, the Bankruptcy Court shall appoint a replacement Plan Officer upon such notice and with such consultation as the Bankruptcy Court deems appropriate.

(d) Powers and Duties of Plan Officer. Upon appointment by the Bankruptcy Court and pursuant to the terms and provisions of this Plan, the Plan Officer shall, together with the Debtor, act as the official distribution agent for the holders of Allowed Claims. The Plan Officer, together with the Debtor, shall carry out the implementation of this Plan and shall have all duties, powers, and standing and authority necessary to implement the Plan and to administer the assets of the Debtor for the benefit of holders of Allowed Claims. The Plan Officer's powers shall include, without limitation, the following:

(i) The power to, jointly with the Debtor, provide for the maintenance of the books and records of the Debtor's Estate and provide for storage and destruction of records as deemed appropriate;

(ii) The power to, jointly with the Debtor, liquidate any remaining unliquidated assets of the Estate and to sell or otherwise transfer for value any non-Cash property, including the power to complete the Plan Sale;

(iii) The power to, jointly with the Debtor, abandon to the Debtor any property that cannot be sold or otherwise disposed of for value;

(iv) The power to, jointly with the Debtor, litigate or settle Causes of Action asserted by or against the Debtor, subject to approval by the Bankruptcy Court;

(v) The power to, jointly with the Debtor, litigate or settle Claims asserted by or against the Debtor, as provided in Article 7 of this Plan;

(vi) The power to, jointly with the Debtor, hold and invest Estate funds until distributed and, in strict accordance with the terms of this Plan, establish one or more checking, savings and investment accounts in the name of the Plan Officer;

(vii) The power to, jointly with the Debtor, make distributions of Estate funds as provided in this Plan;

(viii) The power to, jointly with the Debtor, file with the Bankruptcy Court the reports and other documents required by the Plan or otherwise required to close the Chapter 11 Case;

(ix) The power to take any other actions that the Plan Officer, in his or her reasonable discretion, determines to be in the best interests of the Debtor's creditors and consistent with the purposes of this Plan; and

(x) The power to retain, after consultation with the Debtor, any third parties that the Plan Officer deems necessary to carry out the duties of the Plan Officer or to effectuate the terms of the Plan, including any current or former employees of the Debtor. The Plan Officer shall have the power to compensate any third parties retained at rates commensurate with the services to be provided.

(e) Discharge of Plan Officer. After the Distribution Date, the Plan Officer shall file with the Bankruptcy Court a final report of distributions and perform such other duties as are specified in the Plan, whereupon the Plan Officer shall have no further duties under the Plan.

5.2. Authorization to Effectuate the Plan. The entry of the Confirmation Order shall constitute authorization for the Debtor and the Plan Officer to take or cause to take all corporate action necessary and appropriate to consummate and implement the Plan prior to and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without any requirement of further action by the Debtor.

5.3. Continuing Existence.

(a) From and after the Confirmation Date, the Debtor shall continue in existence (and shall consult and/or confer with the Plan Officer as specifically provided for in the Plan) for the purpose of (i) winding up its affairs as expeditiously as reasonably possible, (ii) conducting the Plan Sale, (iii) liquidating, by conversion to Cash or other methods, of any remaining assets of its Estate, as expeditiously as reasonably possible, (iv) enforcing and prosecuting claims, interests, rights and privileges of the Debtor, including, without limitation, the prosecution of Causes of Action, (v) resolving Disputed Claims, (vi) administering this Plan, and (vii) filing appropriate tax returns.

(b) From and after the Confirmation Date, and subject to the Effective Date, the then current officer of the Debtor shall continue to serve in his respective capacity through the date such officer resigns, is replaced or is terminated.

(c) From and after the Effective Date, the Debtor shall not be required to file any document, or take any other action, to withdraw its business operations from any states in which the Debtor previously conducted its business operations.

5.4. **Funding for this Plan.** This Plan shall be funded by (i) Available Cash on the Effective Date, including the proceeds from the sale of the Ownership Interests pursuant to the Plan Sale, and (ii) funds available after the Effective Date from, among other things, the liquidation of the Debtor's remaining assets and the prosecution and enforcement of Asserted Causes of Action of the Debtor.

5.5. **Plan Sale.** As part of the Plan Sale, the Debtor is seeking approval of a sale of the Ownership Interests by Auction to the highest bidder. The Auction shall be conducted within thirty (30) days of the entry of the Confirmation Order pursuant to Section 363 of the Bankruptcy Code. The terms of the Plan Sale, a more detailed description of the Ownership Interests to be sold, and the bidding procedures pursuant to which the Debtor will determine the highest and best offer for the Ownership Interests will be outlined in Exhibit A to this Plan, which shall be provided on the Exhibit Filing Date. The Debtor will provide notice of the Plan Sale and the time and location of the Auction and the bidding procedures to the United States Trustee, all counsel of record, all creditors and parties in interest, Carmel Funding, and all entities known to have expressed any interest in the possible acquisition of any assets of the Debtor after the Petition Date or within three (3) years prior to the Petition Date.

5.6. **Dissolution.**

(a) *IR7 and IR7 Commission Vehicles.* If the Plan Sale fails to produce a purchaser for the Ownership Interests, the Ownership Interests will be abandoned to the Debtor. If the Ownership Interests are abandoned, the Debtor, as the sole member of IR7 and the IR7 Commission Vehicles, will cease all efforts to operate and maintain IR7 and the IR7 Commission Vehicles and will allow IR7 and the IR7 Commission Vehicles to be dissolved pursuant to Indiana Code §§ 23-1-46-1 to -4, and the Debtor will be relieved of any obligation (i) to prepare and file tax returns on behalf of IR7 and the IR7 Commission Vehicles after the Effective Date, except to the extent the Debtor determines in its sole discretion to do so, and (ii) to comply with the requirements set forth in Indiana Code § 6-8.1-10-9, § 22-4-32-23, §§ 23-1-45-1 to -7, §§ 23-1-47-1 to -4, and § 32-34-1-25 and in Section 6043 of the Internal Revenue Code of 1986, as amended, including without limitation, submission of Form 966 to the Internal Revenue Service.

(b) *Dormant Subsidiaries.* On and after the Effective Date, the Debtor may, without further approval of the Bankruptcy Court, allow the Dormant Subsidiaries to be administratively dissolved pursuant to Indiana Code §§ 23-1-46-1 to -4, and the Debtor will be relieved of any obligation to (x) conduct the business operations or obligations as the sole member of the Dormant Subsidiaries after the Effective Date, (y) prepare and file tax returns on behalf of the Dormant Subsidiaries, except to the extent the Debtor determines in its sole discretion to do so, and (z) comply with the requirements set forth in Indiana Code § 6-8.1-10-9, § 22-4-32-23, §§ 23-1-45-1 to -7, §§ 23-1-47-1 to -4, and § 32-34-1-25 and in Section 6043 of the Internal Revenue Code of 1986, as amended, including without limitation, submission of Form 966 to the Internal Revenue Service.

5.7. **Liquidation of Assets.** On and after the Confirmation Date, and subject to the Effective Date, the Debtor may, without further approval of the Bankruptcy Court, use, sell, assign, transfer, abandon or otherwise dispose of at a public or private sale any of the Debtor's remaining assets for the purpose of liquidating and converting such assets to Cash, making distributions and fully consummating the Plan.

5.8. **Termination of Employee Benefits.** Prior to the Petition Date, the Debtor established (i) an ERISA qualified retirement plan under Section 401(k) of the Internal Revenue Code for the benefit of its eligible employees, and withheld amounts designated by eligible employees from their annual earnings to contribute to the 401(k) plan, and (ii) a Section 125 Plan comprised of both medical flexible spending arrangements and dependent care flexible spending arrangements. The Debtor terminated its employees effective on the Closing Date, and there are no active participants in either of the Employee Benefits programs. Accordingly, the Employee Benefits programs shall be terminated effective on the Confirmation Date and thereafter liquidated. The Debtor, upon the Confirmation Date, shall be authorized to take all administrative actions necessary to process the termination of the Employee Benefits as required by applicable, non-bankruptcy law, including but not limited to, filing applicable forms with the Internal Revenue Service and the administrator of the Employee Benefits and to provide any applicable notices to the participants of the Employee Benefits.

5.9. **Accounts.** The Debtor, jointly with the Plan Officer, may establish one or more interest-bearing accounts as they determine may be necessary or appropriate to effectuate the provisions of this Plan consistent with Section 345 of the Bankruptcy Code and any orders of the Bankruptcy Court. The signatories to such accounts shall include, and shall be specifically limited to, a current director of the Debtor and the Plan Officer.

5.10. **Closing of the Chapter 11 Case.** When all Disputed Claims filed against the Debtor have become Allowed Claims or have been disallowed by Final Order, and all remaining assets of the Debtor (other than those assets abandoned by the Debtor), have been liquidated and converted into Cash and such Cash has been distributed in accordance with this Plan, or at such earlier time as the Debtor, jointly with the Plan Officer, deem appropriate, the Debtor and/or the Plan Officer shall seek authority from the Bankruptcy Court to close the Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE 6.

PROVISIONS GOVERNING DISTRIBUTIONS.

6.1. **Distribution Date.** On the Distribution Date, the Debtor and the Plan Officer shall distribute all Available Cash to holders of Allowed Claims other than holders of Administrative Expense Claims. Administrative Expense Claims shall be paid on the Effective Date or as they are incurred and submitted for payment following the Confirmation Date. Distributions to all other holders of Allowed Claims shall be allocated first to the principal portion of any such Allowed Claim, and only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest (but solely to the extent that interest is an allowable portion of such Allowed Claim). All payments shall be made in accordance with the priorities established by the Bankruptcy Code. The Debtor

expressly intends that, except for the payment of Administrative Expense Claims, only one distribution will occur under the Plan, eliminating the administrative expenses necessarily incurred to create and administer a reserve to fund possible distributions on Disputed Claims if ultimately Allowed, whether in full or otherwise.

6.2. **Delivery of Distributions and Undeliverable Distributions.**

Distributions to holders of Allowed Claims and Equity Interests shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address as set forth on the proofs of Claim and Equity Interests filed by such holders or other writing notifying the Debtor or the Plan Officer of a change of address. All claims for undeliverable distributions shall be made on or before sixty (60) days after the Distribution Date. After such date, all unclaimed property shall, in the Debtor and the Plan Officer's discretion, be used to satisfy the costs of administering and fully consummating this Plan, as needed, or donated to the Indianapolis Bar Foundation, Inc., and the holder of any such Allowed Claim shall not be entitled to any other or further distribution under this Plan on account of such Allowed Claim.

6.3. **Time Bar to Cash Payments.**

Checks issued by the Debtor and/or the Plan Officer with respect to Allowed Claims shall be null and void if not negotiated within sixty (60) days after the Distribution Date. Requests for reissuance of any check shall be made to the Debtor and the Plan Officer by the holder of the Allowed Claim to whom such check was originally issued within sixty (60) days after the Distribution Date. If a check has not been negotiated within sixty (60) days from issuance and no request for reissuance was received by the Debtor or the Plan Officer prior to the expiration of the sixty (60) days, the Claim that is the subject of the distribution shall be discharged and forever barred against the Debtor, its Estate, and creditors, and any obligation to such holder shall be deemed null and void. After such date, the unclaimed property shall, in the Debtor and the Plan Officer's discretion, be used to satisfy the costs of administering and fully consummating this Plan, as needed, or donated to the Indianapolis Bar Foundation, Inc., and the holder of any such Allowed Claim shall not be entitled to any other or further distribution under this Plan on account of such Allowed Claim.

6.4. **De Minimis Distributions.**

If the distribution to a holder of an Allowed Claim is less than \$10.00, no distribution shall be made on account of the Allowed Claims held by the holder of the Allowed Claim unless the holder requests distribution of the Plan Officer and the Debtor no later than thirty (30) days after the Effective Date. The holder of the Allowed Claim shall forever be barred from asserting any Claim therefore against the Debtor, its Estate, and its creditors.

6.5. **Withholding and Reporting Requirements.**

In connection with this Plan and all instruments issued in connection therewith and distributed thereon, the Debtor and the Plan Officer shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under this Plan shall be subject to any such withholding or reporting requirements.

6.6. **Setoffs.**

The Debtor and the Plan Officer may, in accordance with the provisions of the Plan, Section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to this Plan on

account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtor may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or the Debtor-in-Possession of any such claims, rights and causes of action that the Debtor or the Debtor-in-Possession may possess against such holder; and provided further, however, that any claims of the Debtor arising before the Petition Date shall first be setoff against Claims against the Debtor arising before the Petition Date.

6.7. **Professional Fees and Expenses.** Each Professional retained with approval by order of the Bankruptcy Court or requesting compensation in the Chapter 11 Case pursuant to Sections 330 or 503(b) of the Bankruptcy Code shall be required to file an application for an allowance of final compensation and reimbursement of expenses in the Chapter 11 Case incurred through the Effective Date on or before thirty (30) days after the Effective Date. Objections to any such application shall be filed on or before a date to be set by the Bankruptcy Court in the Confirmation Order. All compensation and reimbursement of expenses allowed by the Bankruptcy Court shall be paid no later than 10 days after entry of the order allowing such fees and expenses.

6.8. **Transactions on Business Days.** If the Effective Date or any other date on which a transaction may occur under this Plan shall occur on a day that is not a Business Day, the transactions contemplated by this Plan to occur on such day shall instead occur on the next succeeding Business Day.

ARTICLE 7.

PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS.

7.1. **Resolution of Disputed Claims.** Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, and except as otherwise expressly provided for below, the Debtor and the Plan Officer shall each have the exclusive right (except as to applications for allowances of compensation and reimbursement of expenses under Sections 330 and 503 of the Bankruptcy Code) to make and file objections to Claims (which includes, without limitation, objections to Rejection Damages Claims filed pursuant to Section 8.3 of the Plan) and shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than thirty (30) days after the Effective Date; provided, however, that such thirty (30) day period may be automatically extended by the Debtor by the filing by the Debtor or the Plan Officer of a Notice of Extension in the Chapter 11 Case, without any further application to, or approval by, the Bankruptcy Court, for an additional thirty (30) days. Such deadline may be further extended by order of the Bankruptcy Court. From and after the Confirmation Date, subject to the Effective Date, all objections shall be litigated to a Final Order except in the event the Debtor (with the consent of the Plan Officer not to be unreasonably withheld) or the Plan Officer (with the consent of the Debtor not to be unreasonably withheld), as applicable, elects to withdraw any such objection or the Debtor (with the consent of the Plan Officer, not to be unreasonably withheld) or the Plan Officer (with the consent of the Debtor, not to be unreasonably withheld), as applicable, and the claimant elect to compromise, settle or otherwise resolve any such objection by agreement, in which event they

may settle, compromise or otherwise resolve any Disputed Claim without further notice to or approval by the Bankruptcy Court.

7.2. **Estimation.** The Debtor or the Plan Officer may, at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtor has previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or the Plan Officer may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. On and after the Confirmation Date, Claims which have been estimated subsequently may be compromised, settled, withdrawn or otherwise resolved without further notice to or approval by the Bankruptcy Court as provided in Section 7.1 of this Plan.

ARTICLE 8.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

8.1. **Procedures for Rejection of Executory Contracts and Unexpired Leases.** On the Effective Date, all executory contracts and unexpired leases that exist and have not, prior to the Effective Date, been rejected pursuant to a Final Order of the Bankruptcy Court, between the Debtor and any person, shall be deemed rejected as of the Effective Date, except for any executory contract and unexpired lease (i) assumed by the Debtor and assigned to Carmel Funding pursuant to the Sale Order, or (ii) as to which a motion for approval of the assumption or rejection of such contract or lease has been filed and served prior to the Effective Date.

8.2. **Approval of Rejection of Executory Contracts and Unexpired Leases.** Entry of the Confirmation Order shall constitute the approval, pursuant to Section 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Section 8.1 of this Plan.

8.3. **Bar Date for Filing Rejection Damages Claims.** Rejection Damages Claims must be filed with the Bankruptcy Court **no later than the later of (i) the Bar Date, and (ii) thirty (30) days after the Effective Date.** Any Claims not filed within such applicable time periods will be forever barred from assertion against the Debtor, Debtor-in-Possession, and/or the Estate.

8.4. **Retiree Benefits.** The Debtor has never funded nor maintained any retiree benefit plans, funds or programs, as defined in Section 1114 of the Bankruptcy Code, for the purpose of providing or reimbursing payments for retired employees and their spouses and dependents for medical, surgical, or hospital care benefits, or benefits in the event of sickness, accident, disability, or death under any plan, fund, or program (through the purchase of insurance or otherwise). Any such retiree benefit plans established by the Debtor prior to the Petition Date

were discretionary and never funded, and, accordingly, no such payments will be, or are required to be, made pursuant to Section 1129(a)(13) of the Bankruptcy Code.

ARTICLE 9.

EFFECTIVENESS OF THE PLAN.

9.1. **Conditions to the Effective Date.** The following are conditions precedent to the Effective Date of this Plan:

- (a) The Bankruptcy Court shall have entered an order confirming this Plan in form and substance satisfactory to the Debtor;
- (b) No stay of the Confirmation Order shall then be in effect;
- (c) All documents, instruments and agreements, in form and substance satisfactory to the Debtor, provided for under or necessary to implement this Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and
- (d) The Debtor and the Plan Officer shall have filed a Notice of Effective Date in the Chapter 11 Case certifying that the conditions precedent have occurred or have been excused.

9.2. **Waiver of Conditions.** The Debtor may waive the conditions to effectiveness of this Plan set forth in Section 9.1 of this Plan.

ARTICLE 10.

EFFECT OF CONFIRMATION.

10.1. **Release of Assets.** Until the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Debtor, its assets and properties. Thereafter, jurisdiction of the Bankruptcy Court shall be limited to the subject matters set forth in Article 11 of this Plan, and the Debtor shall perform and wind up its affairs as provided in this Plan.

10.2. **Binding Effect.** Except as otherwise provided in Section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, and subject to the Effective Date, the provisions of this Plan shall bind any holder of a Claim against, or Equity Interests in, the Debtor and their respective heirs, successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under this Plan and whether or not such holder has accepted this Plan.

10.3. **Retained Actions.** Pursuant to Section 1123(b)(3) of the Bankruptcy Code and except as otherwise provided in this Plan, the Debtor will retain and may (but is not required to) prosecute and enforce all Causes of Action or claims arising under applicable state laws, if any, and including Causes of Action of a trustee or a debtor-in-possession under the Bankruptcy Code except those that are expressly released hereunder. Exhibit B to the Plan shall set forth, without limitation, a more detailed description of the Causes of Action. Exhibit B shall

be provided on the Exhibit Filing Date. A Cause of Action that is not listed on Exhibit B shall not be lost or waived by reason of the entry of the Confirmation Order or the occurrence of the Effective Date. All Causes of Action must be commenced on or before thirty (30) days after the Effective Date or shall be deemed abandoned.

10.4. **Debtor's Releases and Exculpation.** For the purposes of this section 10.4, "**Released Parties**" means (i) the Debtor, (ii) the Plan Officer, and (iii) each and any of their respective members, shareholders, officers, directors, employees, professionals, attorneys, advisors or agents, and each of their predecessors, successors and assigns, who are or were members, shareholders, officers, directors, employees, professionals, attorneys, advisors or agents, as the case may be, during the Chapter 11 Case.

(a) *Exculpation.* On and after the Confirmation Date, subject to the Effective Date, the Released Parties shall not have or incur any liability to any holder of a Claim or Equity Interest for (i) any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, (ii) any Tax Claim except to the extent of distributions from Available Cash, (iii) the formulation, negotiation or implementation of the Disclosure Statement or this Plan, (iv) the solicitation of acceptances of this Plan, (v) the pursuit of confirmation of this Plan, (vi) the confirmation of this Plan, (vii) on account of any transactions or relationship with the Debtor (either prior to or after the Petition Date), (viii) the consummation of this Plan or any contract, instrument, release or any other agreement or document created, or entered into, in connection with the Plan, or (ix) the administration of this Plan or the property to be distributed under this Plan; provided however that the foregoing exculpation shall not be deemed to release any liability resulting from any such Released Party's willful misconduct or gross negligence as determined by a Final Order, and, in all respects, each of the Released Parties shall be entitled to (y) rely upon the advice of counsel with respect to its duties and responsibilities during the Chapter 11 Case and under this Plan, and (z) any defense of qualified immunity that may be available under applicable law.

(b) *Debtor's Release.* Notwithstanding anything to the contrary herein, as of the Effective Date, for good, valuable and adequate consideration, the adequacy of which is hereby confirmed, including without limitation, the provision of financing to the Debtor-in-Possession, acquisition of the assets of the Debtor subject to higher and better offers, and the provision of services by the Debtor's former and present officers in administering the assets and managing the affairs of the Debtor-in-Possession, the Debtor shall be deemed to forever waive and release each of the Released Parties from any and all obligations, suits, judgments, damages, demands, debts, remedies, rights, causes of action (including avoidance actions), rights of setoff and liabilities whatsoever (including any derivative claims asserted on behalf of the Debtor) in connection with or in any way related to the Debtor, the conduct of the Debtor's business, the Chapter 11 Case, the Disclosure Statement or the Plan (other than the rights of the Debtor or the Plan Officer, or a creditor holding an Allowed Claim to enforce the obligations under the Confirmation Order and the Plan and the contracts, instruments, releases and other agreements or documents delivered thereunder),

whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or hereafter arising, in law, equity, or otherwise, that are based, in whole or in part, on any act, omission, transaction, event or other occurrence taking place prior to the Effective Date, provided however, this release shall not operate as a release or waiver of any causes of action or liabilities as of the Petition Date arising out of gross negligence, willful misconduct, fraud or criminal acts of any such Released Party as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release by the Debtor, which includes by reference each of the related provisions and definitions contained herein, and further shall constitute the Bankruptcy Court's findings that the foregoing release by the Debtor is: (i) in exchange for good and valuable consideration provided by the Released Parties; (ii) a good faith settlement and compromise of claims released by the Debtor; (iii) in the best interests of the Debtor and all holders of Claims and Interests; (iv) fair, equitable and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to the Debtor asserting any claim or Cause of Action released pursuant to the foregoing release by the Debtor.

10.5. **Term of Injunctions or Stays.** Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case pursuant to Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until all obligations of the Debtor and the Plan Officer under the Plan have been performed and the Chapter 11 Case has been closed.

10.6. **Injunction.** On and after the Confirmation Date, subject to the Effective Date, all persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any Claim, debt, right or Cause of Action of the Debtor for which the Debtor or the Plan Officer retains sole and exclusive authority to pursue in accordance with Section 10.3 of this Plan.

ARTICLE 11.

RETENTION OF JURISDICTION.

11.1. **Jurisdiction of Bankruptcy Court.** The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Case and this Plan pursuant to, and for the purposes of, Sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases, and the allowance of any Claims resulting therefrom;

(b) To determine any and all pending adversary proceedings, applications, and contested matters;

(c) To hear and determine any objection to, or requests for estimation of, any Claims (whether filed before or after the Effective Date), that are not otherwise settled, compromised, withdrawn or resolved as provided for in Article 7 hereof;

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

(e) To issue such orders in aid of execution of this Plan to the extent authorized by Section 1142 of the Bankruptcy Code;

(f) To consider any modifications of this Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of Professionals under Sections 330, 331, and 503(b) of the Bankruptcy Code;

(h) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan and the Confirmation Order;

(i) To hear and determine matters related to the Plan Sale;

(j) To hear and determine matters concerning state, local and federal taxes in accordance with Section 346, 505 and 1146 of the Bankruptcy Code;

(k) To hear and determine all suits or adversary proceedings to recover all assets of the Debtor and property of the Estate, wherever located;

(l) To hear any other matter consistent with the provisions of the Bankruptcy Code; and

(m) To enter a final decree closing the Chapter 11 Case.

ARTICLE 12.

MISCELLANEOUS PROVISIONS.

12.1. **Effectuating Documents and Further Transactions.** The President, or if such person is unable or unwilling to do so, any other authorized officer of the Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases and other agreements or documents and take such actions on behalf of the Debtor as may be necessary or

appropriate to effectuate and further evidence the terms and conditions of this Plan, without any further action by or approval of the director of the Debtor.

12.2. **Post-Effective Date Fees and Expenses of Professionals.** On or after the Effective Date, the Debtor shall, without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of the Professionals employed by the Debtor in connection with the implementation and consummation of the Plan, the claims reconciliation process, and any other matters as to which such Professionals may be engaged.

12.3. **Payment of Statutory Fees.** All fees payable pursuant to Chapter 123 of Title 28, United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid on the Distribution Date. Any statutory fees accruing after the Confirmation Date shall constitute Administrative Expense Claims and be paid in accordance with Section 2.1 of this Plan.

12.4. **Modification of Plan.** The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify this Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. A holder of an Allowed Claim or Equity Interest that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

12.5. **Withdrawal or Revocation.** The Debtor may withdraw or revoke this Plan at any time prior to the Confirmation Date. If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any other person in any further proceedings involving the Debtor.

12.6. **Courts of Competent Jurisdiction.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

12.7. **Notices.** Any notices to or requests of the Debtor by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

TWG CAPITAL, INC.
7434 Shadeland Station Way
Indianapolis, IN 46256
Attn: Mr. Mark P. Nondorf

-and-

Mr. Mark P. Nondorf, as
Plan Officer for TWG Capital, Inc.
6346 Calais Drive
Indianapolis, IN 46220

with copies to:

FAEGRE BAKER DANIELS LLP
600 East 96th Street
Suite 600
Indianapolis, IN 46240
Attn: Jay Jaffe, Esq.

12.8. **Severability.** In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of this Plan is invalid, void or unenforceable, the Bankruptcy Court shall, with the consent of the Debtor, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.9. **Governing Law.** Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Indiana, without giving effect to the principles of conflicts of law thereof.

12.10. **Headings.** Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

12.11. **Exhibits.** All Exhibits and Schedules to this Plan are incorporated into and are a part of this Plan as if set forth in full herein.

Dated: Indianapolis, Indiana
June 12, 2013

TWG CAPITAL, INC.,
Debtor and Debtor-in-Possession

By: _____
Mark P. Nondorf, President

EXHIBIT A
PLAN SALE TERM SHEET

Description of Ownership Interests to be Sold

The Debtor's 100% ownership interests in the following entities (which are collectively referred to as the "Ownership Interests" as defined in the Plan) will be sold to the highest bidder pursuant to the terms of the Plan Sale as set forth in this Exhibit A and in the Plan:

1. Insurance Receivables 2, LLC, an Indiana limited liability company
2. Insurance Receivables 3, LLC, an Indiana limited liability company
3. Insurance Receivables 5, LLC, a Delaware limited liability company
4. Insurance Receivables 6, LLC, a Delaware limited liability company
5. Insurance Receivables 7, LLC, a Delaware limited liability company
6. Marketing General Agents, Inc., a Washington corporation
7. Nord Advertising, Inc., a Washington corporation
8. Senior First of Texas, Inc., a Texas corporation

The IR7 Commission Vehicles (as defined in the Plan and including all of the foregoing except Insurance Receivables 7, LLC ("IR7")) receive insurance commissions periodically but have assigned any rights to those commissions to IR7. Accordingly, the Debtor advises that its Ownership Interests in the IR7 Commission Vehicles, respectively, do not have any appreciable market value, except that Marketing General Agents, Inc. has a general unsecured claim against the Debtor's estate in the amount of \$27,099.90. The Debtor further advises that as the amount of the senior debt owed to Fifth Third Bank by IR7 significantly exceeds the value of IR7's assets, the Ownership Interests in IR7 do not have any market value.

Sale Terms

The Debtor proposes to sell the Ownership Interests outside the ordinary course of business and free and clear of all liens, claims, encumbrances, and interests pursuant to 11 U.S.C. §§ 363(b)(1) and (f), with liens to attach to proceeds. The Debtor is unaware of any valid (or asserted) liens on the Ownership Interests.

Bidding Procedures & Notice

The Ownership Interests will be sold at the Auction (as defined in the Plan) to the highest bidder without reserves pursuant to the bidding procedures described below. The date of the Plan Sale will be as provided in the Plan.

The Debtor will provide notice of the Plan Sale and the date, time, location, and bid deadline for the Auction to the parties described in Section 5.5 of the Plan (the "Sale Notice"). The Sale Notice will be served at least twenty-one (21) days prior to the date of the Auction.

The procedures pursuant to which the Debtor will determine the highest or otherwise best price of the sale of the Ownership Interests are as follows:

- (a) A prospective purchaser who wishes to submit a bid for the Ownership Interests must submit its bid by 5:00 p.m. prevailing Eastern Time on the business day immediately preceding the date established pursuant to the Plan for the Auction to be held (the "Bid Deadline").
- (b) No prospective purchaser(s) that bid(s) for the Ownership Interests at the Auction shall be entitled to purchase the Ownership Interests unless such prospective purchaser submits an initial deposit (the "Deposit") equal to ten percent (10%) of its bid and offers to purchase the Ownership Interests for cash consideration. The bidder that is selected as the highest bidder at the Auction is referred to as the "Successful Bidder."
- (c) The Deposits, unless forfeited as a result of a breach by a Successful Bidder and failure to close, shall not be property of the Debtor's bankruptcy estate, and no party shall have a lien on the Deposit of the Successful Bidder.
- (d) All qualifying bids at the Auction shall remain open and subject to acceptance by the Debtor for a period of ten (10) days following the Auction, following which period the deposits of all bidders who were not the Successful Bidder at auction or later accepted, shall be refunded.

EXHIBIT B
NON-EXCLUSIVE LIST OF CAUSES OF ACTION

ARTICLE X OF THE PLAN PRESERVES AND RETAINS ALL CAUSES OF ACTION NOT EXPRESSLY RELEASED PURSUANT TO THE PLAN OR A FINAL ORDER. THE FOLLOWING LIST IS A NONEXCLUSIVE LIST OF CAUSES OF ACTION THAT THE DEBTOR OR THE PLAN OFFICER, PRE- AND POST-CONFIRMATION OF THE PLAN, AS APPLICABLE, SHALL RETAIN AND PROSECUTE IN THEIR SOLE DISCRETION. FAILURE TO INCLUDE A CAUSE OF ACTION ON THE ATTACHED LIST SHALL NOT CONSTITUTE A RELEASE OR WAIVER OF OR ESTOP THE DEBTOR FROM PURSUING ANY SUCH CAUSE OF ACTION AND SHALL NOT INDICATE THAT ANY CAUSES OF ACTION HAVE NOT BEEN RETAINED.

1. Causes of Action against Imagine International Reinsurance Limited and/or The Lion 2004 Receivables Trust, including without limitation, Causes of Action related to or arising under the Settlement Agreement dated November 20, 2012, as amended by an Amendment to Settlement Agreement dated July 22, 2013, and as may be further amended, modified, or restated, which are subject to a pending *Motion for Approval of Compromise with Imagine International Reinsurance Limited and The Lion 2004 Receivables Trust Pursuant to Rule 9019* [Docket No. 295]; and
2. Causes of Action against local, state, and federal taxing authorities for refunds of overpayments or other payments.

EXHIBIT B

PLAN SALE TERM SHEET

Description of Ownership Interests to be Sold

The Debtor's 100% ownership interests in the following entities (which are collectively referred to as the "Ownership Interests" as defined in the Plan) will be sold to the highest bidder pursuant to the terms of the Plan Sale as set forth in this Exhibit A and in the Plan:

1. Insurance Receivables 2, LLC, an Indiana limited liability company
2. Insurance Receivables 3, LLC, an Indiana limited liability company
3. Insurance Receivables 5, LLC, a Delaware limited liability company
4. Insurance Receivables 6, LLC, a Delaware limited liability company
5. Insurance Receivables 7, LLC, a Delaware limited liability company
6. Marketing General Agents, Inc., a Washington corporation
7. Nord Advertising, Inc., a Washington corporation
8. Senior First of Texas, Inc., a Texas corporation

The IR7 Commission Vehicles (as defined in the Plan and including all of the foregoing except Insurance Receivables 7, LLC ("IR7")) receive insurance commissions periodically but have assigned any rights to those commissions to IR7. Accordingly, the Debtor advises that its Ownership Interests in the IR7 Commission Vehicles, respectively, do not have any appreciable market value, except that Marketing General Agents, Inc. has a general unsecured claim against the Debtor's estate in the amount of \$27,099.90. The Debtor further advises that as the amount of the senior debt owed to Fifth Third Bank by IR7 significantly exceeds the value of IR7's assets, the Ownership Interests in IR7 do not have any market value.

Sale Terms

The Debtor proposes to sell the Ownership Interests outside the ordinary course of business and free and clear of all liens, claims, encumbrances, and interests pursuant to 11 U.S.C. §§ 363(b)(1) and (f), with liens to attach to proceeds. The Debtor is unaware of any valid (or asserted) liens on the Ownership Interests.

Bidding Procedures & Notice

The Ownership Interests will be sold at the Auction (as defined in the Plan) to the highest bidder without reserves pursuant to the bidding procedures described below. The date of the Plan Sale will be as provided in the Plan.

The Debtor will provide notice of the Plan Sale and the date, time, location, and bid deadline for the Auction to the parties described in Section 5.5 of the Plan (the "Sale Notice"). The Sale Notice will be served at least twenty-one (21) days prior to the date of the Auction.

The procedures pursuant to which the Debtor will determine the highest or otherwise best price of the sale of the Ownership Interests are as follows:

(a) A prospective purchaser who wishes to submit a bid for the Ownership Interests must submit its bid by 5:00 p.m. prevailing Eastern Time on the business day immediately preceding the date established pursuant to the Plan for the Auction to be held (the "Bid Deadline").

(b) No prospective purchaser(s) that bid(s) for the Ownership Interests at the Auction shall be entitled to purchase the Ownership Interests unless such prospective purchaser submits an initial deposit (the "Deposit") equal to ten percent (10%) of its bid and offers to purchase the Ownership Interests for cash consideration. The bidder that is selected as the highest bidder at the Auction is referred to as the "Successful Bidder."

(c) The Deposits, unless forfeited as a result of a breach by a Successful Bidder and failure to close, shall not be property of the Debtor's bankruptcy estate, and no party shall have a lien on the Deposit of the Successful Bidder.

(d) All qualifying bids at the Auction shall remain open and subject to acceptance by the Debtor for a period of ten (10) days following the Auction, following which period the deposits of all bidders who were not the Successful Bidder at auction or later accepted, shall be refunded.

EXHIBIT C

ASSIGNMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, pursuant to Section 5.5 of the Chapter 11 Plan of Liquidation of TWG Capital, Inc. and as approved by the Findings of Fact, Conclusions of Law, and Order under 11 U.S.C. § 1129(a) and (b) and Fed. R. Bankr. P. 3020 Confirming Chapter 11 Plan of Liquidation of TWG Capital, Inc., TWG Capital, Inc. a Delaware corporation ("Assignor") hereby sells, transfers, assigns, and conveys to _____, a _____ ("Assignee"), its entire Ownership Interests in the following entities (collectively, the "Companies"), free and clear of all liens, claims and encumbrances:

1. Insurance Receivables 2, LLC, an Indiana limited liability company
2. Insurance Receivables 3, LLC, an Indiana limited liability company
3. Insurance Receivables 5, LLC, a Delaware limited liability company
4. Insurance Receivables 6, LLC, a Delaware limited liability company
5. Insurance Receivables 7, LLC, a Delaware limited liability company
6. Marketing General Agents, Inc., a Washington corporation
7. Nord Advertising, Inc., a Washington corporation
8. Senior First of Texas, Inc., a Texas corporation

(Note: the Companies identified in this form of Assignment at delivery shall be modified as warranted based on the results of the Plan Sale)

For purposes of this Assignment, the term "Ownership Interests" shall include the entire ownership interests, membership interests, units and shares of Assignor in the Companies, including, without limitation, its right to vote as a member or stockholder of the Companies, its capital account, its units, its right to receive profits, losses, distributions and any other economic benefits from the Company, and all of its rights and obligations under the Operating Agreement or By-Laws of each Company.

IN WITNESS WHEREOF, the undersigned has executed this Assignment as of _____, 2013.

TWG Capital, Inc.

By: _____
Mark P. Nondorf, Plan Officer