IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
CORUS BANKSHARES, INC.[1]	)	Case No. 10-26881 (PSH)
Debtor.	)	

FIRST AMENDED DISCLOSURE STATEMENT FOR THE DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

Voting Record Date: July 28, 2011
Plan Objection Deadline: September 2, 2011 at 11:59 p.m., prevailing Central time
Plan Support Party Voting Deadline: September 2, 2011 at 5:00 p.m., prevailing Central time
General Voting Deadline: September 19, 2011 at 5:00 p.m., prevailing Central time
Confirmation Hearing: September 27, 2011 at 11:00 a.m., prevailing Central time

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Dated: July 28, 2011

[1] The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Debtor's corporate headquarters and the service address for the Debtor is: 10 S. Riverside Plaza, Suite 1800, Chicago, IL 60606.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND IS NOT NECESSARILY IN ACCORDANCE WITH THE FEDERAL OR STATE SECURITIES LAWS OR SIMILAR LAWS. THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN. THE DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS THAT ARE ATTACHED TO, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THIS DISCLOSURE STATEMENT SINCE THE DATE OF THIS DISCLOSURE STATEMENT. EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN, THIS DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITIES DESIRING ANY SUCH ADVICE OR ANY OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN THAT ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT, THE PLAN, OR THE PLAN SUPPLEMENT SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR EQUITY INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

ALTHOUGH THE DEBTOR BELIEVES THAT THE PLAN COMPLIES WITH ALL APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, THE DEBTOR CANNOT ASSURE SUCH COMPLIANCE OR THAT THE BANKRUPTCY COURT WILL CONFIRM THE PLAN.

ALTHOUGH THE DEBTOR HAS USED ITS BEST EFFORTS TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT, THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT AS SPECIFICALLY INDICATED OTHERWISE, AND IS BASED ON AN ANALYSIS OF DATA AVAILABLE AT THE TIME OF THE PREPARATION OF THE PLAN AND THIS DISCLOSURE STATEMENT

PLEASE REFER TO ARTICLE VIII OF THIS DISCLOSURE STATEMENT, ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING," FOR A DISCUSSION OF CERTAIN CONSIDERATIONS IN CONNECTION WITH A DECISION BY A HOLDER OF AN IMPAIRED CLAIM TO ACCEPT THE PLAN.

THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING TO COMMENCE ON SEPTEMBER 27, 2011, AT 11:00 A.M. PREVAILING CENTRAL TIME BEFORE THE HONORABLE PAMELA S. HOLLIS, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, LOCATED AT 219 S. DEARBORN, CHICAGO, ILLINOIS 60604. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR BY NOTICE OF ANY ADJOURNMENT OF THE CONFIRMATION HEARING FILED BY THE DEBTOR AND POSTED ON ITS WEBSITE AT HTTP://BMCGROUP.COM/CORUS.

TO BE COUNTED, THE BALLOTS UPON WHICH HOLDERS OF IMPAIRED CLAIMS ENTITLED TO VOTE SHALL CAST THEIR VOTE TO ACCEPT OR

REJECT THE PLAN INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED IN ACCORDANCE WITH THE INSTRUCTIONS ON SUCH BALLOT. SUCH BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE X OF THIS DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE APPLICABLE VOTING DEADLINES SHALL BE COUNTED IN THE SOLE DISCRETION OF THE DEBTOR. IN THE EVENT THAT THE DEBTOR USES ITS DISCRETION TO ACCEPT ANY BALLOT RECEIVED AFTER THE APPLICABLE VOTING DEADLINE, ALL SUCH BALLOTS SHALL DISCLOSED ON A SCHEDULE FILED WITH THE BANKRUPTCY COURT.

OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE SEPTEMBER 2, 2011 AT 11:59 P.M. PREVAILING CENTRAL TIME, IN ACCORDANCE WITH THE SOLICITATION PROCEDURES AND DISCLOSURE STATEMENT ORDER, WHICH ARE DESCRIBED IN FURTHER DETAIL IN ARTICLE X OF THIS DISCLOSURE STATEMENT. UNLESS OBJECTIONS TO CONFIRMATION ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE SOLICITATION PROCEDURES AND DISCLOSURE STATEMENT ORDER, THEY MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE SECURITIES ACT, AS AMENDED. SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS "MAY," "WILL," "MIGHT," "EXPECT," "BELIEVE," "ANTICIPATE," "COULD," "WOULD," "ESTIMATE," "CONTINUE," "PURSUE," OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE DEBTOR'S EXPECTATIONS REGARDING FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, PARTICULARLY IN LIGHT OF THE CURRENT WORLDWIDE FINANCIAL AND CREDIT CRISIS, AND ACTUAL RESULTS MAY DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN. IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTOR RELIED ON FINANCIAL DATA DERIVED FROM ITS BOOKS AND RECORDS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS. WHILE THE DEBTOR BELIEVES THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTOR AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR MANAGEMENT'S ASSUMPTIONS REGARDING DISTRIBUTIONS UNDER THE PLAN. THE DEBTOR EXPRESSLY CAUTIONS READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

AMONG THE FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM CURRENT ESTIMATES OF FUTURE PERFORMANCE ARE THE FOLLOWING: (1) THE DEBTOR'S ABILITY TO DEVELOP, PROSECUTE, CONFIRM, AND CONSUMMATE A PLAN WITH RESPECT TO THIS CHAPTER 11 CASE; (2) THE OUTCOME AND TIMING OF THE DEBTOR'S EFFORTS TO SELL CERTAIN ASSETS; AND (3) LITIGATION OUTCOMES OF, AMONG OTHER THINGS, LITIGATION WITH THE FDIC.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS AS OF THE FILING DATE OF THIS DISCLOSURE STATEMENT AND THE DEBTOR IS UNDER NO OBLIGATION, AND EXPRESSLY DISCLAIMS ANY OBLIGATION, TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE.

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Exhibit A The Plan

Exhibit B Liquidation Analysis

Exhibit C Consolidated Annual Financial Statements

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I. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:[2]

1. "*382(1)(5) Exception*" means an exception to the Section 382 Limitation that generally applies when so-called "qualified creditors" of a debtor in chapter 11 receive, in respect of their claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan.

2. "*382(1)(6) Exception*" means an exception to the Section 382 Limitation where the 382(l)(5) Exception is not applicable, either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception.

3. "*401(k) Plan*" means the Corus Bankshares, Inc. Employees' Savings Plan and Trust.

4. "*AMT*" means alternative minimum tax.

5. "*AMTI*" means a corporation's alternative minimum taxable income.

6. "*Ballot*" means a ballot sent to Holders of Claims to be counted as a vote to accept or reject the Plan.

7. "*Bank*" means Corus Bank, N.A.

8. "*Board of Directors*" means the board of directors of the Debtor.

9. "*CDOs"* means the collateralized debt obligation vehicles which hold the TOPrS issued by the Trusts.

10. "*CODI*" means cancellation of indebtedness income under Section 61(a)(12) of the Internal Revenue Code.

11. "*Claims and Solicitation Agent*" means BMC Group, Inc. located at 18750 Lake Drive East, Chanhassen, MN 55317, retained pursuant to a Final Order by the Bankruptcy Court, dated June 16, 2010 [Docket No. 21].

12. "*Claims Register*" means the register maintained by the Debtor's Claims and Solicitation Agent that records all Proofs of Claim Filed against the Debtor and the statuses thereof.

13. "*Common Stock*" means common stock of the Debtor.

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[2] All capitalized terms not defined herein have the meaning ascribed to them in the Plan. All terms used and not otherwise defined herein that are defined in the Bankruptcy Code shall have the meanings ascribed to them in the Bankruptcy Code.

14. "*Confirmation*" means confirmation of the Plan by the Bankruptcy Court pursuant to sections 1129(a) and 1129(b) of the Bankruptcy Code.

15. "*Confirmation Hearing*" means the hearing before the Bankruptcy Court to determine whether the Plan will be confirmed pursuant to sections 1129(a) and 1129(b) of the Bankruptcy Code.

16. "*D&O Policy*" means that certain Directors, Officers and Company Liability Policy issued by the Twin City Fire Insurance Company to the Debtor, effective as of November 26, 2008.

17. "*Disclosure Statement Order*" means that certain order approving the adequacy of this Disclosure Statement, the Solicitation Procedures, Ballots, letters from the Debtor and Committee to Holders of Claims in Voting Classes, certain notices and other related material.

18. "*DRA Premium*" means the estimated amount of plan "termination premiums" under 29 U.S.C. § 1306(a)(7).

19. "*DRA Premium Claim*" means a Claim for the estimated amount of plan "termination premiums" under 29 U.S.C. § 1306(a)(7), Filed in an unliquidated amount, which PBGC asserts is partially an Administrative Claim or Non-FDIC Priority Claim.

20. *"ERISA"* means the Employee Retirement Income Security Act of 1974, as amended from time to time along with any applicable regulations.

21. "*Exchange Act*" means the Securities and Exchange Act of 1934 and all regulations promulgated thereunder.

22. "*FDIC*" means the Federal Deposit Insurance Corporation, either in its corporate capacity or as receiver for the Bank.

23. "*First Day Motions*" means those certain motions filed by the Debtor on or near the Petition Date seeking substantive and procedural relief necessary to the Debtor's continued operation during this Chapter 11 Case.

24. "*First Day Orders*" means those certain orders granted by the Bankruptcy Court in connection with the First Day Motions.

25. "*Funding Claim*" means a Claim for the estimated amount of unpaid minimum funding contributions that may be owed with respect to the Pension Plan, in unliquidated amounts, which PBGC asserts is partially an Administrative Claim or a Non-FDIC Priority Claim.

26. "*General Voting Deadline*" means the date and time set forth in the Disclosure Statement Order by which the Claims and Solicitation Agent must receive Ballots from Holders of Allowed Claims in Voting Classes other than the Plan Support Parties.

27. "*IRS*" means the Internal Revenue Service.

28. "*Internal Revenue Code*" means title 26 of the United States Code.

29. "*Jones Complaint*" means that certain class action complaint filed in the cause of action styled *Tracy Jones v. Corus Bankshares, Inc., et al.*, Case No. 09 CV 1538 (N.D. Ill. August 3, 2009).

30. "*Liquidation Analysis*" means an analysis that compares the proceeds to be realized if the Debtor were to be liquidated in a hypothetical case under chapter 7 of the Bankruptcy Code with the distributions to Holders of Allowed Claims and Equity Interests.

31. "*Long Point Loan*" means the loan in which the Debtor participates as a lender pursuant to the Long Point Loan Participation.

32. "*Long Point Loan Participation*" means that certain Amended and Restated Loan Participation Agreement by and between the Bank and the Debtor, September 11, 2008.

33. "*Mint Loan*" means the loan in which the Debtor participates as a lender pursuant to the Mint Loan Participation.

34. "*Mint Loan Participation*" means that certain Amended and Restated Loan Participation Agreement by and between Corus Construction Venture, LLC and the Debtor, dated September 11, 2008.

35. "*NOLs"* means net operating losses.

36. "*OCC*" means the Office of the Comptroller of the Currency.

37. "*Plan Support Agreements*" means, collectively, (a) those certain plan support letter agreements and term sheets by and between the Debtor and Tricadia, dated as of May 25, 2011; (b) that certain plan support letter agreement and term sheet by and between the Debtor and Hildene Capital Management LLC, dated as of May 18, 2011; (c) that certain plan support letter agreement and term sheet by and between the Debtor and StoneCastle Advisors, LLC, dated as of May 20, 2011; and (d) that certain plan support letter agreement and term sheet by and between the Debtor and ATP Management LLC, dated as of May 23, 2011.

38. "*Plan Support Parties*" means, collectively, the non-Debtor Entities that are parties to the Plan Support Agreements.

39. "*Plan Support Party Voting Deadline*" means the date and time set forth in the Disclosure Statement Order by which the Claims and Solicitation Agent must receive Ballots from Holders of Allowed Claims in Voting Classes that are Plan Support Parties.

40. "*Pre-Change Losses"* means the amount of NOLs and built-in losses of a corporation prior to an "ownership change" within the meaning of Section 382 of the Internal Revenue Code.

41. "*PBGC*" means the Pension Benefit Guaranty Corporation.

42. "*PBGC Premium Claim*" means a Claim for the estimated amount of PBGC flat-rate or variable-rate insurance premiums under 29 U.S.C. §1307(a)(3) filed in an unliquidated amount, which PBGC asserts is partially an Administrative Claim or Non-FDIC Priority Claim.

43. *"Receivership Claim*" means the timely filed proof of claim in which the Debtor asserted claims against the FDIC as receiver of the Bank.

44. "*Resolution Event*" means, with respect to a Disputed Claim, any one of the following events: (a) an order by the Bankruptcy Court is entered allowing such Disputed Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order by the Bankruptcy Court is entered temporarily allowing such Disputed Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of the Disputed Claim and the Debtor resolving the objection to the Disputed Claim and allowing the Disputed Claim in an agreed upon amount; or (d) the pending objection to the Disputed Claim voluntarily is withdrawn by the Debtor.

45. "*Section 382 Limitation*" means the limitation of Pre-Change Losses determined under Section 382 of the Internal Revenue Code in the case of an "ownership change."

46. "*Solicitation Package*" means those certain documents, as described in Article IX.D herein, to be sent to Holders of Claims in Voting Classes.

47. "*Solicitation Procedures*" means the Debtor's solicitation and voting procedures, attached as Exhibit 1 to the Disclosure Statement Order.

48. "*Subordinated Debenture*" means those subordinated debentures issued by the Debtor between June 2003 and June 2007 to the TOPrS Trusts, which were purchased by the TOPrS Trusts using the proceeds from issuing the TOPrS, each of which has terms essentially identical to the TOPrS.

49. "*TOPrS Trust Agreements*" means those certain TOPrS trust agreements identified in Article III.A.3 herein.

50. "*Unfunded Liability Claim*" means a Claim Filed by the PBGC in the amount of $9,081,485, based on an estimate of the Pension Plan's unfunded benefit liabilities if the Pension Plan were to terminate and which PBGC asserts is partially an Administrative and/or Non-FDIC Priority Claim.

51. "*Voting Classes*" means those Impaired Classes of Claims entitled to vote on the Plan.

52. "*Voting Deadlines*" means, collectively, the General Voting Deadline and the Plan Support Party Voting Deadline.

53. "*Voting Record Date*" means that date set forth in the Disclosure Statement Order for determining which Holders of Claims and Equity Interests are entitled to vote to accept or reject the Plan.

II. Summary

The following summary of this Disclosure Statement is qualified in its entirety by the more detailed information contained in the Plan and elsewhere in this Disclosure Statement.

The Debtor is a Minnesota corporation and a public reporting company under the Securities Exchange Act of 1934. Prior to the Petition Date, the Debtor was a bank holding company registered under the Bank Holding Company Act of 1956. The Debtor's wholly-owned federally-chartered banking subsidiary, Corus Bank, N.A., was primarily focused on commercial real estate lending, deposit gathering, and servicing the check cashing industry.

On June 15, 2010, the Debtor commenced its Chapter 11 Case. The Debtor is operating its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in this Chapter 11 Case.

On November 18, 2010, the Debtor filed *The Debtor's Plan under Chapter 11 of the Bankruptcy Code* [Docket No. 231], which proposed an orderly liquidation of the Debtor's estate. On December 15, 2010, the Debtor filed an amended version of this liquidating plan [Docket No. 285], and on December 16, 2010, the Bankruptcy Court approved the disclosure statement for this liquidating plan. The Debtor's creditors, however, overwhelmingly voted to reject this proposed plan of liquidation.

After the creditors' rejection of the proposed plan of liquidation, the Debtor engaged in negotiations with Tricadia, a Holder of a substantial portion of TOPrS Unsecured Claims, and certain other Holders of TOPrS Unsecured Claims. These negotiations resulted in the Plan Support Agreements being executed in May 2011, whereby the Plan Support Parties agreed to support a plan of reorganization. With the input of these key economic stakeholders, the Debtor developed the Plan. The central component of the Plan is the conversion of TOPrS Unsecured Claims into equity in the Reorganized Debtor, with the option for each Holder of TOPrS Unsecured Claims to receive instead a "cash out" right of payment and/or a security that results in cash from certain of the Debtor's assets, including Cash held by the Debtor as of the Effective Date. The Debtor believes that the Plan will maximize the value of the Estate.

The Debtor understands that the Committee supports the Plan and that the Plan is satisfactory to the Committee. When the Debtor first proposed a potential reorganization to the Committee in early 2011, the Debtor and the Committee extensively discussed several issues associated with moving from a liquidation plan to a reorganization plan, and resolved each such issue to arrive at a consensual plan. The proposed treatment of general unsecured creditors under the Plan is thus a result of extensive, good-faith negotiations among the Debtor, the Committee (whose members consist of the TOPrS Indenture Trustees), and their respective professionals.

The Debtor now submits this Disclosure Statement, pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against and Equity Interests in the Debtor in connection with the solicitation of votes to accept or reject the Plan and the Confirmation Hearing, which is

scheduled for September 27, 2011 at 11:00 a.m., prevailing Central time. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

A. Rules of Interpretation, Computation of Time, and References to Monetary Figures

1. Rules of Interpretation

For purposes of this Disclosure Statement: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference in this Disclosure Statement to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference in this Disclosure Statement to an existing document, schedule, or exhibit, whether or not Filed, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) any reference to an Entity as a Holder of a Claim or Equity Interest includes that Entity's successors and assigns; (e) unless otherwise specified, all references in this Disclosure Statement to Articles are references to Articles of this Disclosure Statement; (f) unless otherwise specified, all references in this Disclosure Statement to exhibits are references to exhibits in the Plan Supplement; (g) the words "herein," "hereof," and "hereto" refer to this Disclosure Statement in its entirety rather than to a particular portion of this Disclosure Statement; (h) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) 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 Disclosure Statement; (j) unless otherwise set forth in this Disclosure Statement, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (k) any term used in capitalized form in this Disclosure Statement that is not otherwise defined herein in the Plan but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (l) all references to docket numbers of documents Filed in the Chapter 11 Case are references to the docket numbers under the Bankruptcy Court's CM/ECF system; and (m) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, as applicable to the Chapter 11 Case, unless otherwise stated.

In computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply. If the date on which a transaction may occur pursuant to this Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

2. Reference to Monetary Figures

All references in this Disclosure Statement to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

B. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated holders of claims and equity interests, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a Chapter 11 Case creates an estate that comprises all of the legal and equitable interests of the debtor as of the commencement of the chapter 11 case. The Bankruptcy Code provides that a debtor may continue to operate its business and remain in possession of its property as a debtor in possession.

As a result of various factors described more fully herein, the Debtor, in consultation with key constituencies in the Chapter 11 Cases, has determined that the Plan is in the best interests of the Debtor's creditors.

To fairly and expeditiously distribute the Debtor's assets consistent with the Bankruptcy Code, the Debtor has proposed the Plan.

Prior to soliciting acceptances of a proposed chapter 11 plan, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the chapter 11 plan. This Disclosure Statement is being submitted in accordance with the requirements of section 1125 of the Bankruptcy Code.

C. The Purpose and Effect of the Plan

The Plan provides for the reorganization of the Debtor and for Holders of certain Allowed Claims to receive equity in the Reorganized Debtor, with the option for each Holder of TOPrS Unsecured Claims to receive instead a "cash out" right of payment and/or a security that results in cash from certain of the Debtor's assets, including Cash held by the Debtor as of the Effective Date. The Debtor believes that the Plan will maximize the value of the Estate. In order to effectuate the Distributions, the Plan provides that all of the assets of the Debtor's Estate (including Causes of Action not expressly released under the Plan) shall vest in the Reorganized Debtor.[3] The Reorganized Debtor shall continue to operate the Debtor's business as a going concern in the real estate sector, and will pursue litigation, including litigation with the FDIC, and make Distributions under the Plan. Upon the Effective Date, there will be no more than approximately thirty (30) holders of the Equity Interests, and the Reorganized Debtor will

[3] As described further in the Plan, this Disclosure Statement shall refer to Corus Bankshares, Inc. as the Debtor for time periods prior to the Effective Date and as the Reorganized Debtor for any time period on or after the Effective Date.

emerge as a privately held company. The New Board shall be appointed as of the Effective Date and shall be responsible for implementing the Plan and operating the business of the Reorganized Debtor.

The Debtor believes that the Plan maximizes recoveries for Holders of Allowed Claims and strongly recommends that you vote to accept the Plan (if you are entitled to vote). The Debtor believes that any alternative to Confirmation of the Plan, such as a conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, or attempts by other parties in interest to file competing plans, would result in significant delay, litigation, and additional costs, and, ultimately, would lower the recoveries for all Holders of Allowed Claims. In addition, the Debtor understands that the Committee supports the Plan and that the Plan is satisfactory to the Committee.

D. Treatment of Claims and Equity Interests

1. Classification

The Plan divides all Claims, other than Administrative Claims, and Priority Tax Claims, and all Equity Interests into various Classes. Listed below is a summary of the Classes of Claims and Equity Interests under the Plan.

Class	Claim	Status	Voting Rights
1	Secured Claims	Unimpaired	No (conclusively presumed to accept)
2	Non-FDIC Priority Claims	Unimpaired	No (conclusively presumed to accept)
3	FDIC Priority Claims	Impaired	Yes
4	TOPrS Unsecured Claims	Impaired	Yes
5	FDIC Non-Priority Claims	Impaired	Yes
6	Other Unsecured Claims	Impaired	Yes
7	510(b) Subordinated Unsecured Claims	Impaired	No (conclusively presumed to reject)
8	Equity Interests	Impaired	No (conclusively presumed to reject)

The following tables summarize the Classes of Claims and Equity Interests under the Plan, as well as the treatment of such Classes. To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the information set forth in the Plan, the Plan shall govern. The projected recoveries are based upon certain assumptions contained in the Liquidation Analysis. The ranges of recoveries listed below are based on various assumptions, including assumptions regarding asset realization, the total amount of the Allowed General Unsecured Claims, FDIC Priority Claims, Administrative Claims, Non-FDIC Priority Claims, Priority Tax Claims and assumptions concerning the costs to operate the Reorganized Debtor's business and pursue certain litigation.

2. Unclassified Claims

Claim	Plan Treatment	Range of Estimated Claims	Projected Recovery Under the Plan
Administrative Claims	Paid in full in Cash	Approximately $1.4 million[4]	100.0%
Priority Tax Claims	Paid in full in Cash	$0-$500,000	100.0%

3. Summary of Classification, Treatment, and Projected Recoveries of Classified Claims and Equity Interests

The classification, treatment, and the projected recoveries of classified Claims and Equity Interests under the Plan are described in summary form below for illustrative purposes only and are subject to the more detailed and complete descriptions contained in Article III of the Plan.

[*Table on Following Page*]

[4] If the Bankruptcy Court approves the Debtor's settlement with PBGC, described in more detail in Article IV.F.2.a below, the Reorganized Debtor will pay approximately $2.2 million on account of the DRA Premium after the Effective Date, assuming 587 participants in the Pension Plan. This payment will be made by the Reorganized Debtor and is not an Administrative Claim. The amount owed on account of the DRA Premium may be reduced depending on the number of Pension Plan participants on the date the Pension Plan is terminated.

Class	Claim/ Equity Interest	Plan Treatment of Class	Range of Estimated Claims/ Equity Interests	Projected Recovery Under the Plan[5, 6]
1	Secured Claims	At the sole option of the Debtor, (i) paid in full in Cash, (ii) receive the collateral securing its Allowed Secured Claim, plus post-petition interest, or (iii) receive other treatment rendering such Secured Claim Unimpaired.	$0	N/A
2	Non-FDIC Priority Claims	Each Holder shall receive cash equal to the full amount of its Claim, unless the Holder otherwise agrees to less favorable treatment.	$2.3 million	100%

[5] All projected recoveries assume that (a) 20% of the eligible Holders of Claims in Classes 4 and 6 will elect to receive the Cash Election Entitlement, (b) 80% of the eligible Holders of Claims in Classes 4 and 6 will receive the Pro Rata Distribution of New Series A Common Stock, and (c) the FDIC will elect to receive the Cash Election Entitlement on account of its Class 5 Claims. The recoveries for Holders of Claims in Classes 4, 5, and 6 will vary based on whether such Holders elect to receiving the Cash Election Entitlement or the Pro Rata Distribution of New Series A Common Stock, and the recovery range for either election is presented herein. The 9.7% difference between the high end recoveries and 0.4% difference between low end recoveries in Classes 4, 5, and 6 for Holders that receive New Series A Common Stock versus Holders that elect the Cash Election Entitlement is based on the Reorganized Debtor's financial performance and valuation consistent with the Debtor's Business Plan and valuation as detailed in Article V, including the following key assumptions: (i) the investment strategy will yield a 9% - 12% annual rate of return; (ii) property investment value will yield increases of 3% per year; (iii) investments will be leveraged at 65% loan-to-value; (iv) debt will incur interest at 7%; and (v) the applicable discount rate used to value the investment in the Reorganized Debtors could range between 9.6% and 10.6%. See Article V. B. for a summary of potential impacts to recoveries in Classes 4, 5 and 6 for Holders that receive New Series A Common Stock assuming modifications to the Debtor's assumptions detailed above. Estimated gross proceeds available from the monetization of assets include Cash ($25.0 million), loan participation agreements (between $3.8 million and $4.3 million), and Federal and State tax refunds (between $0 and $266 million), less estimated costs to monetize such assets ($3 million). The high end of the recovery range assumes that the Debtor receives the full amount of its income tax refund claims comprising $112.8 million for 2008 loss carrybacks and $152.2 million for 2009 loss carrybacks and it is further assumed that the FDIC will have an unsecured claim for all of the 2008 refund and half of the 2009 refund, totaling $188.9 million. The low end of the recovery range assumes the Debtor receives no tax refund. As with any assumption regarding litigation, the ultimate outcome of the tax refund litigation is uncertain and the Debtor's recoveries on the disputed tax refunds may be materially different than those set forth in this chart. The tax refund litigation is discussed in additional detail in Article IV.F.2.a.

[6] The recovery percentages assume that all Holders of Unsecured Claims are affected in the same manner by the time value of money.

Class	Claim/ Equity Interest	Plan Treatment of Class	Range of Estimated Claims/ Equity Interests	Projected Recovery Under the Plan[5, 6]	
3	FDIC Priority Claims	Each Holder of an Allowed FDIC Priority Claims shall receive all Net Free Cash as such Net Free Cash is available until such Allowed FDIC Priority Claim is paid in full.	$0[7]	N/A	
4	TOPrS Unsecured Claims	Each Holder of a TOPrS Unsecured Claim shall receive its Pro Rata Distribution of the New Series A Common Stock, or, if it so elects, such Holder shall receive the Cash Election Entitlement.	$429.2 million	Series A Common Stock 6.2%–48.8%	Cash Election Entitlement 5.8%–39.1%
5	FDIC Non-Priority Claims	Each Holder of an FDIC Non-Priority Claim shall receive its Pro Rata Distribution of the New Series A Common Stock, or if it so elects, such Holder shall receive the Cash Election Entitlement.	$0–$188.9 million	Series A Common Stock 6.2%–48.8%	Cash Election Entitlement 5.8%–39.1%
6	Other Unsecured Claims	Each Holder of an Allowed Other Unsecured Claim shall receive its Pro Rata Distribution of the New Series A Common Stock, or if it so elects, such Holder shall receive the Cash Election Entitlement.	$16.0 million	Series A Common Stock 6.2%–48.8%	Cash Election Entitlement 5.8%–39.1%
7	510(b) Subordinated Unsecured Claims	No distributions	N/A	N/A	
8	Equity Interests	Deemed canceled	N/A	N/A	

E. Claims Estimates

As of May 17, 2011, the Claims and Solicitation Agent had received approximately 501 Proofs of Claim against the Debtor. The total amount of the Claims on the Claims Register against the Debtor as of the date hereof are as follows: 47 Secured Claims in the total amount of $136,239.72; 16 Administrative Claims in the total amount of $9,081,485.00; 118 Non-FDIC Priority Claims in the total amount of $967,315.17; and 373 Unsecured Claims in Classes 4-7 in the total amount of $432,129,801.92.[8] The Debtor believes that many of the Filed Proofs of Claim are invalid, untimely, duplicative, or overstated, and, therefore, the Debtor is in the

[7] The Debtor does not believe a FDIC Priority Claim will ultimately be Allowed in any amount.

[8] The foregoing estimations take into account Claims expunged by the Bankruptcy Court on October 22, 2010 [Docket No. 202] in connection with the *Debtor's First Omnibus Objection to Certain Claims* [Docket No. 170].

process of determining which Proofs of Claim represent valid Claims against the Debtor and to which Proofs of Claims the Debtor should object.[9]

On December 13, 2011, the FDIC filed its Proof of Claim asserting, among other things: (i) a tax-related Claim of approximately $261 million; (ii) that there is no enforceable tax sharing agreement regarding the Debtor's and the Bank's tax refunds; (iii) ownership of certain unearned insurance premiums for which the Bank was the source of the premium payments; (iv) entitlement to all insurance proceeds paid in connection with a covered loss suffered by the Bank or insured wrongful acts that caused harm in any respect to the Bank; (v) ownership of all payments made to the Debtor in connection with a filed proof of loss to the extent that such loss is attributable to a loss suffered by the Bank; (vi) an unliquidated Claim for potential payroll and overhead expenses charges to the Bank that were properly the responsibility of the Debtor or its non-Bank subsidiaries; (vii) any asset nominally held in the name of the Debtor to the extent that the Bank is the true owner of such asset; (viii) any damages or other amounts resulting from the Bank's or the Debtor's failure to abide by the restrictions and obligations from the Bank's undercapitalized status; and (ix) an unliquidated claim for indemnity or contribution, to the extent the Bank is entitled to assert such claims against the Debtor, with respect to any pending or future litigation in which the Bank or FDIC is named a defendant.

The FDIC also noted in its Proof of Claim that it may have derivative claims based on breaches of fiduciary duty owed by the Debtor's directors and officers to the Bank. To the extent that the Debtor's current or former directors and officers (or any other similarly situated party) assert claims against the FDIC for indemnification or advancement in connection with defending against any such allegations, the FDIC asserts a Claim for reimbursement of such amounts from the Debtor.

The FDIC did not assert any Claims under section 365(o) of the Bankruptcy Code, in its Proof of Claim or otherwise, and the Debtor continues to believe that the FDIC is not entitled to any such Claims. This belief is supported by statements made at the December 16, 2010 hearing regarding the Debtor's previous disclosure statement by counsel to the FDIC, who stated that the FDIC "did timely file [its] claim . . . and did not file a claim under 365(o)."[10] The Debtor believes that the Claims asserted in the FDIC's Proof of Claim are without merit.

As set forth in further detail in the chart above, the Debtor estimates that at the conclusion of the Claims objection, reconciliation, and resolution process, Allowed Other Secured Claims will be approximately $0, Allowed Priority Tax Claims will range from approximately $0 to $500,000, Allowed Non-FDIC Priority Claims will range from approximately $100,000 to $500,000, and Allowed General Unsecured Claims will range from approximately $429.0 million to $622.3 million.[11] These estimates are based upon a number of

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[9] TOPrS Unsecured Claims are Allowed under the Plan in an amount to be agreed upon by the Debtor and the TOPrS Indenture Trustees.

[10] Hr'g Tr., Dec, 16, 2010, In re Corus Bankshares, Inc., No. 10-26881, at 17:10–13.

[11] General Unsecured Claims include: (a) TOPrS Unsecured Claims; (b) FDIC Non-priority Claims; and (c) Other Unsecured Claims.

assumptions, including applicable interest rates, and there is no guarantee that the ultimate total amount of Allowed Claims in each category will conform to the Debtor's estimates.

F. Consummation

Following Confirmation, the Plan will be consummated on the Effective Date, which is the date that is the first Business Day after the Confirmation Date on which no stay of the Confirmation Order is in effect and all conditions to the occurrence of the Effective Date have been satisfied or waived. Distributions to be made under the Plan will be made on or as soon as reasonably practicable after the Effective Date in accordance with the Plan.

G. Liquidation Analysis

The Debtor believes that the Plan will produce a greater recovery for Holders of Allowed Claims against and Equity Interests in the Estate than would be achieved in a liquidation pursuant to chapter 7 of the Bankruptcy Code because of, among other things, the Debtor's post-reorganization business plan consists of using available cash and the proceeds of certain disputed tax refunds, if any, in the operation of its business. The Debtor believes that the expected rate of return on equity in the Reorganized Debtor will result in higher and better recoveries for creditors than they would otherwise receive in a chapter 7 liquidation.

The Debtor has prepared a Liquidation Analysis, attached hereto as **Exhibit B**, to assist Holders of Claims in determining whether to vote to accept or reject the Plan. The Liquidation Analysis compares the proceeds to be realized if the Debtor were to be liquidated in a hypothetical case under chapter 7 of the Bankruptcy Code with the distributions to Holders of Allowed Claims and Equity Interests under the Plan. The analysis is based upon the value of the Debtor's assets and liabilities as of a certain date and incorporate various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further, the analysis is subject to the possibility of material change, including changes with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtor could vary materially from the estimates provided in the Liquidation Analysis.

H. Certain Factors to Be Considered Prior to Voting

Prior to voting to accept or reject the Plan, each Holder in a Voting Class should carefully consider all of the information in this Disclosure Statement, especially the risk factors described in Article VII.

I. Voting and Confirmation

Holders of Claims in Classes 1 and 2 are Unimpaired and are conclusively presumed to accept the Plan. Holders of Claims and Equity Interests in Classes 7 and 8 are wholly impaired and are also conclusively presumed to reject the Plan. Accordingly, Holders of Claims or Equity Interests in Classes 1, 2, 7 and 8 are not entitled to vote on the Plan, and the vote of such Holders of Claims and Equity Interests shall not be solicited. Only Holders of Claims in Classes 3, 4, 5 and 6 are entitled to vote to either accept or reject the Plan.

Pursuant to sections 1126(c) and 1126(d) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class actually voting have voted to accept the Plan. The Debtor will tabulate all votes on the Plan on a consolidated basis for the purpose of determining whether the Plan satisfies sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code.

Assuming the requisite acceptances are obtained, the Debtor intends to seek Confirmation at the Confirmation Hearing scheduled to commence on September 27, 2011, at 11:00 a.m., prevailing Central time, before the Bankruptcy Court. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtor shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims. The Debtor also reserves the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code.

The Bankruptcy Court has established July 28, 2011 as the Voting Record Date for determining which Holders of Claims are eligible to vote to accept or reject the Plan. Ballots, along with this Disclosure Statement, the Plan, and the Disclosure Statement Order, will be mailed to all registered Holders of Claims as of the Voting Record Date that are entitled to vote to accept or reject the Plan. An appropriate return envelope, postage prepaid, will be included with each Ballot, if appropriate.

The Debtor has engaged the Claims and Solicitation Agent to assist in the voting process. The Claims and Solicitation Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation.

BALLOTS CAST BY HOLDERS OF CLAIMS IN CLASSES ENTITLED TO VOTE MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT BY THE GENERAL VOTING DEADLINE OR THE PLAN SUPPORT PARTY VOTING DEADLINE, AS APPLICABLE, WHETHER BY FIRST CLASS MAIL, OVERNIGHT COURIER, OR PERSONAL DELIVERY. THE BALLOTS AND THE PRE-ADDRESSED, POSTAGE PRE-PAID ENVELOPES ACCOMPANYING THE BALLOTS WILL INDICATE WHETHER THE BALLOT MUST BE RETURNED TO THE NOTICE, CLAIMS, AND SOLICITATION AGENT. THE ADDRESS FOR BALLOTS RETURNABLE TO THE CLAIMS AND SOLICITATION AGENT, OTHER THAN BALLOTS SENT VIA OVERNIGHT MAIL OR BY HAND DELIVERY, IS: BMC GROUP INC., ATTN: CORUS BALLOT PROCESSING, PO BOX 3020, CHANHASSEN, MN 55317-3020. BALLOTS SENT BY OVERNIGHT MAIL OR HAND DELIVERY SHOULD BE DELIVERED TO: BMC GROUP, INC., ATTN: CORUS BALLOT PROCESSING, 18750 LAKE DRIVE EAST, CHANHASSEN, MINNESOTA 55317-3020.

FOR ANSWERS TO ANY QUESTIONS REGARDING SOLICITATION PROCEDURES, PARTIES MAY CALL THE CLAIMS AND SOLICITATION AGENT TOLL FREE AT (888) 909-0100.

TO BE COUNTED, THE BALLOTS CAST BY HOLDERS INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT NO LATER THAN THE GENERAL VOTING DEADLINE OR THE PLAN SUPPORT PARTY VOTING DEADLINE, AS APPLICABLE. SUCH BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE IX OF THIS DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE APPLICABLE VOTING DEADLINES SHALL BE COUNTED IN THE SOLE DISCRETION OF THE DEBTOR.

To obtain an additional copy of the Plan, this Disclosure Statement, the Plan Supplement, or other Solicitation Package materials (except Ballots), please refer to the Debtor's restructuring website at http://bmcgroup.com/corus or request a copy from the Claims and Solicitation Agent (including Ballots), either by calling toll free at (888) 909-0100 or by writing to BMC Group Inc., Attn: Kevin Martin, PO Box 3020, Chanhassen, MN 55317-3020.

THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTEREST OF ALL HOLDERS OF CLAIMS AND RECOMMENDS THAT ALL SUCH HOLDERS WHOSE VOTES ARE BEING SOLICITED VOTE TO ACCEPT THE PLAN.

THE COMMITTEE BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF THE GENERAL UNSECURED CREDITORS AND RECOMMENDS THAT SUCH CREDITORS VOTE TO ACCEPT THE PLAN.

III. Background To The Chapter 11 Case

The following is a general summary of the Debtor's business and history prior to filing this Chapter 11 Case.

A. The Debtor's Business

1. Summary of the Debtor's Business

Prior to the Petition Date, the Debtor was a bank holding company registered under the Bank Holding Company Act of 1956. The Debtor's wholly-owned federally-chartered subsidiary, Corus Bank, N.A., was primarily focused on commercial real estate lending, deposit gathering, and servicing the check cashing industry. The Bank was closed by its regulators on September 11, 2009 and the FDIC was appointed as the Bank's receiver.

Since the closure of the Bank, the Debtor has continued to operate. The Debtor's activities since the Petition Date have included among other things: (a) ongoing management of certain loan participations; (b) evaluating prospective investment opportunities and engaging in discussions and negotiations with the Debtor's creditors, other stakeholders, and potential investors; (c) complying with securities law reporting requirements; and (d) pursuing certain tax refunds the Debtor believes are property of the Estate.

2. Capital Structure

As of June 30, 2009, the Bank had total assets of $7 billion and total deposits of approximately $7 billion. Due to the closure of the Bank, the Debtor's investment in the Bank has become effectively worthless. The Debtor's prepetition capital structure included: (a) 53.7 million shares of common stock; and (b) TOPrS. The holders of the Debtor's TOPrS are one of the Debtor's major group of creditors. TOPrS have been a preferred method for certain bank holding companies, such as the Debtor, to raise capital.

As of the Petition Date, the Debtor had approximately $314 million in assets (including approximately $257 million in disputed tax refunds for the tax years 2008 and 2009) and $533 million in liabilities measured by book value.

3. TOPrS

In all, between June 2003 and June 2007, the Debtor created thirteen unconsolidated subsidiary trusts, each of which issued securities to investors and then used the proceeds of the issuance to purchase Subordinated Debentures from the Debtor with terms essentially identical to the TOPrS. The Subordinated Debentures were structured as floating rate junior subordinated notes on the Debtor's balance sheets. The investors received quarterly dividend payments and the promise that their principal would be repaid. The Debtor could defer quarterly interest payments under the Subordinated Debentures (and consequently on the TOPrS) for twenty consecutive quarters.[12]

On November 18, 2008, the Debtor began to defer interest on the Subordinated Debentures. As of the Petition Date, the Debtor's balance sheet reflected a total of $416.6 million in Subordinated Debentures which included the original issuance of approximately $392.5 million of principal as well as approximately $24.1 million of deferred interest payments related to the Subordinated Debentures.

The filing of the Chapter 11 Case by the Debtor constituted an event of default under the Subordinated Debentures and TOPrS.

The governing documents of the TOPrS Trusts are as follows:

- For Corus Statutory Trust I: (a) the indenture, dated June 26, 2003, by and between the Debtor as issuer and U.S. Bank National Association as trustee, with respect to Floating Rate Junior Subordinated Deferrable Interest Debentures, (b) the Amended and Restated Declaration of Trust, dated June 26, 2003, by and between the Company as sponsor and U.S. Bank National Association as trustee and (c) the guarantee agreement dated as of June 26, 2003 by and between the Debtor as guarantor and U.S. Bank National Association as guarantee trustee. Approximately $29.5[13] million of

[12] During the deferral period the Debtor is precluded from, among other things, declaring or paying any dividends to common shareholders or repurchasing its common stock.

[13] The numbers in this Article III.A.3 are taken from the Schedules. The "face amount" of the Claims Filed by the TOPrS Indenture Trustees may be different.

principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust II: (a) the indenture dated June 24, 2003, by and between the Debtor as issuer and The Bank of New York as trustee with respect to Unsecured Junior Subordinated Deferrable Interest Notes, (b) the Amended and Restated Trust Agreement, dated June 24, 2003, by and between the Debtor as sponsor and The Bank of New York as trustee, and (c) the guarantee agreement dated as of June 24, 2003 by and between the Debtor as guarantor and The Bank of New York as guarantee trustee. Approximately $21.5 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust III: (a) the indenture dated September 17, 2003, by and between the Debtor as issuer and U.S. Bank National Association as trustee with respect to Floating Rate Junior Subordinated Deferrable Interest Debentures, (b) the Amended and Restated Declaration of Trust, dated September 17, 2003, by and between the Debtor as sponsor and U.S. Bank National Association as trustee, and (c) the guarantee agreement dated as of September 17, 2003 by and between the Debtor as guarantor and U.S. Bank National Association as guarantee trustee. Approximately $48.2 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust IV: (a) the indenture dated November 24, 2003, by and between the Debtor as issuer and The Bank of New York as trustee with respect to Unsecured Junior Subordinated Deferrable Interest Notes, (b) the Amended and Restated Trust Agreement, dated November 24, 2003, by and between the Debtor as sponsor and The Bank of New York as trustee, and (c) the guarantee agreement dated as of November 24, 2003 by and between the Debtor as guarantor and The Bank of New York as guarantee trustee. Approximately $32.1 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust V: (a) the indenture dated December 17, 2003, by and between the Debtor and U.S. Bank National Association as trustee with respect to Floating Rate Junior Subordinated Deferrable Interest Debentures, (b) the Amended and Restated Declaration of Trust, dated December 17, 2003, by and between the Debtor as sponsor and U.S. Bank National Association as trustee, and (c) the guarantee agreement dated as of December 17, 2003 by and between the Debtor as guarantor and U.S. Bank National Association as guarantee trustee. Approximately $53.5 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust VI: (a) the indenture dated May 18, 2004, by and between the Debtor and JPMorgan Chase Bank, N.A. with respect to Junior Subordinated Debt Securities, (b) the Amended and Restated Declaration of Trust, dated as of May 18, 2004, by and between the Debtor as sponsor and JPMorgan Chase Bank, N.A. as trustee, and (c) the guarantee agreement dated as of May 18, 2004 by and between the

Debtor as guarantor and JPMorgan Chase Bank, N.A. as guarantee trustee. Approximately $26.6 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust VII: (a) the indenture dated September 20, 2004, by and between the Debtor and Wilmington Trust Company with respect to Floating Rate Junior Subordinated Deferrable Interest Debentures, (b) the Amended and Restated Declaration of Trust, dated September 20, 2004, by and between the Debtor as sponsor and Wilmington Trust Company as trustee, and (c) the guarantee agreement dated as of September 20, 2004 by and between the Debtor as guarantor and Wilmington Trust Company as guarantee trustee. Approximately $52.9 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust VIII: (a) the indenture dated March 15, 2005, by and between the Debtor and JPMorgan Chase Bank, N.A. with respect to certain Junior Subordinated Debt Securities, (b) the Amended and Restated Declaration of Trust, dated March 15, 2005, by and between the Debtor as sponsor and JPMorgan Chase Bank N.A. as trustee, and (c) the guarantee agreement dated as of March 15, 2005 by and between the Debtor as guarantor and JPMorgan Chase Bank, N.A. as guarantee trustee. Approximately $26.3 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust IX: (a) the indenture dated June 23, 2005, by and between the Debtor and JPMorgan Chase Bank, N.A. with respect to certain Junior Subordinated Debt Securities, (b) the Amended and Restated Declaration of Trust, dated June 23, 2005, by and between the Debtor as sponsor and JPMorgan Chase Bank N.A. as trustee, and (c) the guarantee agreement dated as of June 23, 2005 by and between the Debtor as guarantor and JPMorgan Chase Bank, N.A. as guarantee trustee. Approximately $26.2 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust X: (1) the indenture dated September 15, 2005, by and between the Debtor and Wilmington Trust Company with respect to certain Floating Rate Junior Subordinated Deferrable Interest Debentures, (2) the Amended and Restated Declaration of Trust, dated September 15, 2005, by and between the Debtor as sponsor and Wilmington Trust Company as trustee, and (3) the guarantee agreement dated as of September 15, 2005 by and between the Debtor as guarantor and Wilmington Trust Company as guarantee trustee. Approximately $26.1 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust XI: (a) the indenture dated December 19, 2005, by and between the Debtor and LaSalle Bank National Association with respect to certain Junior Subordinated Debt Securities, (b) the Amended and Restated Declaration of Trust, dated December 19, 2005, by and between the Debtor as sponsor and LaSalle Bank National Association as trustee, and (c) the guarantee agreement dated as of

December 19, 2005 by and between the Debtor as guarantor and LaSalle Bank National Association as guarantee trustee. Approximately $26.1 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust XII: (a) the indenture dated March 29, 2006, by and between the Debtor and Wells Fargo Bank, National Association with respect to certain Junior Subordinated Debt Securities, (b) the Amended and Restated Declaration of Trust, dated March 29, 2006, by and between the Debtor as sponsor and Wells Fargo Bank, National Association as trustee, and (c) the guarantee agreement dated as of March 29, 2006 by and between the Debtor as guarantor and Wells Fargo Bank, National Association as guarantee trustee. Approximately $27 million is currently outstanding under the indenture, all of which is unsecured.

- For Corus Statutory Trust XIII: (a) the indenture dated June 27, 2007, by and between the Debtor and Wilmington Trust Company with respect to certain Floating Rate Junior Subordinated Debt Securities, (b) the Amended and Restated Declaration of Trust, dated June 27, 2007, by and between the Debtor as sponsor and Wilmington Trust Company as trustee, and (c) the guarantee agreement dated as of June 27, 2007 by and between the Debtor as guarantor and Wilmington Trust Company as guarantee trustee. Approximately $21.1 million of principal and deferred interest is currently outstanding under the indenture, all of which is unsecured.

Under the TOPrS Indentures, upon an event of default, each TOPrS Indenture Trustee is empowered to institute actions against the Debtor for payment of amounts due under the Subordinated Debentures and, in the event of a pending bankruptcy or reorganization proceeding of the Debtor, each TOPrS Indenture Trustee is entitled to intervene in the Chapter 11 Case by filing Proofs of Claim and taking certain other actions; however, the TOPrS Indenture Trustees are not authorized to consent to, accept, adopt or vote with respect to any chapter 11 plan of the Debtor on behalf of the TOPrS Trusts.

The TOPrS Trust Agreements provide the TOPrS Indenture Trustees with the general authority to manage the TOPrS Trusts and to act on behalf of the TOPrS Trusts. The TOPrS Indenture Trustees hold legal title to the Subordinated Debentures, collect payments on the Subordinated Debentures, distribute payments received on the Subordinated Debentures and have the authority to take any other incidental actions. Each TOPrS Trust issued one series of TOPrS to third party investors, and one series of common securities to the Debtor. In general, the holders of the majority of the outstanding preferred securities of a TOPrS Trust may direct the trustee to exercise any remedy with respect to the Subordinated Debentures.

The Debtor has also executed a limited guaranty in respect of the TOPrS which, taken together with the Debtor's obligations under the Subordinated Debentures, the TOPrS Indentures and TOPrS Trust Agreements, provides a full and unconditional guarantee of the amounts due under the TOPrS.

4. D&O Insurance Policies and Reversionary Interest

Twin City Fire Insurance Company issued the D&O Policy to the Debtor that went into effect on November 26, 2008. Pursuant to the D&O Policy, the Debtor, in exchange for paying a premium, obtained insurance benefits for itself (for indemnification claims) as well as its officers and directors relating to claims that might arise during the policy period in the operation of the Debtor's business. In addition to providing insurance coverage on potential claims asserted against the Debtor's directors and officers, the D&O Policy provides the Debtor with a significant potential reversionary interest in its original premium. In particular, the D&O Policy has what is commonly referred to as a "return premium endorsement." Pursuant to that endorsement, a significant portion of the premium paid on the policy (up to a maximum of $7,700,000) must be returned to the Debtor or the Reorganized Debtor, as applicable, by the Twin City Fire Insurance Company if such funds have not been used or allocated to claims as of the termination of the policy.

As a result, the Debtor believes that this reversionary interest in the D&O Policy constitutes an asset of the Estate. The Lead Plaintiff in the Securities Litigation, however, disputes that the reversionary interest is an asset of the Estate. As of November 1, 2010, almost the entire $7.7 million reversionary interest remained. However, the reversionary interest in the D&O Policy is subject to depletion for any costs incurred by the Debtor or its former officers in the litigation related to the Jones Complaint and may be depleted in the future if additional claims are brought against the Debtor or the Reorganized Debtor for indemnification or their respective officers and directors. On May 17, 2011, the Lead Plaintiff filed a motion to approve a settlement with the Individual Non-Debtor Defendants. Pursuant to the terms of the proposed settlement, the Individual Non-Debtor Defendants would pay the class action plaintiffs $10 million in exchange for a release of the claims underlying the Securities Litigation. If the settlement is approved, and not enjoined (to the extent grounds exist to enjoin the settlement), the resulting claims under the D&O Policy would eliminate the Debtor's $7.7 million reversionary interest and leave less than $5 million in coverage. The settlement was preliminarily approved on June 2, 2011 [Docket No. 153]. The hearing on final approval of the settlement is scheduled for September 12, 2011.[14] The Debtor and the Committee continue to evaluate whether to object to or seek to enjoin the settlement.

In addition, the Debtor purchased two excess directors' and officers' insurance policies that insure liability in excess of the amounts covered by the D&O Policy. The term of these additional policies are from December 18, 2009 to December 18, 2014 and each policy contains a "prior acts exclusion" for all acts by the directors and officers prior to September 11, 2009, the date the Bank was closed by the OCC. The first policy has a premium of $1.75 million, is underwritten by XL Insurance Company Limited and provides for an additional $10 million in coverage for liabilities exceeding the primary coverage provided by the D&O Policy. The second policy has a premium of $1.487 million, is underwritten by Arch Insurance Company and provides an additional $10 million in liability coverage. As a result, the Debtor has total directors' and officers' liability coverage of $35 million for all acts taken after September 11, 2009, and coverage of $15 million for all acts taken prior to September 11, 2009.

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[14] The litigation related to the Jones Complaint is discussed further in Article I.F.4

At this time, the Debtor is unaware of any claims made against these additional directors' and officers' insurance policies. The Committee has asserted that the issuers of the Excess Policies may be subject to, among other things, claims for avoidance under chapter 5 of the Bankruptcy Code.

5. Loan Participation Agreements

Prior to the Petition Date, the Debtor purchased participations in certain loans originated by the Bank. One such loan participation between the Debtor and the Bank relates to the construction of the Mint at Riverfront Condominiums, a 52-story residential condominium tower in Miami, Florida with a total potential loan exposure of $8.449 million.

The borrower under the Mint Loan Participation has been in default since August 21, 2009, and currently negotiations are being conducted with the borrower to restructure the Mint Loan. The Debtor and the Bank were in the process of renegotiating and amending the Mint Loan Participation at the time of the FDIC's appointment as receiver of the Bank's assets on September 11, 2009. Subsequently, the Bank's portion of the Mint Loan Participation was sold by the FDIC to Corus Construction Ventures, LLC[15] along with a significant amount of the Bank's loans. The Debtor currently anticipates a 3-5 year sell-out of the remaining condominiums and that it will maintain its interest in the Mint Loan Participation and recover its share of the Mint Loan, but it also may consider monetizing this asset through a sale to a third party. The book value of the Mint Loan Participation is $6.5 million. The Debtor estimates a recovery of up to $4.80 million for the Mint Loan Participation. As of May 31, 2011, the Debtor has received approximately $3.62 million in proceeds from the Mint Loan Participation.

As part of its obligations under the Mint Loan Participation, on August 13, 2009, the Debtor funded a portion of the Mint Loan Participation pursuant to a funding request by the Bank. Subsequently, the Bank reduced the funding request and held the surplus funds (approximately $203,000) that had been transmitted by the Debtor in escrow. On May 14, 2010, Corus Construction Ventures, LLC sent a notice of funding informing the Debtor of a disbursement of $76,864.28 that was made on the Debtor's behalf from the escrow.

Additionally, the Debtor participates with the Bank in the Long Point Loan, a loan to Long Point Development, LLC in connection with the Terranea Hotel Resort & Spa in Rancho Palos Verdes, California. The Long Point Loan Participation had a potential funding obligation of $12,006,000 but was never funded by the Debtor, and the Debtor has not received any requests for funding pursuant to the Long Point Loan Participation. The Debtor does not expect to incur any funding obligations under the Long Point Loan Participation, but has elected to maintain its obligations under the Long Point Loan Participation to retain the possibility for a gain on this investment.

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[15] Corus Construction Ventures, LLC is a joint venture between the FDIC and certain private equity firms in a portion of the Bank's loan portfolio.

B. Management of the Debtor

1. Directors, Executive Officers, and Corporate Governance

Set forth in the table below are the names, ages, position or positions, and biographical information of the current Board of Directors of the Debtor and current key executive officers. The Board of Directors oversees the business and affairs of the Debtor.

Name	Age	Position	Period of Service	Principal Occupation and Directorships for Past Five Years
Randy P. Curtis	53	Chief Executive Officer	1997–Present	Executive Vice President, Retail Banking (2005–2009) of the Debtor and the Bank; Chief Executive Officer of the Debtor (2009-Present)
Stephen J. Antal	56	General Counsel, and Secretary	2009-Present	General Counsel of First Charter Corporation (Charlotte, NC) and its subsidiary bank (2005-2008).
Robert J. Buford	62	Independent Director	2003–Present	President and Chief Executive Officer, Planned Realty Group, Inc. and affiliates
Kevin R. Callahan	49	Independent Director	2005–Present	Former Chairman of the Board and Chief Executive Officer, Affirmative Insurance Holdings, Inc.
Rodney D. Lubeznik	63	Independent Director	1994–Present	President, Chief Executive Officer and Director, Restaurant Management Corp.
Michael J. McClure	50	Independent Director	2002–Present	Executive Vice President and Chief Financial Officer, Affirmative Insurance Holdings, Inc. (2007–Present); Managing Director, Residential Capital, LLC (2006–2007); Financial Consultant, Self-Employed (2003–2006)
Peter C. Roberts	50	Independent Director	2003–Present	Chief Executive Officer, Americas, Jones Lang LaSalle, Inc. (2003–Present)

IV. The Chapter 11 Case

The following is a general summary of the Chapter 11 Case, including the events leading up to the chapter 11 filing, the stabilization of the Debtor's operations following the Petition Date, certain administrative matters addressed during the Chapter 11 Case, and the Debtor's restructuring initiatives since the Petition Date.

A. Events Leading to the Chapter 11 Case and Related Postpetition Events

As discussed above, the Bank was primarily focused on commercial real estate lending and deposit gathering and had a third, smaller, business servicing the check cashing industry. The Bank was severely impacted by the collapse of the housing market in 2008 and 2009 because the Bank's loan portfolio was concentrated in loans secured by condominium projects under construction, with many such losses in the Florida market. The continued weakening of the housing and credit markets and of the general economy contributed to increased levels of nonperforming assets, charge-offs, and credit loss reserves.

As a result of these escalating problems related to the Bank's loan portfolio and financial condition, on Friday, September 11, 2009 the Bank was closed by the OCC, and the FDIC was appointed as receiver of the Bank. To protect the Bank's depositors, the FDIC entered into a purchase and assumption agreement pursuant to which MB Financial Bank, N.A. assumed all of the deposits of the Bank. Subsequently, the FDIC agreed to sell the majority of the Bank's remaining assets to a consortium managed by Starwood Capital Group. On September 14, 2009, Nasdaq halted trading in the Common Stock, due to concerns about the Debtor's ability to sustain compliance with all of the requirements for continued listing on the exchange. The Common Stock, however, continues to trade on the over-the-counter market.

B. Initiation of the Chapter 11 Case

On the Petition Date, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Case.

C. Initial Stages of the Chapter 11 Case

On the Petition Date, in addition to the voluntary petition for relief filed by the Debtor under chapter 11 of the Bankruptcy Code, the Debtor also filed a number of First Day Motions with the Bankruptcy Court. The Bankruptcy Court entered several First Day Orders in connection with the First Day Motions that, among other things: (1) protected the Debtor's Estate; (2) eased the strain on the Debtor's relationships with certain essential constituents; and (3) allowed the Debtor to retain certain advisors necessary to assist the Debtor with the administration of the Chapter 11 Case.

1. Procedural Motions

To facilitate a smooth and efficient administration of the Chapter 11 Case and to reduce the administrative burden associated therewith, the Bankruptcy Court entered procedural orders: (a) establishing certain notice, case management, and administrative procedures [Docket No. 20]; (b) exempting the Debtor from the reporting requirements of Federal Rule of Bankruptcy Procedure 2015.3 [Docket No. 63]; and (c) establishing procedures for interim compensation and reimbursement of expenses for professionals and official committee members [Docket No. 67]. On July 30, 2010, the Debtor filed its Schedules with the Bankruptcy Court.

2. Employment and Compensation of Professionals

To assist the Debtor in carrying out its duties as a debtor in possession and to otherwise represent the Debtor's interests in the Chapter 11 Case, the Bankruptcy Court entered First Day Orders authorizing the Debtor to retain and employ: (a) BMC Group, Inc., as Claims and Solicitation Agent [Docket No. 21]; (b) Plante & Moran, PLLC, as accountant and auditor [Docket No. 64]; (c) Kinetic Advisors LLC as financial advisor [Docket No. 65]; and (d) Kirkland & Ellis LLP as bankruptcy counsel [Docket No. 66].

3. Cash Management Systems

As part of a smooth transition into this Chapter 11 Case, and in an effort to avoid administrative inefficiencies, maintaining the Debtor's cash management system with banks and various depository functions was of critical importance. Thus, the Debtor sought, and the Bankruptcy Court entered, a First Day Order authorizing the Debtor to continue using its existing cash management system, bank accounts, and business forms. Further, the Court deemed the Debtor's bank accounts debtor in possession accounts and authorized the Debtor to maintain and continue using these accounts in the same manner and with the same account numbers, styles, and document forms as those employed before the Petition Date [Docket No. 69].

4. Employee Compensation

The Debtor relies on its employees to conduct its day-to-day business operations. Without the ability to honor prepetition wages, salaries, benefits, employee-related programs, and the like, the Debtor's employees might have sought alternative employment opportunities, thereby depleting the Debtor's workforce, hindering the Debtor's ability to meet its obligations, and likely diminishing stakeholder confidence in the Debtor's ability to maximize value for creditors. The employees' valuable skill sets, institutional knowledge, and understanding of the Debtor's operations make them essential to the Debtor's ability to preserve the value of its business. Thus, the loss of valuable employees would have been distracting at a critical time when the Debtor was focused on stabilizing its remaining operations. Accordingly, the Bankruptcy Court entered a First Day Order authorizing the Debtor to: (a) pay certain prepetition wages, salaries, and reimbursable employee expenses; (b) pay, honor and continue employee benefits; and (c) continue employee compensation programs [Docket No. 19].

5. Effective Date For Notice and Sell-Down Procedures for Trading Claims Against the Debtor's Estate

The Debtor has incurred significant NOLs and, therefore, the Debtor has sought to preserve the option to use these NOLs to prevent it from experiencing an "ownership change" for tax purposes. Thus, to preserve the Debtor's ability to formulate a chapter 11 plan that maximizes the use of its NOLs, the Debtor sought, and the Bankruptcy Court entered, a First Day Order authorizing the Debtor to establish a record date for ownership of unsecured claims against the Debtor's estate [Docket No. 22]. This order does not impose any restrictions on the trading of unsecured claims, it merely established a record date in the event the Debtor later determines that procedures governing the trading of unsecured claims are necessary.

6. Notice and Hearing Procedures for Transfers of Certain Common Stock

As mentioned above, the Debtor has incurred significant and valuable NOLs. To preserve the option to use the NOLs, the Debtor sought, and the Bankruptcy Court entered, an order authorizing the Debtor to establish notification and hearing procedures for certain transfers of Common Stock [Docket No. 68]. The notice and hearing procedures, among other things, require any entity that has beneficial ownership of at least 2.4 million shares of Common Stock (or 4.5% of all issued and outstanding shares) to identify itself to the Debtor and the Bankruptcy Court by filing a notice with the Bankruptcy Court. Additionally, prior to selling any of its shares, any such entity would be required to file a declaration of intent to sell with the Bankruptcy Court. The Debtor then has 15 calendar days to object to the proposed sale if there is a potential for harm to the Debtor's NOLs. If the Debtor files an objection, the Bankruptcy Court's approval of the sale is required for the transfer of shares to be effective.

D. Other Significant Pleadings Filed by the Debtor in the Initial Stages of the Chapter 11 Case

1. Rule 2004 Examinations

Each of the TOPrS issued by the TOPrS Trusts is held by a number of CDOs. The identities of the beneficial holders of the CDOs are not fully known to the Debtor, the Committee, or their professionals. In an attempt to get more information about the CDOs, on August 5, 2010 the Debtor filed the *Motion to Expedite Emergency Routine Motion of the Debtor for Entry of an Order Seeking Authority to Conduct Examinations Pursuant to Bankruptcy Rule 2004* [Docket No. 104]. The Bankruptcy Court granted the requested relief on August 12, 2010 [Docket No. 116]. The Debtor subsequently served subpoenas on 25 parties and collected responsive materials. Based on the Debtor's review of these materials, the TOPrS are currently held by a total of approximately 30 different CDOs.

2. Claims Objection

On September 22, 2010, the Debtor filed *Debtor's First Omnibus Objection to Certain Claims* [Docket No. 170], objecting to Claims against the Debtor for which the Debtor believes it has no liability and Claims that were amended and superseded by other Claims. The objection was granted by the Bankruptcy Court on October 22, 2010 [Docket No. 202].

E. Unsecured Creditors

1. Appointment of the Committee

On June 29, 2010, the U.S. Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code. The members of the Committee currently consist of the following TOPrS Indenture Trustees: (a) US Bank, N.A.; (b) The Bank of New York, Mellon Trust Company, N.A.; (c) Wilmington Trust Company; and (d) Wells Fargo Bank, N.A.

The Committee retained Kilpatrick Townsend & Stockton LLP and Neal, Gerber & Eisenberg LLP as co-counsel to the Committee. On August 3, 2010, the Bankruptcy Court

entered Final Orders approving the retention of Kilpatrick Townsend & Stockton LLP and Neal, Gerber & Eisenberg LLP Docket Nos. 96 and 97. The Committee also retained FTI Consulting, Inc., as its financial advisor, primarily to advise and consult with respect to the Plan and any proposed alternative plan or the prospects therefore [Docket No. 98].

Since its formation, the Committee and its advisors have played an active and important role in the Chapter 11 Case.

2. Meeting of Creditors

The first meeting of creditors pursuant to section 341 of the Bankruptcy Code was held on July 21, 2010 at the Office of the U.S. Trustee at 219 S. Dearborn St., Room 804, Chicago, IL 60604. In accordance with Bankruptcy Rule 9001(5) (which requires, at a minimum, that one representative of the Debtor appear at such meeting of creditors for the purpose of being examined under oath by a representative of the U.S. Trustee and by any attending parties in interest), Randy P. Curtis, Chief Executive Officer of the Debtor, and counsel to the Debtor, attended the meeting and answered questions posed by the U.S. Trustee and other parties in interest.

F. Significant Events During the Chapter 11 Case

1. Negotiation of the Reorganization Plan

Since the Petition Date, the Debtor has actively worked with the Committee and its advisors on possible restructuring scenarios. Indeed, the Debtor and the Committee explored various restructuring possibilities in an expansive effort to maximize value for all parties in interest. One of the primary challenges of this Chapter 11 Case, however, has been the limited contact with or feedback from the actual beneficial holders of the TOPrS debt. Because the Corus TOPrS were sold into as many as thirty CDOs, the TOPrS Indenture Trustees, of which the Committee is comprised, are only in privity with the trustees of the CDOs. It is the CDO trustees who are in privity with the beneficial holders.

After extensive discussions with the Committee, who initially favored liquidation, the Debtor filed the *Debtor's Amended Plan Under Chapter 11 of the Bankruptcy Code* [Docket No. 285] on December 15, 2010, which proposed the orderly wind down and liquidation of the Debtor. On December 16, 2010, the Bankruptcy Court approved the disclosure statement for this proposed liquidation plan [Docket No. 303], and on December 23, 2010, the Debtor commenced solicitation for the liquidation plan [Docket No. 322]. Subsequently, six creditors[16] holding approximately $166 million in principal amount (including the Tricadia entities) voted to reject the Debtor's proposed liquidation plan. Only a single creditor holding a $9 million TOPrS Unsecured Claim voted to accept the liquidation plan.

[16] The Debtor received 16 ballots rejecting the liquidation plan, however, 10 of those Ballots were related to Claims held by Tricadia and two of those Ballots were related to Claims held by another single creditor. As a result, only six individual creditors voted to reject the liquidation plan.

In the wake of this rejection by the Debtor's creditors of the proposed liquidation plan, extensive discussions ensued amongst the Debtor, the Committee, and Tricadia about both the propriety of a plan of liquidation. These discussions included meetings among the Debtor, Tricadia and the Committee, and the exchange of proposed plan modifications. Ultimately, after numerous discussions and extensive analysis of the costs and benefits of a plan of liquidation and a plan of reorganization, Tricadia and a majority of the other creditors who had voted to reject the liquidation plan, plus one additional creditor, determined that a plan of reorganization would best maximize value for the Debtor's Estate. On May 3 and May 4, 2011, these creditors delivered to the Debtor letters informing the Debtor that they supported a reorganization, and attached a term sheet setting forth the material terms of that reorganization.

The Debtor, Tricadia and certain other creditors thereafter negotiated the terms of a reorganization plan that each believes will maximize recoveries for the Debtor's estates, and each has entered into agreements to support a plan proposed by the Debtor that is consistent with the agreed-upon terms. Indeed, on May 25, 2011, the Debtor filed plan support letters signed by each of these creditors containing term sheets that outline the material terms of a plan that such creditors will support [Docket No. 464]. In addition, also on May 25, 2011, the Debtor filed a plan [Docket No. 463], which reflected the material terms agreed to by such creditors. In the aggregate, these supporting creditors hold approximately $152 million in TOPrS Unsecured Claims. Five of these creditors—holding $137 million in TOPrS Unsecured Claims—originally voted to reject the liquidation plan. Thus, the overwhelming majority of creditors (in both number and amount) that originally voted to reject the liquidation plan now support the proposed Plan.

Accordingly, in response to the preferences expressed by a significant majority of the Debtor's creditors that actually voted on the liquidation plan—and who have explicitly rejected a liquidation plan—the Debtor has negotiated with such creditors to craft the Plan. In addition, the Debtor has worked extensively with the Committee since originally filing its proposed plan of reorganization on May 25, 2011 [Docket No. 463], to resolve various issues raised by the Committee regarding such plan. All such issues have been resolved, and the Debtor understands that the Committee supports the Plan and that the Plan is satisfactory to the Committee.

2. Termination of the Debtor's Pension Plans

a. The Debtor's Defined Benefit Pension Plan

The Debtor sponsors the Pension Plan, a defined benefit pension plan. The Pension Plan is a "single employer plan" within the meaning of 29 U.S.C. 1301(a)(15). As of May 31, 2011, the Pension Plan had 587 participants, which included 299 terminated employees with vested benefits, 266 retirees and 22 beneficiaries of retirees. Most of the participants in the Pension Plan were employed by the Bank and therefore terminated their participation in the Pension Plan when the Bank entered receivership on September 11, 2009. With respect to any employees of the Debtor who continued to participate in the Pension Plan after September 11, 2009, the Debtor amended the Pension Plan, effective May 14, 2010, to freeze participation and benefit accruals as of such date. Thus, since May 14, 2010, the Pension Plan has no participants who are accruing additional benefits.

To date, the Debtor has made all required contributions to the Pension Plan and does not expect that another contribution would be due under applicable pension funding rules until 2012, if the Pension Plan were to continue as an ongoing plan. Nonetheless, PBGC estimated in its Proofs of Claim (described below), based on the available information it had at the time, that the Pension Plan was then underfunded by approximately $9 million on a termination liability basis as described in ERISA.

The Pension Plan is covered by the termination insurance program under Title IV of ERISA, 29 U.S.C. §§ 1301-1461. PBGC is the United States government agency that administers this termination insurance program. When a single employer plan terminates with insufficient assets to pay benefits, PBGC generally becomes the statutory trustee of the plan and pays benefits to the plan's participants in accordance with PBGC regulations up to statutory benefit limits. PBGC also has standing to seek payment of unfunded liabilities and other amounts specified in ERISA from the sponsor of the pension plan.

On or about August 9, 2010, PBGC filed the following Proofs of Claim against the Debtor in relation to the Pension Plan:

- the Unfunded Liability Claim;
- the Funding Claim;
- the DRA Premium Claim and a PBGC Premium Claim; and
- a Claim for the shortfall and waiver amortization charges that may be owed to the Pension Plan if the Pension Plan were to terminate, in an unliquidated amount, which PBGC asserts is a General Unsecured Claim.

Recently, after extensive, good faith, arm's-length negotiations, the Debtor and PBGC reached a settlement agreement in principle regarding termination of the Pension Plan. The Debtor and PBGC intend to definitively document, and seek Bankruptcy Court approval, of the settlement agreement. Pursuant to the settlement agreement, it is contemplated that PBGC will institute proceedings to determine whether to seek termination of the Pension Plan under ERISA, 29 U.S.C. § 1342. Assuming that the Pension Plan is ultimately terminated and other conditions of the settlement are fulfilled, the parties have agreed, among other things: (a) to settle the Unfunded Liability Claim and the Funding Claim through the allowance of a single Allowed General Unsecured Claim by the PBGC against the Debtor's estate in the amount of $15 million; (b) that the Reorganized Debtor will pay the DRA Premium as and when due pursuant to ERISA; (c) that all flat-rate or variable rate insurance premiums owed to PBGC under 29 U.S.C. § 1307(a)(3) will be paid in full in Cash upon termination of the Pension Plan; (d) that PBGC's Claims will be resolved and PBGC will vote in favor of the Plan; and (e) that the Plan will be amended to include the following language related to releases and discharge of Claims:

> Nothing in the Debtor's bankruptcy proceeding, the Confirmation Order, the Plan, the Bankruptcy Code (and section 1141 thereof), or any other document filed in the Chapter 11 Case shall in any way be construed to discharge, release, limit, or relieve any individual or entity, other than the Debtor, in any capacity, from any liability or responsibility with

> respect to the Pension Plan or any other defined benefit pension plan under any law, governmental policy, or regulatory provision. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the Debtor's bankruptcy case.

b. The Debtor's 401(k) Plan

The Debtor previously sponsored the 401(k) Plan. The 401(k) Plan was terminated on October 1, 2009, and all assets in the 401(k) Plan were distributed to participants by December 31, 2009.

3. FDIC Adversary Proceedings

a. The Debtor's Tax Return

On April 23, 2007, the Debtor and the Bank entered into a tax sharing agreement. Pursuant to this policy, the Debtor has filed tax returns on behalf of its "affiliated group" (as that term is defined in Section 1504 of the Internal Revenue Code). Prior to going into receivership, the Debtor made all income tax payments for the affiliated group's consolidated returns. The tax sharing agreement provides that if tax refunds were received by the Debtor, the Debtor must reimburse the Bank for its allocated share of the refund. Further, if the Debtor had a loss resulting in a refund, the Bank would be obligated to pay the Debtor the total amount of that refund within five business days. On February 2, 2010, the Debtor filed its 2006 and 2007 Form 1120X's with the IRS seeking a federal income tax refund of $109.5 million that was generated from applying net operating loss carrybacks from 2008 to tax years 2006 and 2007. Subsequently, on April 2, 2010 the Debtor filed its federal income tax returns for the 2009 tax year seeking a federal income tax refund of $147.8 million, resulting from carrying back 2009 net operating losses to tax years 2004 and 2005. It is the Debtor's position that the Debtor's net operating losses in 2009 primarily resulted from a "worthless stock deduction" taken by the Debtor pursuant to section 165(g) of the Internal Revenue Code with respect to the Debtor's stock in the Bank. The Debtor believes that the Debtor was eligible to take the worthless stock deduction due to the FDIC's closure of the Bank on September 11, 2009, which rendered the Debtor's stock worthless. The worthless stock deduction was equal to the adjusted tax basis of the Bank's stock held by the Debtor, approximately $900 million.

It is the Debtor's position that the foregoing refunds constitute assets of the Debtor's estate pursuant to 11 U.S.C. § 541(a). On June 28, 2010, the Debtor filed an adversary proceeding seeking a declaratory judgment as to the Debtor's ownership interest in certain tax refunds in connection with the Debtor's tax returns for the years dated 2008 and 2009.[17] The FDIC filed a motion to dismiss the adversary proceeding on August 16, 2010, [Docket No. 8], alleging, among other things, that the tax refunds are assets of the Bank and should not be included in the Debtor's Estate. The FDIC also filed a motion to withdraw the reference of the

[17] *Corus Bankshares, Inc. v. Federal Deposit Insurance Corp.*, Case No. 10-01362 (Bankr. N.D. Ill).

adversary proceeding from the Bankruptcy Court to the U.S. District Court for the Northern District of Illinois Case [Docket No. 18].

The Debtor objected to the FDIC's motion to dismiss [Docket No. 24]. In addition, the Committee filed a motion to intervene in the adversary proceeding [Docket No. 6], asserting that the outcome of the adversary proceeding will significantly impact the Committee's constituents, i.e., the Debtor's unsecured creditors. The FDIC objected to the Committee's motion to intervene [Docket No. 12, 21]. On October 22, 2010, the Bankruptcy Court denied the Committee's motion to intervene [Docket No. 31].

On December 21, 2010, the FDIC filed a motion to stay the tax refund adversary proceeding pending a District Court decision regarding the FDIC's motion to withdraw the reference [Docket No. 37]. The Bankruptcy Court granted the motion on January 1, 2011 [Docket No. 38]. The Debtor and the FDIC subsequently entered into an agreement pursuant to which the FDIC withdrew its motion to dismiss [Docket No. 39], the Debtor agreed not to object to the FDIC's motion to withdraw the reference, and the adversary proceeding was transferred to the District Court along with the adversary proceeding regarding the Debtor's Receivership Claim.[18]

b. Appeal of FDIC's Denial of Debtor's Receivership Claim

On September 11, 2009 the FDIC was appointed receiver of the Bank. As such, pursuant to 12 U.S.C. § 1821(d)(2)(A)(i), the FDIC succeeded to all of the rights, title, and interests in and to the assets of the Bank. Pursuant to section 1821(d) of Title 12 of the United States Code, the FDIC set December 17, 2009 as the last day on which to file claims against the receivership. The Debtor asserted certain claims against the receivership, and reserved certain rights, by timely filing the Receivership Claim. In a letter dated June 21, 2010, the FDIC, as receiver for the Bank, denied the Debtor's Receivership Claim. On August 16, 2010 the Debtor appealed the FDIC's denial of its Receivership Claim by filing an adversary proceeding, *Corus Bankshares, Inc. v. Federal Deposit Insurance Corporation,* Case No. 10-01653 (Bankr. N.D. Ill.) [Docket Nos. 1, 12]. On September 28, 2010, the FDIC filed its answer to the Debtor's adversary complaint [Docket No. 15]. On January 4, 2011, the FDIC filed a motion to withdraw the reference [Docket No. 19]. The Debtor and the FDIC subsequently entered into an agreement pursuant to which the Debtor agreed not to object to the FDIC's motion to withdraw the reference and the adversary proceeding was transferred to the District Court along with the adversary proceeding regarding the Debtor's tax return.[19]

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[18] *Corus Bankshares, Inc. v. Federal Deposit Insurance Corporation,* Case No. 10-5654 (N.D. Ill.).

[19] *Corus Bankshares, Inc. v. Federal Deposit Insurance Corporation*, Case No. 11-53 (N.D. Ill.).

c. District Court Proceedings Regarding the Debtor's Tax Return and the Debtor's Appeal of FDIC's Denial of Debtor's Receivership Claim

In connection with the tax refund litigation, the Debtor and the FDIC are currently engaged in discovery, which is expected to conclude by December 15, 2011. The deadline for the FDIC and the Debtor to file dispositive motions is January 16, 2012.

4. Adversary Proceeding Regarding Pending Class Action

During the first quarter of 2009, the Debtor and Mr. Robert J. Glickman, the Debtor's former Chief Executive Officer, were named as defendants in a purported class action lawsuit filed in the U.S. District Court for the Northern District of Illinois alleging violations of federal securities laws. In April 2009, a second purported securities class action lawsuit was filed in the Northern District of Illinois against the Debtor and Mr. Glickman and adding as additional defendants Tim H. Taylor and Michael E. Dulberg. Later in April 2009, two additional securities class actions were filed in the Northern District of Illinois against the Debtor and Messrs. Glickman, Taylor, and Dulberg. One of the lawsuits also added as additional defendants members of the Company's Board of Directors, specifically Messrs. Joseph P. Glickman, Robert J. Buford, Kevin R. Callahan, Rodney D. Lubeznik, Michael J. McClure, and Peter C. Roberts. These lawsuits, brought on behalf of shareholders who purchased Common Stock between January 25, 2008 and January 30, 2009, alleged primarily that the defendants violated the federal securities laws by disseminating materially false and misleading statements.

All four lawsuits described in the preceding paragraph were dismissed on August 3, 2009 in order to consolidate all the lawsuits into one proceeding. This consolidation resulted in the Jones Complaint being filed and the ongoing proceedings were conducted jointly under the case *Tracy Jones v. Corus Bankshares, Inc., et al*., Case No. 09-CV-1538 (N.D. Ill. August 3, 2009) [Docket No. 66]. The Jones Complaint retained the same causes of action against the Debtor that were asserted in the previous lawsuits, however, the Jones Complaint dismissed the claims against the Debtor's directors and former directors and instead only named two individual defendants and former officers: (a) Robert J. Glickman and (b) Timothy H. Taylor (the Individual Non-Debtor Defendants).

On October 1, 2009, the Debtor and the Individual Non-Debtor Defendants moved in the District Court to dismiss the Jones Complaint pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure on the grounds that Lead Plaintiff had failed to meet the pleading requirement of Federal Rule 9(b) and the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4. On April 6, 2010, the District Court issued a Memorandum Opinion and Order denying the motion to dismiss, except with respect to Lead Plaintiff's claim against Individual Non-Debtor Defendant Taylor for violations of Section 10(b) of the Exchange Act. The District Court refused to dismiss all other claims, including Lead Plaintiff's claim against Timothy H. Taylor under Section 20(a) of the Exchange Act for control person liability. On July 12, 2010, as a result of the Debtor's Chapter 11 filing and the impact of the automatic stay, Lead Plaintiff filed a Stipulation of Dismissal Without Prejudice as to the Debtor in the District Court. On August 13, 2010, Lead Plaintiff filed a proof of claim on behalf of the putative securities class in an undetermined amount for damages based upon violations of Section 10(b), Section 20(a), and

Rule 10b-5 of the Exchange Act in connection with the purchase by Lead Plaintiff and members of the putative securities class of Common Stock between January 25, 2008, and January 30, 2009, and the Debtor's and the Individual Non-Debtor Defendants' conduct in connection with such purchases.

On the Petition Date, any proceedings under the Jones Complaint were stayed as to the Debtor. Pursuant to the D&O Policy, proceeds from the D&O Policy are available to the former officers in connection with their own costs and liabilities arising out of the Jones Complaint. Were the Jones Complaint allowed to proceed against the former officers while the action against the Debtor remains stayed, the former officers could potentially continue to draw against the potential reversionary interest (as discussed herein) in the D&O Policy premium, thereby diminishing available Estate assets. Thus, the Debtor filed an adversary proceeding, *Corus Bankshares, Inc. v. Tracy Jones, et al.*, Case No. 10-01357 (Bankr. N.D. Ill. June 25, 2010) [Docket No. 1], seeking: (a) a declaratory judgment that the automatic stay is extended to stay the continued prosecution of the Jones Complaint against the Debtor's former directors, Robert J. Glickman and Tim H. Taylor; or, in the alternative, (b) preliminary and/or permanent injunctive relief from continued prosecution in the District Court for the Northern District of Illinois during the pendency of the Chapter 11 Case. On August 3, 2010, the Court entered an order granting in part and denying in part the Debtor's request for relief. The order stayed prosecution of the Jones Complaint for 60 days through and including October 3, 2010 [Docket No. 23]. The stay expired on October 3, 2010, and the Jones Complaint is now proceeding against the two individual defendants, Robert J. Glickman and Tim H. Taylor. On April 14, 2011, the Debtor voluntarily dismissed, with prejudice, its adversary proceeding against the Securities Litigation plaintiffs [Docket No. 28].

On May 17, 2011, the Lead Plaintiff filed a motion to approve a settlement with the Individual Non-Debtor Defendants. Pursuant to the terms of the proposed settlement, the Individual Non-Debtor Defendants would pay the class action plaintiffs $10 million in exchange for a release of the claims underlying the Securities Litigation. If the settlement is approved, and not enjoined (to the extent grounds exist to enjoin the settlement), the resulting claims under the D&O Policy would eliminate the Debtor's $7.7 million reversionary interest and leave less than $5 million in coverage. The settlement was preliminarily approved on June 2, 2011. The hearing on final approval of the settlement is scheduled for September 12, 2011. The Debtor and the Committee continue to evaluate whether to object to or seek to enjoin the settlement.

G. Exclusivity

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptances of a chapter 11 plan for an initial period of 120 days from the date on which the debtor filed for voluntary relief. If the debtor files a plan within this exclusive period, then the debtor has the exclusive right for 180 days from the date on which the debtor filed for voluntary relief to solicit acceptances to the plan. During these exclusive periods, no other party in interest may file a competing plan. However, a court may extend these periods upon request of a party in interest and "for cause." On September 9, 2010, the Debtor filed the *Motion of the Debtor for Entry of an Order Extending the Debtor's Exclusivity to File a Chapter 11 Plan and Solicit Acceptances thereof Pursuant to Section 1121(d) of the Bankruptcy Code* [Docket No. 147]. On September 17, 2010, the Committee filed the *Objection of the Official Committee of Unsecured*

Creditors of Corus Bankshares, Inc. to Motion of the Debtor for Entry of an Order Extending the Debtor's Exclusivity to File a Chapter 11 Plan and Solicit Acceptances thereof Pursuant to Section 1121(d) of the Bankruptcy Code [Docket No. 159]. On September 23, 2010, the Bankruptcy Court overruled the Committee's objection to the Debtor's continued exclusivity and extended the Debtor's exclusive plan proposal period through and including January 31, 2011, and the Debtor's exclusive plan solicitation period through and including April 1, 2011.

On March 17, 2011, the Debtor filed *The Debtor's Second Motion for Entry of an Order Extending the Debtor's Exclusivity Period Pursuant to Section 1121(d) of the Bankruptcy Code* [Docket No. 376]. On March 21, 2011, the Debtor filed an amended version of this motion to clarify certain issues regarding Tricadia's TOPrS ownership and relationship to other TOPrS holders [Docket No. 381]. On March 24, 2011, the Committee filed the *Response of the Official Committee of Unsecured Creditors of Corus Bankshares, Inc. to the Debtor's Amended Second Motion for Entry of an Order Extending the Debtor's Exclusivity Period Pursuant to Section 1121(d) of the Bankruptcy Code* [Docket No. 383], expressing its support for the Debtor's requested exclusivity extension. On March 31, 2011, The Bankruptcy Court extended the Debtor's exclusive plan proposal period through and including May 30, 2011.

On May 10, 2011, the Debtor filed *The Debtor's Third Motion for Entry of an Order Extending the Debtor's Exclusivity Period Pursuant to Section 1121(d) of the Bankruptcy Code* [Docket No. 439]. On May 23, 2011, the Committee objected to the Debtor's request for an extension of exclusivity [Docket No. 460]. On May 25, 2011, the Debtor filed its reply to the Committee's objection [Docket No. 465], and Tricadia filed a joinder to the Debtor's third exclusivity motion [Docket No. 467]. On May 26, 2011, the Bankruptcy Court continued the hearing on the Debtor's third exclusivity motion to June 16, 2011, at 10:30 a.m., and extended the Debtor's exclusive period to June 16, 2011 [Docket No. 479]. On June 16, 2011, the Bankruptcy Court further continued the Debtor's third exclusivity motion to June 28, 2011, at 10:30 a.m., and extended the Debtor's exclusive period to June 28, 2011 [Docket No. 499]. On June 28, 2011, the Bankruptcy Court granted the Debtor's third exclusivity motion and extended the Debtor's exclusive period through and including August 28, 2011.

H. Claims Bar Dates

On July 9, 2010, the Bankruptcy Court entered an order approving the *Motion of the Debtor for Entry of an Order (A) Setting Bar Dates for Filing Proofs of Claim and (B) Approving the Form and Manner of Notice Thereof* [Docket No. 70] pursuant to Bankruptcy Rule 3003(c)(3), setting as the Claims Bar Dates August 13, 2010, for non-governmental prepetition Claims and December 13, 2010, for governmental prepetition Claims.

In accordance with this order, written notice of the Claims Bar Dates was mailed to, among others, all Holders of Claims listed on the Schedules. In addition, the Debtor published notice of the Claims Bar Dates in numerous publications, including *The Chicago Tribune*, *The Wall Street Journal*, and *Crain's Chicago Business*.

I. The Debtor's Financial History Since the Petition Date

Since the Petition Date, the Debtor has filed monthly operating reports that summarize the Debtor's cash receipts and disbursements for each month of the Debtor's Chapter 11 Case.[20] As described in these monthly operating reports, as of May 31, 2011, the Debtor's receipts since the Petition Date total approximately $3.86 million, and consist primarily of interest income from certain of the Debtor's bank accounts and income from loan participations. As of May 31, 2011, the Debtor's disbursements since the Petition Date total approximately $6.44 million, and consist primarily of professional fees, employee salaries and benefits, directors' fees, rent, and office expenses.

J. Pending Prepetition Litigation Proceedings

In addition to the Jones Complaint discussed above in Article IV.F.3, the Debtor is subject to certain other pending prepetition litigation proceedings relating to, among other things, personal injury and contract claims. The proceedings include (a) *Hartnett v. Commercial Nat'l Bank of Chicago, et al.*, Case No. 2009 L 001577 (Cook County 2009) and (b) *Marnell Architecture v. Platinum Condominium Dev., LLC, et al.*, Case No. 2010 L 004788 (Cook County 2010). The Debtor cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims. Nevertheless, the Debtor does not believe that the outcome of these litigation proceedings, even if determined adversely, would have a material adverse effect on the Plan.

With certain exceptions, the filing of the Chapter 11 Case operated as a stay with respect to the commencement or continuation of litigation against the Debtor that was or could have been commenced before the commencement of the Chapter 11 Case. In addition, the litigation is stayed by the commencement of the Chapter 11 Case and the Debtor's liability in such litigation is subject to discharge in connection with the confirmation of a plan, with certain exceptions. Therefore, the litigation claims listed in the preceding paragraph against the Debtor may be subject to compromise in connection with the Chapter 11 Case. This may reduce the Debtor's exposure to losses in connection with the adverse determination of such litigation.

V. The Reorganized Debtor's Business Plan and Valuation

A. The Reorganized Debtor's Business Plan[21]

The Debtor's pre-petition business was focused on lending in the areas of residential and commercial real estate. As a bank holding company, the Debtor monitored the Bank's lending activities and participated directly in certain real estate development projects. Following the Debtor's bankruptcy, the Reorganized Debtor intends to continue in its previous real estate-related businesses, and will be primarily engaged in purchasing or acquiring interest in real estate and mortgages, with possible secondary activities in related financial services. New investments

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[20] See Docket Nos. 83, 122, 160, 234, 301, 325, 350, 380, 421, and 458.

[21] This section was reviewed by, and incorporates comments from, John M. Decker, the prospective CEO of the Reorganized Debtor. Mr. Decker's biographical sketch appears below.

by the Reorganized Debtor will utilize cash on hand, understanding that any proceeds of the FDIC Cause of Action will not be available to invest until resolution of that action.

As disclosed in more detail below, the Debtor has identified the Reorganized Debtor's prospective chief executive officer and board of directors, all with extensive experience in the real estate industry. John M. Decker is the prospective chief executive officer. Mr. Decker has over 25 years of experience in the banking and real estate sectors, and worked closely with the Debtor to craft the below business plan for the Reorganized Debtor.

The Reorganized Debtor intends to use its prospective senior management's real estate market knowledge and banking relationships to execute on the Reorganized Debtor's mission of identifying, underwriting and acquiring select real estate assets. As a result of the weakness in the economy and its effect on capital markets, the Reorganized Debtor plans to capitalize on opportunities arising from market dislocations this cycle has created. Management believes that institutional lenders, and particularly banks, will be under increasing regulatory and shareholder pressure to improve capital ratios and sell impaired assets.

There are approximately 7,500 FDIC insured banking institutions nationwide and, while there were no bank failures in 2005 or 2006, since the recession began, nearly 380 banks have failed, including 157 in 2010 alone. Most of these have resulted in a significant impact to the FDIC's deposit insurance fund, thereby fostering a climate of strict oversight. 884 institutions now appear on the FDIC's Troubled Bank List, the largest number since 1992. These troubled banks represent total bank assets of approximately $390 billion, significant amounts of which are real estate assets. Given the current regulatory climate, the Debtor believes that regional banks are now facing heightened regulatory pressure and are considering bulk sales of assets to investors in an effort to reduce market exposure and stabilize capital ratios. The majority of these assets are in the real estate space.

Subject to capital becoming available from the resolution of the FDIC Cause of Action, the Reorganized Debtor will make investments and deploy capital as it sees fit, consistent with its responsibility to manage the business, its fiduciary duties, and the amount of assets ultimately available under the Plan.

Taking into consideration the above, the Reorganized Debtor's business plan will generally include, but not necessarily be limited to, the following elements:

(i) Investments in both real estate-related equity and debt.

(ii) Equity investment strategies reflecting a balance of risk and return, and selectively including core (well-leased and -maintained office properties located in well-established markets, with stable, highly-creditworthy tenants); value-add (properties that need capital improvements or repositioning, including aesthetic or amenity upgrades, or operational or management improvements); opportunistic (properties that would be converted, redeveloped, re-branded or repositioned to seek their highest and best use including real estate owned "REO" assets or notes acquired

from banks); and land development (completion of approvals, zoning changes, partnering with leading local and national developers).

(iii) Equity investments in other value-enhancing real estate-related assets.

(iv) Revenues principally derived from rental income and transactions taking advantage of capital appreciation.

(v) Property types for equity investments including office, mixed-use, student housing, multi-unit housing, industrial, retail and hospitality properties (flagged and in major markets).

(vi) Assets located in areas where the Reorganized Debtor's management team will have specific knowledge and believes there is a market opportunity. The Reorganized Debtor intends to focus on properties that have a high likelihood of capital appreciation and/or a significant potential for higher rents over time including, but not limited to the following markets: New York region, Northern New Jersey, Philadelphia region, Southern New Jersey, Delaware, Chicagoland area, Metro Washington, DC area, Suburban Maryland, Northern Virginia, Baltimore area, Southern Florida (primarily east coast). Knowledge of these market areas will be derived from the Reorganized Debtor's management's many years of lending and investing in these major markets.

(vii) Debt investment strategies may include high-yield and investment-grade debt, including senior and bridge debt, mezzanine debt, mortgage-backed securities and may also include other related value-enhancing instruments.

(viii) The business's growth would be expected to be financed with proceeds from the FDIC Cause of Action and other assets available under the Plan, other internally-generated funds, proceeds from possible asset sales and possibly by accessing additional private capital.

B. Financial Projections

The Debtor's financial projections are contained in **Exhibit D**. The projections should be read in conjunction with the assumptions, qualifications and explanations set forth herein. Among other things, the projections were developed using the following major assumptions:

(i) The Plan of Reorganization goes effective on September 30, 2011;

(ii) The FDIC Cause of Action is resolved in two years from the effective date;

(iii) The Reorganized Debtor will invest its existing cash (net of holdbacks and payments to creditors) and any proceeds from the tax refund litigation in equal installments over the three years following emergence;

(iv) Investments made by the Reorganized Debtor yield a return on investment ("ROI") ranging from 9% - 12% annually; and

(v) Investments will be in cash flowing real estate assets that will be leveraged at 65% loan-to-value.

However, the financial projections were not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, or the Rules and Regulations of the Securities and Exchange Commission regarding projections. Furthermore, the financial projections have not been audited or reviewed by a registered independent public accounting firm.

Moreover, the financial projections are based on assumptions that are inherently uncertain and unpredictable. The operating and financial information contained in the Debtor's projected financial data have been prepared by management, with the assistance of the Debtor's retained professionals, and reflect management's current estimates of the Debtor's future performance. The projections and assumptions have not been reviewed or independently verified by any third party. Although the Debtor believes that the assumptions underlying the financial projections, when considered on an overall basis, are reasonable in light of current circumstances, no representation or assurance can be or is being made with respect to the accuracy or completeness of the financial projections or the ability of the Reorganized Debtor to achieve the operating or financial results set forth in the Projections.

Additionally, the projected results are based on assumptions and events over which, in many cases, the Debtor will have only partial or no control. The selection of assumptions underlying such projected information require the exercise of judgment, and the financial projections are subject to uncertainty due to the effects that economic, business, competitive, legislative, political or other changes may have on future events. Changes in the facts or circumstances underlying such assumptions could affect the financial projections, perhaps materially and/or adversely. The assumptions underlying the financial projections may be incomplete and inaccurate, and unanticipated events and circumstances are likely to occur. To the extent that assumed events do not materialize, actual results may vary substantially from the projected results. For example, under the high scenario, a 5% increase (or decrease) in the assumed rate of ROI contained in the financial projections could result in an approximately 2.2 percentage point increase (or decrease) in the recovery to those creditors receiving the New Series A Common Stock (as a further example, an increase in the ROI from 9.0% to 9.45% would result in an increased recovery to creditors that elect the Cash Election Entitlement from 48.8% to 51.0%); a 5% increase (or decrease) in the assumed rate of debt leverage could result in an approximately 2.5 percentage point increase (or 2.0 percentage point decrease) in the recovery to those creditors receiving the New Series A Common Stock; a 5% increase (or decrease) in the assumed interest rate could result in an approximately 0.7 percentage point decrease (or 0.8 percentage point increase) in the recovery to those creditors receiving the New Series A Common Stock; and a 5% increase (or decrease) in the assumed inflation rate could result in an approximately 0.9 percentage point increase (or 0.8 percentage point decrease) in the recovery to those creditors receiving the New Series A Common Stock. However, it should be emphasized that these illustrative changes in the assumptions underlying the financial projections likely will not operate independently of each other and actually could partially or wholly offset each other.

C. Management of the Reorganized Debtor

The proposed Chief Executive Officer of the Reorganized Debtor will be John M. Decker. Mr. Decker has over 25 years of banking and real estate experience, having spent 20 of those years with a NASDAQ publicly-traded regional bank specializing in all aspects of commercial real estate and construction lending. He directed the bank holding company's equity and mezzanine investment subsidiary and served as a member of the bank's board of directors for 14 years. Mr. Decker has also been the principal of a real estate investment firm acting as an advisor to institutional and high net worth clients acquiring opportunistic and value-add real estate throughout the east coast. His clients have included regional banks, prominent developers and a $100 million private equity firm backed by a consortium of union pension funds. He maintains real estate licensure in Pennsylvania and has extensive experience in identifying, structuring and underwriting investment opportunities.

The board of directors of the Reorganized Debtor will consist of the individuals identified below, each of which has an extensive background in banking, investments, restructurings, and operations:

Name	Professional Biography
Frederic F. Brace	Mr. Brace currently serves and the Chief Administrative Officer and Chief Restructuring Officer of The Great Atlantic & Pacific Company, where he is responsible for finance, real estate, information technology, and bankruptcy-related matters. Mr. Brace previously served as the Executive Vice President and Chief Financial Officer of United Airlines, where he was responsible for strategic planning, financial planning and analysis, treasury, tax, mergers and acquisitions, strategic sourcing, continuous improvement, accounting, real estate, internal audit and investor relations. In that role, Mr. Brace instituted a rigorous, company-wide strategic planning process resulting in a three-prong plan differentiating United from other airlines. Mr. Brace also served as United Airlines' Chief Restructuring Officer, where he managed all bankruptcy-related matters in addition to his other duties, culminating in the successful reorganization and exit from bankruptcy with a market capitalization of over $4 billion. Mr. Brace supervised outside counsel, financial advisors and other bankruptcy professionals. In addition, Mr. Brace led restructuring negotiations with unions, PBGC and other stakeholders, and arranged a $3 billion exit financing facility. Prior to this position, Mr. Brace served United Airlines as Senior Vice President–Finance, Vice President–Finance, Vice President of Financial Analysis, Vice President of Corporate Development, Director of Financial Planning, and Manager of Operating Budgets. Before joining United Airlines, Mr. Brace held various financial positions at American Airlines. Mr. Brace has a M.B.A. with a specialization in Finance from the University of Chicago Graduate School of Business and B.S. in Industrial Engineering from the University of Michigan.

Name	Professional Biography
Christopher D. Myers	Christopher D. Myers was appointed vice president of Government and Energy Programs for Lockheed Martin Mission Systems & Sensors (MS2) in January 2010, where he ensures that MS2's business strategies are properly coordinated and executed in conjunction with Lockheed Martin's main office. Mr. Myers also leads MS2's entry into the renewable energy market as the Capture Executive for Energy Generation and is responsible for establishing and growing MS2's presence in this field. Prior to this appointment, Mr. Myers was Vice President of Business Development at MS2, where he was responsible for new business acquisition, technology research, and development for MS2 pursuits. He also previously served as Vice President of Advanced Programs at MS2, where he was responsible for leading MS2's efforts in developing advanced sensors and weapons systems for surface combatant ships. Before that role, he was Vice President of Seabased Missile Defense Programs. Mr. Myers is a combat decorated veteran of the Persian Gulf War. He served as the communications officer, anti-air warfare officer, and operations officer on the U.S. Navy. His military decorations include a Meritorious Service Medal, Joint Service Commendation Medal, Joint Service Achievement Medal, Navy Commendation Medal (with Combat V), several Navy Achievement Medals, Combat Action Ribbon, and Liberation of Kuwait Medal. Mr. Myers is an elected Councilmember on the Medford Township Council in Medford, N.J. where he served as Mayor in 2004 and 2008. Mr. Myers is a graduate of the University of Colorado and holds a Master's degree in Public Administration from Cornell University.
Birge S. Watkins	Birge Watkins has held leadership and senior level positions in business, government and the non-profit sector for over 35 years. He is a partner in Encompass Real Estate Advisors, Chairman and a member of the Board of Commissioners of the Vint Hill Economic Development Authority, President and Director of the Land Trust of Virginia, and serves on the board of The Lowell Group, the owner of the New World Trust. He recently became Vice Chairman of the Council of American Universities Abroad where he is involved with university feasibility studies in Romania and Mongolia. During the early 1990's and at the request of the Chairman of the FDIC, L. William Seidman, he organized and managed the RTC's National Investor Outreach Program. As Director, he was involved with marketing and portfolio sales, the national land sale, numerous single asset sales, and securitization. The program contributed to sales of real estate and real estate assets in excess of $300 billion. Other past positions include private sector development and education at USAID; real estate investment and development with various firms, including an affiliate of Trammell Crow Corporation and two of the largest regional real estate firms in Washington, DC; management and development for non-profit organizations; Vice President in the Private Client Group at FBR Investment Management Inc.; and private equity investments in real estate and the financial sector. Mr. Watkins served as Staff Assistant to the President in the Office of Economic Affairs at the White House during the Ford Administration. Later he served as Assistant Director of President Reagan's Task Force on International Private Enterprise and Deputy Assistant Secretary of the U.S. Department of Agriculture. He was also a member of President George H.W. Bush's transition team and has Capitol Hill experience in a Congressional office. He also served as an elected at-large member of the Warrenton, Virginia town council. He received a B.A. from Alma College, an M.B.A. from the London Business School, and an M.P.A. from the Harvard Kennedy School.

Name	Professional Biography
Joyce White	From 2009 to 2010, Ms. White served as Chairman and Chief Executive Officer of Prospect Holdings, the holding company of Prospect Mortgage, a national mortgage banking firm with 250 retail locations. She led the efforts to establish the company's mortgage insurance business, implemented improved audit and compliance procedures, and played an instrumental role in the significant turnaround of the business. She now serves as a board member of the firm. Prior to Prospect Holdings, Ms. White served as President of Bank of America Business Capital, Bank of America's asset-based lending division, where she managed a portfolio of $17 billion across the U.S., Canada and Europe. She also completed the mergers of Fleet Capital and LaSalle Bank, divesting non-core operations at a premium.
Vik Ghei	Mr. Ghei is a founding partner of HoldCo Advisors, LP which currently manages approximately $1.5 billion notional of defaulted securities issued by insolvent financial holding companies, including some of the most prominent bank failures in history, including certain trust preferred securities issued by the Debtor. Prior to founding HoldCo Advisors, Mr. Ghei was a Managing Director and Associate Portfolio Manager at Tricadia Capital, a multi-billion dollar hedge fund, where he was responsible for investing in and trading a portfolio of distressed debt and equity securities with a particular focus on financial services. Before joining Tricadia, Mr. Ghei was a partner at Owl Creek Asset Management, also a multi-billion dollar hedge fund, where he was a generalist responsible for distressed debt and event-driven equity investments. At Owl Creek, Mr. Ghei served on the senior and subordinated ad hoc committees of Washington Mutual Inc. and was involved in the process that ultimately led to a global settlement agreement between WaMu, JP Morgan, and the FDIC. Before Owl Creek, Mr. Ghei worked at Bayside Capital, a multi-billion dollar distressed private equity fund, where he participated in numerous middle market bankruptcies and restructurings. Prior to Bayside, Mr. Ghei worked in the Financial Institutions Group of Goldman, Sachs & Company. Mr. Ghei earned a B.A. in Economics with Honors from Columbia College.

D. Valuation of the Reorganized Debtor

THE VALUATIONS SET FORTH HEREIN REPRESENT ESTIMATED DISTRIBUTABLE VALUE AND DO NOT NECESSARILY REFLECT VALUES THAT COULD BE ATTAINABLE IN THE PUBLIC OR PRIVATE MARKETS. THE NEW EQUITY VALUE DOES NOT PURPORT TO BE AN ESTIMATE OF THE POST-REORGANIZATION MARKET VALUE. SUCH TRADING VALUE, IF ANY, MAY BE MATERIALLY DIFFERENT FROM THE NEW EQUITY VALUE.

In connection with certain matters relating to the Plan, the Debtor requested Kinetic to prepare a valuation analysis of Reorganized Debtor's businesses and assets. Kinetic has employed generally accepted valuation techniques in estimating the reorganization value of the Reorganized Debtor. In preparing its valuation, Kinetic considered each of the generally accepted valuation techniques described below:

(1) **Discounted Cash Flow Analysis**: A discounted cash flow analysis estimates the total enterprise value of a business or asset based upon the present value of the projection of unlevered after-tax cash flows available to all providers of capital using estimated discount rates. The projection of unlevered free cash flows is discounted using an estimated weighted average cost of capital determined by,

among other things, reference to observed costs of capital for comparable companies (i.e., companies with reasonably similar characteristics, including, among other things, lines of business, geography, size and profitability to the underlying businesses of the Reorganized Debtor). Added to the present value of the unlevered free cash flows is an estimate of the present value of the terminal value of the underlying businesses of the Reorganized Debtor.

(2) **Comparable Public Company Analysis**: In a comparable public company analysis, a subject company is valued by reference to the trading multiples of comparable companies. Specifically, market multiples of EBITDA (or in certain circumstances, net book value of assets) were applied to the Financial Projections (or net book value of assets) to determine the ranges of total enterprise value.

(3) **Precedent Transactions Analysis**: The precedent transactions analysis is based on the enterprise values of comparable companies involved in merger and acquisition transactions. Under this methodology, the enterprise value of each such company is determined by an analysis of the consideration paid and the liabilities assumed in the merger or acquisition transaction. As in a comparable company valuation analysis, those enterprise values are commonly expressed as multiples of EBITDA (or in certain circumstances, net book value of assets). The derived multiples were then applied to the EBITDA of the Reorganized Debtor's underlying business or assets (or net book value of assets) to determine the ranges of total enterprise value.

Kinetic considered each of the valuation techniques described above, but determined that the valuation process for the Reorganized Debtor did not call for a comparable public company analysis or a precedent transaction analysis because Kinetic was unable to identify any similarly situated companies whose assets consist almost entirely of cash and contingent assets. Accordingly, Kinetic relied primarily on the discounted cash flow analysis in conducting its valuation analysis.

Based upon the methodology described above and assuming that 100% of the FDIC Claims and 20% of the other Unsecured Claims elect the Cash Election Entitlement, Kinetic has estimated the equity value for the Reorganized Debtor to be $174 million in the high scenario where the Reorganized Debtor receives $266.0 million in future tax refunds and $22.0 million in the low scenario where the Reorganized Debtor receives $0 in future tax refunds. This analysis excludes the value of any cash paid out to Claimants that elect the Cash Election Entitlement. Assuming that 100% of the FDIC Claims and 20% of the other Unsecured Claims elect the Cash Election Entitlement, Kinetic has estimated that total cash payments to these Claimants would be $108.9 million in the high scenario and $5.1 million in the low scenario. In the high scenario, the analysis assumes that the tax refunds of $266.0 million are received two years from the Effective Date and that value is shown on a present value basis discounted at 9.6%.

The equity values calculated in Kinetic's analysis do not purport to be an estimate of a post-reorganization trading value. Trading values may be materially different from the implied equity value associated with Kinetic's valuation analysis. Moreover, the Debtor anticipates that the Reorganized Debtor will be held by only approximately 30 shareholders, and will have

uncertain liquidity in its shares. Kinetic's reorganization value estimates are based on economic, market, financial, and other conditions as they exist, and on the information made available to Kinetic. It should be understood that, although subsequent developments may affect Kinetic's conclusions, Kinetic does not have any obligation to update, revise, or reaffirm its estimate.

E. Feasibility of the Plan

The Debtor believes the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtor. In connection with developing the Plan, and for purposes of determining whether the Plan satisfies feasibility standards, the Debtor has analyzed the Reorganized Debtor's ability to meet its obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct its businesses. In general, the Debtor believes that the Reorganized Debtor will have sufficient working capital and resources after emerging from chapter 11 to fully satisfy the feasibility standard of section 1129(a)(11). Specifically, the Reorganized Debtor will have approximately $27 million in Cash as of the Effective Date. That amount is more than sufficient to fund all Plan distributions, to carry on the Reorganized Debtor's business operations, and to serve as a Cash reserve for possible investments and to conduct the FDIC Cause of Action. Further, upon emergence from bankruptcy on the Effective Date, the Reorganized Debtor will be debt-free and does not require any exit financing.[22] Therefore the Reorganized Debtor will have no debt service requirements, removing that potential burden on the Reorganized Debtor's cash flow. The Debtor thus believes that the Reorganized Debtor will have more than sufficient liquidity to fund obligations as they arise and to carry on its post-reorganization business. As discussed in Art. III.A.5 herein, as of May 31, 2011, the Debtor has received approximately $3.62 million in proceeds from the Mint Loan Participation, and revenue from the Mint Loan Participation is expected to continue as more condominium units are sold. Alternatively, the Debtor believes the Mint Loan Participation could be sold, with expected proceeds of approximately $4.8 million. The management and board of the Reorganized Debtor, who will be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code, will be comprised of individuals with experience in the real estate and financial services industries. Accordingly, the Debtor believes the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

VI. Summary Of The Plan

A. Administrative and Priority Claims

1. Administrative Claims

Subject to the provisions of sections 328, 330(a) and 331 of the Bankruptcy Code, the Debtor or the Reorganized Debtor, as applicable, shall pay each Holder of an Allowed Administrative Claim the full unpaid amount of such Allowed Administrative Claim in Cash: (a) on the Effective Date or as soon as practicable thereafter (or, if not then due, when such

[22] Pursuant to the settlement with PBGC, described in more detail in Article IV.F.2.a herein, the Reorganized Debtor will be responsible for paying the amounts outstanding on account of the DRA Premium Claim over a period of three years after the Effective Date.

Allowed Administrative Claim is due or as soon as practicable thereafter); (b) if such Claim is Allowed after the Effective Date, on the date such Claim is Allowed or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due); (c) at such later time as may be agreed upon by such Holder and the Debtor or the Reorganized Debtor, as applicable; or (d) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

2. Priority Tax Claims

The Reorganized Debtor shall pay each Holder of an Allowed Priority Tax Claim the full unpaid amount of such Allowed Priority Tax Claim in Cash, on or as soon as practicable after the latest of: (a) the Effective Date; (b) the date such Allowed Priority Tax Claim becomes Allowed; and (c) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law.

B. Classification and Treatment of Claims and Equity Interests

1. Summary

The Plan constitutes a chapter 11 plan of reorganization for the Debtor. Except for Administrative Claims and Priority Tax Claims, all Claims against and Equity Interests in the Debtor are placed in Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtor has not classified Administrative Claims and Priority Tax Claims, as described in Article II of the Plan.

The table in Article III.A.3 of the Plan classifies Claims against and Equity Interests in the Debtor for all purposes, including voting, confirmation and Distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class, other than for voting purposes, only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

Summary of Classification and Treatment of Classified Claims and Equity Interests

Class	Claim	Status	Voting Rights
1	Secured Claims	Unimpaired	No (deemed to accept)
2	Non-FDIC Priority Claims	Unimpaired	No (deemed to accept)
3	FDIC Priority Claims	Impaired	Yes
4	TOPrS Unsecured Claims	Impaired	Yes
5	FDIC Non-Priority Claims	Impaired	Yes
6	Other Unsecured Claims	Impaired	Yes
7	510(b) Subordinated Claims	Impaired	No (deemed to reject)
8	Equity Interests	Impaired	No (deemed to reject)

Any portion of a Claim against the Debtor that arises from the rescission of or asserts damages related to the purchase or sale of an Equity Interest shall, on the Effective Date, be classified as a 510(b) Subordinated Claim in Class 7 regardless of the classification given to such Claim at the time of its filing. The Notice, Claims and Solicitation Agent is authorized and directed to reclassify any such Claim on the Claims Register.

2. Classification and Treatment of Claims and Equity Interests

a. Class 1 - Secured Claims

i. *Classification*: Class 1 consists of all Secured Claims.

ii. *Impairment and Voting*: Class 1 is Unimpaired by the Plan. Each Holder of a Secured Claim is presumed to accept and therefore is not entitled to vote to accept or reject the Plan.

iii. *Treatment*: Except to the extent that a Holder of a Secured Claim against the Debtor agrees to a less favorable treatment for such Holder, in exchange for full and final satisfaction, settlement, release and discharge of each Secured Claim, each Holder of an Allowed Secured Claim shall, at the sole option of the Debtor or the Reorganized Debtor, as applicable: (i) be paid in full in Cash or (ii) receive the collateral securing its Allowed Secured Claim, plus postpetition interest to the extent required under section 506(b) of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Secured Claim becomes an Allowed Secured Claim, or as soon as practicable thereafter.

b. Class 2—Non-FDIC Priority Claims

i. *Classification*: Class 2 consists of all Non-FDIC Priority Claims.

ii. *Impairment and Voting*: Class 2 is Unimpaired by the Plan. Each Holder of a Non-FDIC Priority Claim is presumed to accept and therefore is not entitled to vote to accept or reject the Plan.

iii. *Treatment*: On or as soon as practicable after the Effective Date, the Reorganized Debtor shall pay each Holder of an Allowed Non-FDIC Priority Claim, in full and final satisfaction of such Allowed Non-FDIC Priority Claim, Cash equal to the full amount of its Claim, unless the Holder otherwise agrees to less favorable treatment, on or as soon as practicable after the latest of: (a) the Effective Date; (b) the date such Allowed Non-FDIC Priority Claim becomes Allowed; and (c) the date such Allowed Non-FDIC Priority Claim is payable under applicable non-bankruptcy law.

c. Class 3 - FDIC Priority Claims

i. *Classification*: Class 3 consists of all FDIC Priority Claims.

ii. *Impairment and Voting*: Class 3 is Impaired by the Plan. Each Holder of a Claim that, if Allowed, would constitute an FDIC Priority Claim, is entitled to vote to accept or reject the Plan.

iii. *Treatment*: In full satisfaction, settlement, release, and compromise of and in exchange for each FDIC Priority Claim, the Reorganized Debtor shall pay each Holder of an FDIC Priority Claims on the Initial Distribution Date and each Quarterly Distribution Date thereafter all Net Free Cash as such Net Free Cash is available on such distribution date until such FDIC Priority Claim is paid in full.

d. Class 4 - TOPrS Unsecured Claims

i. *Classification*: Class 4 consists of all TOPrS Unsecured Claims.

ii. *Impairment and Voting*: Class 4 is Impaired by the Plan. Each Holder of a TOPrS Unsecured Claim is entitled to vote to accept or reject the Plan.

iii. *Treatment*: In full satisfaction, settlement, release, and compromise of and in exchange for each TOPrS Unsecured Claim, each Holder of a TOPrS Unsecured Claim shall receive on the Initial Distribution Date, its Pro Rata Distribution of the New Series A Common Stock, or, if it so elects, such Holder shall receive the Cash Election Entitlement.

e. Class 5 - FDIC Non-Priority Claims

i. *Classification*: Class 5 consists of all FDIC Non-Priority Claims.

ii. *Impairment and Voting*: Class 5 is Impaired by the Plan. Each Holder of a Claim that, if Allowed, would constitute an FDIC Non-Priority Claim in Class 5 is entitled to vote to accept or reject the Plan.

iii. *Treatment*: In full satisfaction, settlement, release, and compromise of and in exchange for each FDIC Non-Priority Claim, each Holder of an FDIC Non-Priority Claim shall receive on the Initial Distribution Date, its Pro Rata Distribution of the New Series A Common Stock, or if it so elects, such Holder shall receive the Cash Election Entitlement.

f. Class 6 - Other Unsecured Claims

i. *Classification*: Class 6 consists of all Other Unsecured Claims.

ii. *Impairment and Voting*: Class 6 is Impaired by the Plan. Each Holder of an Other Unsecured Claim in Class 6 is entitled to vote to accept or reject the Plan.

iii. *Treatment*: In full satisfaction, settlement, release, and compromise of and in exchange for each Other Unsecured Claim, each Holder of an Allowed Other Unsecured Claim shall receive on the Initial Distribution Date, its Pro Rata Distribution of the New Series A Common Stock, or if it so elects, such Holder shall receive the Cash Election Entitlement.

g. Class 7 - 510(b) Subordinated Claims

i. *Classification*: Class 7 consists of all 510(b) Subordinated Claims.

ii. *Impairment and Voting*: Class 7 is Impaired by the Plan. Each Holder of a 510(b) Subordinated Claim in Class 5 is conclusively presumed to reject the Plan and is not entitled to vote to accept or reject the Plan.

iii. *Treatment*: All Holders of 510(b) Subordinated Claims in Class 7 shall not receive any Distribution.

h. Class 8 - Equity Interests

i. *Classification*: Class 8 consists of all Equity Interests in the Debtor.

ii. *Impairment and Voting*: Class 8 is Impaired by the Plan. Each Holder of an Equity Interest in Class 8 is conclusively presumed to reject the Plan and is not entitled to vote to accept or reject the Plan.

iii. *Treatment*: All Holders of Equity Interests in Class 8 shall not receive any Distribution. As set forth in Article IV.D of the Plan, immediately after the Effective Date, such Equity Interests shall be deemed cancelled, terminated and of no further force or effect.

C. Means for Implementation of the Plan

1. Corporate Existence

Except as otherwise provided in the Plan or Plan Supplement, the Debtor shall continue to exist after the Effective Date as a separate corporate Entity with all the powers of a corporation pursuant to the applicable law in the jurisdiction in which the Debtor is incorporated or formed and pursuant to the certificate of incorporation, charter and bylaws in effect prior to the Effective Date, except to the extent the Debtor elects to reincorporate in another jurisdiction or make any other amendments to such certificate of incorporation, charter or bylaws, pursuant to documents contained in the Plan Supplement, in which case such documents in effect prior to the Effective Date are deemed to be amended pursuant to the Plan and require no further action or approval.

2. Periodic Reports to be Filed by the Reorganized Debtor

The Reorganized Debtor shall File periodic reports, no less than quarterly, listing (i) the amount of Free Cash, (ii) the amount of Net Free Cash, (iii) the amount of Free Cash that has been spent since the Effective Date for the ordinary costs to administer and implement the Plan and the ordinary course business expenses related to the assets identified in (b)(i) through (iv) of the definition of Free Cash, (iv) the amount of Free Cash that has currently been reserved for the ordinary costs to administer and implement the Plan and the ordinary course business expenses related to the assets identified in (b)(i) through (iv) of the definition of Free Cash, (v) the amount of the Disputed Reserve, (vi) the status of litigation involving Material Causes of Action, and (vii) the fees and expenses of the Debtor's Designee and the Creditors' Designee. To the extent not previously filed with the Bankruptcy Court, the first such periodic report shall identify by name and Claim amount the Creditors electing the Cash Election Entitlement. The Plan Committee shall approve each such periodic report, and may redact any portion of such report that it determines in good faith contains confidential, competitive, or other sensitive information; provided, however, that unredacted versions of such periodic reports shall be supplied to the Creditors' Designee subject to a confidentiality agreement between the Creditors' Designee and the Reorganized Debtor to be negotiated in good faith.

3. Directors and Officers of the Debtor on the Effective Date; Rights of the Debtor's Designee and Creditors' Designee; Litigation Trust

On the Effective Date, the persons then acting as directors and officers of the Debtor shall be released and discharged from all further authority, duties, responsibilities and obligations relating to and arising from the Debtor or the Chapter 11 Case. Nothing contained in Article IV.B of the Plan shall release the Debtor's officers and directors from claims for actions taken before the Effective Date other than as provided in Article IX of the Plan.

The New Board shall consult with the Debtor's Designee regarding any activities of the Reorganized Debtor directly related to defense of any FDIC Priority Claims, regulatory matters or other matters directly related to decisions of the Debtor's board of directors prior to the Effective Date (unless to do so would in the good faith opinion of the New Board undermine such activities). The Debtor's Designee is entitled to reimbursement by the Reorganized Debtor of reasonable fees and expenses (including any attorney's fees) not to exceed $1,500 in any one month period. After the Debtor's Designee's initial one-year term has expired, the New Board shall have the discretion to reappoint or eliminate the Debtor's Designee.

As of the Effective Date, the Plan Committee shall be created and shall consist of three Independent members of the New Board identified in the Plan Supplement. The Plan Committee shall oversee and have decision-making authority regarding any litigation and/or settlement of Causes of Action and the administration of Distributions. The fiduciary duties of the members of the Plan Committee (in their capacity as Plan Committee members) shall run to all parties entitled to Distributions under the Plan, whether or not such beneficiaries have elected the Cash Election Entitlement. The Plan Committee shall consult with the Plan Committee Consultant regarding any material decision in connection with a Material Cause of Action, including without limitation any decision to make, reject or accept any offer of settlement with respect thereto. The Plan Committee Consultant cannot be replaced except by resignation or death, and in such case

the successor shall be selected by the Plan Committee and approved by the Bankruptcy Court. The Creditors' Designee shall have the right to object to any replacement of the Plan Committee Consultant. The Reorganized Debtor shall seek approval of any settlement of a Material Cause of Action from the Bankruptcy Court by the filing of an appropriate motion, and such approval shall only come after a hearing, upon notice to the Creditors' Designee and to all parties requesting service pursuant to Bankruptcy Rule 2002. The Plan Committee shall, at least quarterly, consider the calculation of Residual Net Free Cash, including the following factors, among other things: (a) the amount of Cash in such Account; (b) the pending Claims against the Estate; (c) the status of litigation of any Causes of Action; (d) the appropriate reserves for such Causes of Action; (e) any administrative and related costs of administering the Plan; and (f) the length of time since the Effective Date and the previous distribution of Residual Net Free Cash.

The Creditors' Designee shall have consultation rights with respect to Material Causes of Action, including without limitation the decision to make, reject or accept any offer of settlement in respect thereto. The Creditors' Designee shall also have the right: (a) to receive notice of, and to object to, any motion filed with the Bankruptcy Court seeking approval of any settlement of any Material Causes of Action and (b) if any material decision is made by the Plan Committee with respect to a Material Cause of Action over the objection of the Plan Committee Consultant, to receive disclosure by the Plan Committee of such decision and the Plan Committee Consultant's objection and then to have an opportunity to communicate the Creditors' Designee's position to the Plan Committee. The Creditors' Designee is entitled to reimbursement by the Reorganized Debtor of reasonable fees and expenses (including any attorney's fees) to object or otherwise respond to any settlement motion and (subject to a budget with a cap agreed to by the Debtor and contained in the Plan Supplement) to fulfill its rights to consult as set forth in the Plan; provided, however, that in either event any such fees and expenses shall reduce Net Free Cash. Any dispute as to the reasonableness of fees and expenses of the Creditors' Designee shall be determined by the Bankruptcy Court. The Creditors' Designee's term shall expire when all Material Causes of Action have been adjudicated by Final Order or settled.

On the Effective Date, the Reorganized Debtor shall establish the Litigation Trust to hold the Former Officer Causes of Action. The Debtor shall appoint the trustee of the Litigation Trust as set forth in the Plan Supplement. For the avoidance of doubt, any proceeds of the Litigation Trust shall be distributed Pro Rata to the Holders of Claims that elect to receive the Cash Election Entitlement and the holders of New Series A Common Stock.

4. Cancellation of TOPrS Debentures, TOPrS and Equity Interests

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, stock, instruments, certificates and other documents evidencing the TOPrS Unsecured Claims and Equity Interests, including the TOPrS Documents and the TOPrS shall be deemed automatically canceled, shall be of no further force, whether surrendered for cancellation or otherwise, and the obligations of the Debtor thereunder or in any way related thereto shall be discharged.

Notwithstanding anything to the contrary contained in Article IV.C of the Plan, (a) the TOPrS Documents will continue in effect solely for purposes of (i) allowing the applicable TOPrS Indenture Trustee to receive and make the Distributions to be made pursuant to the Plan

on account of TOPrS Unsecured Claims under the Plan, from Distributions received from the Reorganized Debtor in accordance with the Plan, and (ii) permitting such TOPrS Indenture Trustee to maintain any rights or Liens it may have under the applicable TOPrS Documents to receive TOPrS Indenture Trustee Fees and indemnification, provided that the Debtor or Reorganized Debtor, as applicable, will not have any obligation to any TOPrS Indenture Trustee for payment of any such TOPrS Indenture Trustee Fees or indemnifications except as otherwise provided in the Plan, and (b) the TOPrS Debentures issued under such agreements will continue in effect solely for the purposes of permitting Holders thereof to receive Distributions from the applicable TOPrS Indenture Trustee in accordance with the Plan (including Article V.B.1 of the Plan).

Subject to the process described below, as soon as practicable after the Effective Date the Reorganized Debtor shall pay the TOPrS Indenture Trustee Fees. As a precondition to payment of any TOPrS Indenture Trustee Fees incurred prior to the Effective Date, each TOPrS Indenture Trustee shall, at any time after the Effective Date and before the date that is thirty (30) days after the Effective Date, submit to the Reorganized Debtor and the U.S. Trustee its invoices for payment of such TOPrS Indenture Trustee Fees. Each TOPrS Indenture Trustee shall also submit a statement reflecting the total amount sought pursuant to such invoice to each other TOPrS Indenture Trustee. The Reorganized Debtor shall, as soon as practicable thereafter, but in no event earlier than twenty (20) days after receipt thereof, and unless the Reorganized Debtor objects thereto or has received an objection thereto from the U.S. Trustee or another TOPrS Indenture Trustee, reimburse the TOPrS Indenture Trustee in Cash for such TOPrS Indenture Trustee Fees; provided, however, that in exchange for such payment, the TOPrS Indenture Trustee shall not assert a possessory Lien for such payment on any Distribution made to and retained by the TOPrS Indenture Trustee under the Plan on behalf of the Holders of the TOPrS Unsecured Claims. In the event any such objection as to reasonableness of the TOPrS Indenture Trustee Fees (which shall be the only basis for objection) is made or received (which objection shall be made in writing and served on the Reorganized Debtor and the TOPrS Indenture Trustee whose TOPrS Indenture Trustee Fees are the subject of such objection within fifteen (15) days of receipt of the applicable invoice or statement, but need not be filed with the Bankruptcy Court), the Reorganized Debtor shall, as soon as practicable after such objection period has run, reimburse such TOPrS Indenture Trustee in Cash only for the unobjected to portion of such TOPrS Indenture Trustee Fees. In the event the parties are unable to resolve the objection, the applicable TOPrS Indenture Trustee may file a motion or application with the Bankruptcy Court in accordance with Article XI.A of the Plan seeking a determination concerning the reasonableness of the disputed portion of the TOPrS Indenture Trustee Fees and any fees, costs and expenses in connection with prosecuting such motion or application as the Bankruptcy Court may permit. Subsequent submissions by a TOPrS Indenture Trustee of TOPrS Indenture Trustee Fees incurred after the Effective Date may be made from time to time, but no more frequently than monthly, in the same manner (and with the same objection and payment procedures) as set forth above. Nothing in the Plan shall be construed as an agreement by the TOPrS Indenture Trustee to a waiver of its possessory Lien for any amounts not paid pursuant to this provision, including, without limitation, any fees and expenses (including the fees and expenses of its professionals) of any TOPrS Indenture Trustee accrued prior to the Petition Date.

If the TOPrS Indenture Trustee Fees are not allowed pursuant to the above paragraph, and to the extent that, under the TOPrS Documents, the TOPrS Indenture

Trustees are entitled to charging liens on account of unpaid TOPrS Indenture Trustee Fees, recoveries under the Plan will be adjusted so that sufficient Cash distributions are available to allow the TOPrS Indenture Trustees to exercise such charging liens against Cash distributed under the Plan.

Subject to the process described below, as soon as practicable after the Effective Date, the Reorganized Debtor shall pay the Tricadia Fees. As a precondition to payment of any Tricadia Fees, Tricadia shall, at any time after the Effective Date and before the date that is thirty (30) days after the Effective Date, submit to the Reorganized Debtor and the U.S. Trustee its invoices for payment of such fees and expenses. The Reorganized Debtor shall, as soon as practicable thereafter, but in no event earlier than twenty (20) days after receipt thereof, and unless the Reorganized Debtor objects thereto or has received an objection thereto from the U.S. Trustee, reimburse Tricadia in Cash for such Tricadia Fees. In the event any such objection as to reasonableness of the Tricadia Fees (which shall be the only basis for objection) is made or received (which objection shall be made in writing and served on the Reorganized Debtor and Tricadia within fifteen (15) days of receipt of the applicable invoice or statement, but need not be filed with the Bankruptcy Court), the Reorganized Debtor shall, as soon as practicable after such objection period has run, reimburse Tricadia in Cash only for the unobjected to portion of the Tricadia Fees. In the event the parties are unable to resolve the objection, Tricadia may file a motion or application with the Bankruptcy Court in accordance with Article XI.A of the Plan seeking a determination concerning the reasonableness of the disputed portion of the Tricadia Fees and any fees, costs and expenses in connection with prosecuting such motion or application as the Bankruptcy Court may permit.

5. Reorganized Debtor Securities

The Reorganized Debtor's equity interests shall consist of New Series A Common Stock, and, if the Debtor elects (if necessary to cause Section 382(l)(5) of the Internal Revenue Code to apply to the Plan), a separate series or class of Common Stock on account of part of the Cash Election Entitlement. On the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtor shall issue or reserve for issuance all securities to be issued pursuant to the terms of the Plan, without need for any further corporate or shareholder action. Shares of New Series A Common Stock and any separate series or class of Common Stock on account of the Cash Election Entitlement, depending on the election of the applicable Holder of a particular General Unsecured Claim, shall be issued Pro Rata to (a) Holders of Allowed TOPrS Unsecured Claims, (b) Holders of Allowed FDIC Non-Priority Claims, and (c) Holders of Allowed Other Unsecured Claims.

To the extent the Debtor chooses (if necessary to cause Section 382(l)(5) of the Internal Revenue Code to apply to the Plan) to issue a separate series or class of common stock on account of part of the Cash Election Entitlement, each Holder who elects to receive the Cash Election Entitlement:

(a) shall be entitled on account of such separate series or class of common stock to a pro rata share (such share to be calculated based on such holder's number of shares of such security divided by the total outstanding shares as of the Effective Date of New Series A Common Stock and the additional common

stock issued to Holders who elect to receive the Cash Election Entitlement) of any Residual Net Free Cash that constitutes net proceeds of the FDIC Cause of Action, pursuant to redemption upon the terms set forth in the Reorganized Debtor's charter upon entry of a Final Order resolving the FDIC Cause of Action; and

(b) shall also be entitled to a right of payment on the Initial Distribution Date and each subsequent Quarterly Distribution Date equal to such holder's Pro Rata share of Residual Net Free Cash that does not constitute the proceeds of the FDIC Cause of Action.

6. Section 1145 Exemption

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of any securities pursuant to the Plan and any and all settlement agreements incorporated in the Plan shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act to the maximum extent permitted thereunder and any other applicable law requiring registration prior to the offering, issuance, distribution or sale of securities. In addition, except as otherwise provided in the Plan, under section 1145 of the Bankruptcy Code, any securities contemplated by the Plan and any and all settlement agreements incorporated therein will be freely tradable by the recipients thereof, subject to (1) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (2) the restrictions, if any, on the transferability of such securities and instruments; and (3) applicable regulatory approval.

7. Restructuring Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtor may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability, duty or obligation on terms consistent with the terms of the Plan; (3) the filing of appropriate certificates of incorporation, charter, merger or consolidation with the appropriate governmental authorities pursuant to applicable law; and (4) all other actions that the Reorganized Debtor determines are necessary or appropriate.

8. Corporate Action

Each of the matters provided for by the Plan involving the corporate structure of the Debtor or corporate, financing or related actions to be taken by or required of the Reorganized Debtor shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan (except to the extent otherwise indicated), and shall be authorized, approved, and, to

the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by Holders of Claims or Equity Interests, the directors of the Debtor or any other Entity. Without limiting the foregoing, such actions will include: the adoption and (as applicable) filing of amended and restated certificate of incorporation, charter, bylaws and other governance documents; the appointment of officers and (as applicable) directors for the Reorganized Debtor; the issuance of the New Series A Common Stock and any security or instrument issued by the Reorganized Debtor on account of part of the Cash Election Entitlement, and all related documents and instruments (as applicable). The Reorganized Debtor shall enter into such agreements and amend their corporate governance documents to the extent necessary to implement the terms and conditions of the Plan.

9. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtor, and the officers and members of the New Board thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtor, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

10. Exemption from Certain Transfer Taxes and Recording Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfer from the Debtor to the Reorganized Debtor or to any Entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtor or the Reorganized Debtor; (2) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (3) the making, assignment, or recording of any lease or sublease; or (4) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, sales tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

11. Board Representation

The New Board shall be disclosed in the Plan Supplement prior to the Confirmation Date in accordance with section 1129(a)(5) of the Bankruptcy Code. The initial members of the New Board shall serve staggered terms of one, two and three years, as designated. After the initial terms have expired, the members of the New Board shall be elected on a staggered three-year

basis by the holders of New Series A Common Stock and any other series or class of common stock that may be issued by the Reorganized Debtor on account of part of the Cash Election Entitlement pursuant to the Reorganized Debtor's certificate of incorporation.

12. Senior Management

Senior management of the Reorganized Debtor shall be disclosed in the Plan Supplement prior to the Confirmation Date in accordance with section 1129(a)(5) of the Bankruptcy Code.

13. Committee

As of the Effective Date, the Committee shall dissolve, and its members shall be released and discharged from all further authority, duties, responsibilities and obligations relating to and arising from the Chapter 11 Case. The retention and employment of the Professionals retained by the Committee shall terminate as of the Effective Date, *provided*, *however*, that the Committee shall exist, and its Professionals shall be retained, after such date solely with respect to applications Filed pursuant to sections 330 and 331 of the Bankruptcy Code.

14. Vesting of Assets in the Reorganized Debtor

Except as otherwise provided in the Plan or in any agreement, instrument or other document relating thereto, on or after the Effective Date pursuant to section 1141 of the Bankruptcy Code, all property of the Estate and any property acquired by the Debtor pursuant hereto shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances. Except as may be provided in the Plan or the Confirmation Order, including without limitation with respect to the Cash Election Entitlement Segregated Account, on and after the Effective Date, the Reorganized Debtor may use, acquire or dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

15. Prohibition Against Pledging Assets

Notwithstanding anything to the contrary contained in the Plan, the Reorganized Debtor shall be precluded from, and the Confirmation Order shall expressly prohibit the Reorganized Debtor from, pledging any interest in (a) the Disputed Reserve or the assets therein; (b) the Cash Election Entitlement Segregated Account or the assets therein; or (c) any assets, or the proceeds thereof, that are or could become part of the Cash Election Entitlement, including without limitation any Causes of Action or the proceeds thereof. The Confirmation Order shall also provide that any such pledge in violation of Article IV.O of the Plan is null and void.

16. Deregistration

As soon after the Effective Date as is practicable, the Reorganized Debtor shall terminate its registration under the Securities and Exchange Act of 1934 by filing a Form 15 "Certification and Notice of Termination of Registration Under Section 12(g) of the Securities Exchange Act of 1934 or Suspension of Duty to File Reports Under Sections 12 and 15(d) of the Securities and Exchange Act of 1934" with the United States Securities and Exchange Commission and shall

otherwise comply with the statutory or regulatory requirements of a publicly traded company, including, but not limited to, seeking to deregister the Equity Interests.

17. Allowance of TOPrS Unsecured Claims

The TOPrS Unsecured Claims are deemed to be Allowed Claims in the following amounts:

Corus Statutory Trust I (established as of June 26, 2003)—$30,465,407

Corus Statutory Trust II (established as of June 24, 2003)—$22,167,798

Corus Statutory Trust III (established as of September 17, 2003)—$49,784,605

Corus Statutory Trust IV (established as of November 24, 2003)—$33,150,706

Corus Statutory Trust V (established as of December 17, 2003)—$55,219,786

Corus Statutory Trust VI (established as of May 18, 2004)—$27,411,216

Corus Statutory Trust VII (established as of September 20, 2004)—$54,621,802

Corus Statutory Trust VIII (established as of March 15, 2005)—$27,091,835

Corus Statutory Trust IX (established as of June 23, 2005)—$27,006,006

Corus Statutory Trust X (established as of September 15, 2005)—$26,938,289

Corus Statutory Trust XI (established as of December 19, 2005)—$26,896,674

Corus Statutory Trust XII (established as of March 29, 2006)—$26,958,979

Corus Statutory Trust XIII (established as of June 27, 2007)—$21,789,683

Holders of TOPrS Unsecured Claims shall receive a Distribution of New Series A Common Stock or the Cash Election Entitlement, as determined by such Holder's election, on the Initial Distribution Date based on the Allowed amount of such TOPrS Unsecured Claim in accordance with Article IV.O.1 of the Plan.

D. Provisions Governing Distributions

1. Initial Distribution Date

On the Initial Distribution Date or as soon thereafter as is reasonably practicable, the Reorganized Debtor shall make the Distributions required to be made under the Plan.

2. Disputed Reserve

a. Establishment of Disputed Reserve

On the Initial Distribution Date, and after making all Distributions required to be made on such date under the Plan, the Reorganized Debtor shall establish a separate Disputed Reserve for Disputed Claims, which Disputed Reserve shall be administered by the Reorganized Debtor. The Reorganized Debtor shall reserve a number of shares of New Series A Common Stock, an amount of Cash or any other security or equity interest issued under the Plan, depending on the election of the Holder of such Disputed Claims and whether the Debtor elects to issue a security on account of part of the Cash Election Entitlement, sufficient to provide Holders of Disputed Claims the treatment such Holders would be entitled to receive under the Plan if all such Disputed Claims were to become Allowed Claims (or such lesser amount as may be estimated by the Bankruptcy Court in accordance with Article VI.D. of the Plan).

b. Maintenance of Disputed Reserve

The Reorganized Debtor shall hold unissued New Series A Common Stock and Cash in the Disputed Reserve in trust, segregated from and not to be commingled with any other assets of the Reorganized Debtor, for the benefit of the Holders of Claims ultimately determined to be Allowed. The Reorganized Debtor shall, in its sole discretion, distribute such amounts (net of any expenses, including taxes relating thereto), as provided in the Plan, as such Disputed Claims are resolved by a Final Order, and such New Series A Common Stock and Cash will be distributable in respect of such Disputed Claims as such amounts would have been distributable had the Disputed Claims been Allowed Claims as of the Effective Date.

3. Establishment and Maintenance of Cash Election Entitlement Segregated Account

On the Effective Date, and after making all Distributions required to be made on such date under the Plan, the Reorganized Debtor shall establish the Cash Election Entitlement Segregated Account, into which shall on that date and from time to time thereafter as it becomes available be deposited all Free Cash necessary and sufficient to make Distributions to Holders of Claims that elect to receive the Cash Election Entitlement. All Cash in the Cash Election Entitlement Segregated Account shall be held pursuant to investment guidelines contained in the Plan Supplement. All expenditures that may reduce Free Cash to Net Free Cash may be paid from the Cash Election Entitlement Segregated Account. The Confirmation Order shall provide that such account shall be segregated from, and shall not be commingled with, any other assets of the Reorganized Debtor, shall not be, and shall not be considered to be, property of the Reorganized Debtor or subject to claims by creditors of the Reorganized Debtor, and shall be held in trust for the sole benefit of Holders of Claims that elect to receive the Cash Election Entitlement.

4. Quarterly Distributions

On each Quarterly Distribution Date or as soon thereafter as is reasonably practicable, the Reorganized Debtor shall make the Distributions required to be made under the Plan on such date. Any Distribution that is not made on the Initial Distribution Date or on any other date

specified in the Plan because the Claim that would have been entitled to receive that Distribution is not an Allowed Claim on such date, shall be held by the Reorganized Debtor as applicable, in the Disputed Reserve pursuant to Article V.B.2 of the Plan and Distributed on the first Quarterly Distribution Date after such Claim is Allowed. No interest shall accrue or be paid on the unpaid amount of any Distribution paid on a Quarterly Distribution Date in accordance with Article V.C of the Plan. Distributions from the Cash Election Entitlement Segregated Account shall be supervised by the Plan Committee.

5. Record Date for Distributions

Except as otherwise provided in a Final Order of the Bankruptcy Court or as otherwise stipulated by the Debtor or Reorganized Debtor, as applicable, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date will be treated as the Holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Distribution Record Date. The Reorganized Debtor shall have no obligation to recognize any transfer of any Claim occurring after the Distribution Record Date. In making any Distribution with respect to any Claim, the Reorganized Debtor shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the Proof of Claim Filed with respect thereto or on the Schedules as the Holder thereof as of the close of business on the Distribution Record Date and upon such other evidence or record of transfer or assignment that are known to the Reorganized Debtor as applicable, as of the Distribution Record Date.

6. Delivery of Distributions

a. General Provisions; Undeliverable Distributions

Subject to Bankruptcy Rule 9010 and except as otherwise provided in the Plan, Distributions to the Holders of Allowed Claims shall be made by the Reorganized Debtor at (i) the address of each Holder as set forth in the Schedules, unless superseded by the address set forth on Proofs of Claim Filed by such Holder or (ii) the last known address of such Holder if no Proof of Claim is Filed or if the Debtor or the Reorganized Debtor, as applicable, has been notified in writing of a change of address; *provided, however*, that Distributions paid by the Reorganized Debtor for the benefit of Holders of TOPrS Debentures and the TOPrS shall be made to the appropriate TOPrS Indenture Trustee under the respective TOPrS Indenture for such obligations. Each such TOPrS Indenture Trustee shall, in turn, administer the distributions to the respective holders of TOPrS Unsecured Claims in accordance with the Plan and the applicable TOPrS Indentures. Distribution to a TOPrS Indenture Trustee shall be promptly remitted by such TOPrS Indenture Trustee to the Holders of the TOPrS Unsecured Claims entitled thereto (i.e., the Holder of the relevant TOPrS on the applicable Distribution Record Date) in accordance with this Plan and the TOPrS Indentures, and each such Distribution by the Debtor to a TOPrS Indenture Trustee shall be deemed to have discharged the obligation of the Debtor to make such Distribution to the Holders of TOPrS Unsecured Claims represented by such TOPrS Indenture Trustee. The TOPrS Indenture Trustees shall not be required to give any bond or surety or other security for the performance of their duties unless otherwise ordered by the Bankruptcy Court. The TOPrS Indenture Trustees shall only be required to make distributions in accordance with the terms of the Plan and the respective TOPrS Indenture and shall have no liability for actions

taken in accordance with the Plan or in reliance upon information provided to the TOPrS Indenture Trustees in accordance with the Plan, except for liabilities resulting from their own gross negligence or willful misconduct. If any Distribution is returned as undeliverable, the Reorganized Debtor may, in its discretion, make such efforts to determine the current address of the Holder of the Claim with respect to which the Distribution was made as the Reorganized Debtor, deems appropriate, but no Distribution to any Holder shall be made unless and until the Reorganized Debtor has determined the then-current address of the Holder, at which time the Distribution to such Holder shall be made to the Holder without interest. Amounts in respect of any undeliverable Distributions made by the Reorganized Debtor, shall be returned to, and held in trust by, the Reorganized Debtor until the Distributions are claimed or are deemed to be unclaimed property under section 347(b) of the Bankruptcy Code as set forth in Article V.F.2 of the Plan. The Reorganized Debtor shall have the discretion to determine how to make Distributions in the most efficient and cost-effective manner possible; *provided*, *however*, that its discretion may not be exercised in a manner inconsistent with any express requirements of the Plan.

b. Unclaimed Property

Except with respect to property not distributed because it is being held in the Disputed Reserve, Distributions that are not claimed by the expiration of one year from the Initial Distribution Date or Quarterly Distribution Date applicable to such Distribution, shall be deemed to be unclaimed property under section 347(b) of the Bankruptcy Code and shall vest or revest in the Reorganized Debtor, and the Claims with respect to which those Distributions are made shall be automatically canceled. After the expiration of such one-year period, the Claim of any Entity to those Distributions shall be discharged and forever barred. Nothing contained in the Plan shall require the Reorganized Debtor to attempt to locate any Holder of an Allowed Claim. Except as otherwise provided in the Plan, all funds or other property that vests or revests in the Reorganized Debtor pursuant to this Article shall be distributed by the Reorganized Debtor in accordance with the provisions of the Plan.

7. Surrender of Canceled Instruments and Securities

a. Generally

Except as set forth in Article V.H of the Plan, as a condition precedent to receiving any Distribution hereunder on account of an Allowed Claim evidenced by instruments, securities or other documentation canceled pursuant to Article IV.D of the Plan, other than securities held in book entry form through the Depository Trust Company, the Holder of such Claim shall tender such instrument, security or other documentation evidencing such Claim to the Reorganized Debtor. In the event an Allowed Claim is evidenced by securities held in book entry form through the Depository Trust Company, such securities shall be cancelled in accordance with usual Depository Trust Company practices. Any Distributions pursuant to the Plan on account of any Claim evidenced by such instruments, securities or other documentation, other than securities held in book entry form through the Depository Trust Company, shall, pending such surrender, be treated as an undeliverable Distribution in accordance with Article V.F of the Plan *provided*, *however*, that Holders of the TOPrS shall tender the TOPrS to the TOPrS Trust Indenture Trustee and Holders of the TOPrS Debentures shall tender the TOPrS Debentures to

the TOPrS Debenture Indenture Trustee. All payments to Holders of TOPrS Unsecured Claims, other than TOPrS Unsecured Claims evidenced by securities held by the Depository Trust Company, shall only be made after such surrender, or in the event such certificate is lost, stolen, mutilated or destroyed, upon the Holder's compliance with the requirements set forth in Article V.H of the Plan. Upon surrender of such TOPrS, the TOPrS Trust Indenture Trustee shall cancel and destroy such TOPrS and upon surrender of such TOPrS Debentures, the TOPrS Debenture Indenture Trustee shall cancel and destroy such TOPrS Debentures. As soon as practicable after surrender of the TOPrS and the TOPrS Debentures, the TOPrS Indenture Trustee shall distribute to the Holder thereof, as the case may be, such Holder's Pro Rata share of the Distribution pursuant to the terms of the TOPrS Indenture, but subject to the rights of the TOPrS Indenture Trustee to assert (i) its charging Lien to the extent the TOPrS Indenture Trustee Fees or any other fees owed to such TOPrS Indenture Trustee under the TOPrS Indenture, including without limitation, fees and expenses (including fees and expenses of its professionals), accrued prior to the Petition Date, are not paid pursuant to the Plan; or (ii) any other rights or arguments to payment other than asserting its charging Lien.

b. Failure to Surrender Canceled Instruments

If any Holder of an Allowed Claim evidenced by instruments, securities or other documentation canceled pursuant to Article IV.D of the Plan, fails to surrender such instrument, security or other documentation or comply with the provisions of Article V.G.1 of the Plan within one year after the Effective Date, its Claim for a Distribution under the Plan on account of such instrument, security, or other documentation shall be discharged, and such Holder shall be forever barred from asserting such Claim against the Reorganized Debtor or its property. In such case, any property held on account of such Claim shall be disposed of pursuant to the provisions set forth in Article V.F.2 of the Plan.

8. Lost, Stolen, Mutilated or Destroyed Instrument or Security

Any Holder of an Allowed Claim evidenced by instruments, securities or other documentation canceled pursuant to Article IV.D of the Plan that has been lost, stolen, mutilated or destroyed, shall, in lieu of surrendering such instrument, security or documentation: (a) deliver to the Reorganized Debtor (or in the case of the TOPrS Debentures or TOPrS, the applicable TOPrS Indenture Trustee) (i) an affidavit of loss reasonably satisfactory to the Reorganized Debtor (or in the case of the TOPrS Debentures or TOPrS, the applicable TOPrS Indenture Trustee) setting forth the unavailability of such instrument, security, or other documentation and (ii) such additional security or indemnity as may reasonably be requested by the Reorganized Debtor to hold the Reorganized Debtor (or, in the case of the TOPrS Debentures or TOPrS, required by the applicable TOPrS Indenture Trustee to hold the applicable TOPrS Indenture Trustee) harmless from any damages, liabilities, or costs incurred in treating such Entity as a Holder of an Allowed Claim; and (b) satisfy any other requirement under the TOPrS Indenture or any other relevant document. Upon compliance with Article V.H of the Plan by a Holder of an Allowed Claim evidenced by such instrument, security or other documentation, such Holder shall, for all purposes under the Plan, be deemed to have surrendered such instrument, security or other documentation.

9. Manner of Cash Payments Under the Plan

Cash payments made pursuant to the Plan shall be in United States dollars by checks drawn on a domestic bank selected by the Reorganized Debtor or by wire transfer from a domestic bank, at the option of the Reorganized Debtor.

10. Time Bar to Cash Payments by Check

Checks issued by the Reorganized Debtor on account of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for the reissuance of any check that becomes null and void pursuant to Article V.J of the Plan shall be made directly to the Reorganized Debtor by the Holder of the Allowed Claim to whom the check was originally issued. Any claim in respect of such voided check shall be made in writing on or before the later of the first anniversary of the Initial Distribution Date or Quarterly Distribution Date on which such check was issued. After that date, all Claims in respect of void checks shall be discharged and forever barred and the proceeds of those checks shall revest in and become the property of the Reorganized Debtor as unclaimed property in accordance with section 347(b) of the Bankruptcy Code and be distributed as provided in Article V.F.2 of the Plan.

11. Limitations on Funding of Disputed Reserve

Except as expressly set forth in the Plan, neither the Debtor, nor the Reorganized Debtor shall have any duty to fund the Disputed Reserve.

12. Compliance with Tax Requirements

In connection with making Distributions under the Plan, to the extent applicable, the Reorganized Debtor shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Reorganized Debtor may withhold the entire Distribution due to any Holder of an Allowed Claim until such time as such Holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the Reorganized Debtor to the appropriate authority. If the Holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six (6) months from the date of first notification to the Holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then such Holder's Distribution shall be treated as an undeliverable Distribution in accordance with Article V.F of the Plan.

13. No Payments of Fractional Dollars

Notwithstanding any other provision of the Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan. Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding down of such fraction to the nearest whole dollar.

14. Interest on Claims

Except as specifically provided for in the Plan or the Confirmation Order, interest shall not accrue on Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after that Disputed Claim becomes an Allowed Claim. Except as expressly provided in the Plan or in a Final Order of the Bankruptcy Court, no prepetition Claim shall be Allowed to the extent that it is for postpetition interest or other similar charges.

15. No Distribution in Excess of Allowed Amount of Claim

Notwithstanding anything to the contrary contained in the Plan, no Holder of an Allowed Claim shall receive in respect of that Claim any Distribution in excess of the Allowed amount of that Claim.

16. Setoff and Recoupment

The Reorganized Debtor may, but shall not be required to, set off against, or recoup from, any Claim and the Distributions to be made pursuant to the Plan in respect thereof, any Claims or defenses of any nature whatsoever that the Debtor, the Estate or the Reorganized Debtor may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor, the Estate, or the Reorganized Debtor of any right of setoff or recoupment that any of them may have against the Holder of any Claim.

17. No Distribution to General Unsecured Creditors

No Net Free Cash may be distributed to Holders of General Unsecured Claims until any FDIC Priority Claim is paid in full.

E. Disputed Claims

1. No Distribution Pending Allowance

a. Distributions on Disputed Claims

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties and subject to the establishment of the Disputed Reserve, Distributions under the Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made as soon as reasonably practicable after such Disputed Claims become Allowed Claims; provided, however, that (a) Disputed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 Case or assumed by the Debtor on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (b) Disputed Priority Tax Claims that become Allowed Priority Tax Claims after the Effective Date, unless otherwise agreed, shall be paid in accordance with the Plan.

b. No Partial Payment

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the Reorganized Debtor: (a) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order; and (b) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim (except to the extent such Allowed Claim is expressly Allowed pursuant to the Plan) unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order.

2. Resolution of Disputed Claims

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Reorganized Debtor shall have the right to the exclusion of all others (except as to the Professionals' applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code and as to TOPrS Indenture Trustee Fees and Tricadia Fees) to make, File, prosecute, settle, compromise, withdraw or resolve in any manner approved by the Bankruptcy Court, objections to Claims, and to administer and adjust the Claims Register to, among other things, reflect any such settlements, compromises and withdrawals. The costs of pursuing the objections to Claims shall be borne by the Reorganized Debtor.

3. Objection Deadline

All objections to Disputed Claims shall be Filed and served upon the Holders of each such Claim on or before the Claims Objection Bar Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing.

4. Estimation of Claims

At any time, subsequent to the Effective Date, the Reorganized Debtor may request that the Bankruptcy Court estimate any contingent or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtor or the Reorganized Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection.

5. Disallowance of Claims

Except as otherwise agreed, any and all Proofs of Claim Filed after the applicable Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice or action, order or approval of the Bankruptcy Court, and Holders of such Claims may not receive any Distributions on account of such Claims, unless on or before the Confirmation Date the Bankruptcy Court has entered an order deeming such Claim to be timely filed.

Notwithstanding Article VI.E.1 of the Plan, once Final Orders have been entered resolving all claims asserted in the FDIC Cause of Action and *Corus Bankshares, Inc. v. Federal Deposit Insurance Corporation*, Case No. 10-cv-05654 (N.D. Ill.), the FDIC shall be entitled to

amend the timely-filed Proof of Claim Number 501 solely to the extent necessary to reflect the terms of any such Final Orders.

F. Treatment of Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

Any executory contracts and unexpired leases that are listed in the Plan Supplement as executory contracts or unexpired leases to be assumed, or are to be assumed pursuant to the terms hereof, shall be deemed assumed by the Debtor as of immediately prior to the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

Any executory contracts and unexpired leases that have not expired by their own terms on or prior to the Effective Date, which the Debtor have not assumed or rejected during the pendency of the Chapter 11 Cases, which are not listed in the Plan Supplement as executory contracts or unexpired leases to be rejected, and that are not the subject of a motion to reject pending as of the Effective Date, shall be deemed assumed by the Debtor on the Effective Date. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such assumptions or rejections, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

The Plan shall constitute a motion to reject any executory contracts and unexpired leases listed in the Plan Supplement as executory contracts or unexpired leases to be rejected, and the Debtor shall have no further liability thereunder. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code and that the rejection thereof is in the best interests of the Debtor, its Estate and all parties in interest in the Chapter 11 Case.

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Claims created by the rejection of executory contracts and unexpired leases pursuant to Article VII.A of the Plan, or the expiration or termination of any executory contract or unexpired lease prior to the Effective Date, must be filed with the Bankruptcy Court and served on the Reorganized Debtor no later than thirty (30) days after the Effective Date. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Article VII.A of the Plan for which Proofs of Claim are not timely filed within that time period will be forever barred from assertion against the Debtor, the Reorganized Debtor, the Estate, its successors and assigns, and its assets and properties, unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan. All such Claims shall, as of the Effective Date, be subject to the permanent injunction set forth in Article IX.F.2(b) of the Plan. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided in the Plan shall be treated as General Unsecured Claims under the Plan and shall be subject to the provisions of Article III of the Plan.

3. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any provisions or terms of the Debtor's executory contracts or unexpired leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure or by waiver of Cure agreed upon between the Debtor and applicable counterparty. Except with respect to executory contracts or unexpired leases in which the Debtor and the applicable counterparties have stipulated in writing to payment of Cure, all requests for payment of Cure must be Filed with the Notice, Claims and Solicitation Agent on or before the Cure Bar Date. Any request for payment of Cure that is not timely Filed shall be disallowed automatically and forever barred from assertion and shall not be enforceable against the Reorganized Debtor, without the need for any objection by the Reorganized Debtor or further notice to or action, order, or approval of the Bankruptcy Court, and any such Claim for Cure shall be deemed fully satisfied, released, and discharged, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary; provided, however, that nothing shall prevent the Reorganized Debtor from paying any Cure despite the failure of the relevant counterparty to File such request for payment of such Cure. The Reorganized Debtor also may settle any Cure without further notice to or action, order, or approval of the Bankruptcy Court.

If the Debtor or Reorganized Debtor, as applicable, object to any request for Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. If there is a dispute regarding such Cure, the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtor or Reorganized Debtor and the counterparty to the executory contract or unexpired lease. Any counterparty to an executory contract or unexpired lease that fails to object timely to the proposed assumption of any executory contract or unexpired lease will be deemed to have consented to such assumption. The Debtor or Reorganized Debtor, as applicable, reserve the right, either to reject or nullify the assumption of any executory contract or unexpired lease no later than thirty days after a Final Order determining the Cure or any request for adequate assurance of future performance required to assume such executory contract or unexpired lease.

Assumption of any executory contract or unexpired lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time prior to the effective date of assumption.

4. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the Debtor that any such contract or lease is in fact an executory contract or unexpired lease or that the Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was

executory or unexpired at the time of assumption or rejection, the Debtor or Reorganized Debtor, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

G. Conditions Precedent to Confirmation and the Effective Date

1. Conditions to Confirmation

The following are conditions precedent to Confirmation that must be satisfied or waived in accordance with Article VIII.C of the Plan:

a. The Bankruptcy Court shall have approved the Disclosure Statement as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code.

b. All objections to confirmation of the Plan are either withdrawn, resolved or overruled.

c. The most current version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been Filed.

2. Conditions Precedent to the Effective Date

The following are conditions precedent to the Effective Date that must be satisfied or waived in accordance with Article VIII.C of the Plan:

a. The Confirmation Order shall be in full force and effect; and

b. The Pension Plan shall have been terminated in accordance with applicable law.

3. Waiver of Conditions Precedent

The Debtor, with the Committee's and Tricadia's consent (such consent not to be unreasonably withheld), may waive the occurrence of or modify any condition precedent in Article VIII of the Plan. Any such written waiver of a condition precedent set forth in this Article may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. The failure of the Debtor 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. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

H. Discharge, Release, Injunction and Related Provisions

1. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of all Claims, Equity Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Equity Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Equity Interests in, the Debtor, Reorganized Debtor or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Equity Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Equity Interest based upon such Claim, debt, right, or Equity Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Equity Interest based upon such Claim, debt, right, or Equity Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Equity Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan.

2. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and Equity Interests on the terms set forth in the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Equity Interests, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable and in the best interests of the Debtor, the Estate and Holders of Claims and Equity Interests.

3. Releases

a. ***Releases of Third Parties by the Debtor*.** **Notwithstanding anything contained in the Plan to the contrary, on the Effective Date and effective as of the Effective Date, the Debtor on behalf of itself and the Estate, for the good and valuable consideration provided by each of the Releasees, including, without limitation, the services of the Debtor's officers, employees and directors, hereby provides a full release to the Releasees (and each such Releasee so released shall be deemed released by the Debtor) and their respective properties from any and all Causes of Action and any other debts, obligations, rights, suits, damages, actions, derivative claims, remedies and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing as of the Effective Date, in law, at equity, whether for tort, contract, violations of federal or state**

securities laws, or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtor, including, without limitation, those that the Debtor or the Reorganized Debtor would have been legally entitled to assert or that any Holder of a Claim against or Equity Interest in the Debtor or other Entity would have been legally entitled to assert for or on behalf of the Debtor, the Reorganized Debtor or the Estate and further including those in any way related to the Chapter 11 Case or the Plan; *provided, however*, that the foregoing provisions shall have no effect on the liability of any Releasee that results from any act or omission (a) that is determined in a Final Order to be solely due to such Releasee's own gross negligence or willful misconduct; or (b) with respect to Releasees that are or were accountants, investment bankers, financial advisors, or non-legal consultants to the Debtor, occurring prior to December 1, 2008. For the avoidance of doubt, nothing contained in Article IX.B.1 of the Plan shall limit or restrict in any way the ability of the Reorganized Debtor to pursue Avoidance Actions against the issuers of the Excess Policies.

b. ***Releases of Third Parties by Others*. Notwithstanding anything contained in the Plan to the contrary other than the provisions of Article IX.G.5, on the Effective Date and effective as of the Effective Date, the Releasing Parties shall be deemed to provide a full release to the Releasees and their respective property from any and all Causes of Action, whether known or unknown, whether for tort, contract, violations of federal or state securities laws or otherwise, and all direct claims, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtor, including those in any way related to the Chapter 11 Case or the Plan; *provided, however*, that the foregoing provisions shall have no effect on the liability of any Releasee that results from any act or omission that is determined in a Final Order to be solely due to such Releasee's own gross negligence or willful misconduct; *provided, further, however*, that other than as set forth in Article IX.C. of the Plan, nothing in the Plan or the Confirmation Order shall affect, release, enjoin or impact in any way the prosecution of any claims by the FDIC against any non-Debtor, including the Releasees.**

c. **Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in Article IX.C of the Plan pursuant to Bankruptcy Rule 9019 and its finding that the releases are: (i) in exchange for the good and valuable consideration provided by the Releasees, a good faith settlement and compromise of the Claims released by releases set forth in Article IX.C of the Plan; (ii) in the best interests of the Debtor and all Holders of Claims; (iii) fair, equitable and reasonable; (iv) given and made after due notice and opportunity for hearing; and (v) a bar to any of the Debtor or the Reorganized Debtor, the Committee, or the Holders of Claims against the Debtor asserting any Claim released by the Releasing Parties set forth in Article IX.C of the Plan against any of the Releasees.**

4. Exculpation

Notwithstanding anything contained in the Plan to the contrary, the Exculpated Parties shall neither have nor incur any liability to any Entity for any and all claims and

Causes of Action arising on or after the Petition Date, including any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan, the Disclosure Statement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other act taken after the Petition Date or omitted to be taken in connection with or in contemplation of the transactions occurring in the Chapter 11 Case; *provided, however*, that the foregoing provisions shall (a) have no effect on the liability of any Exculpated Party that results from any act or omission that is determined in a Final Order to be solely due to such Exculpated Party's own gross negligence or willful misconduct; and (b) not preclude any Entity from objecting to Accrued Professional Compensation or fees and expenses previously awarded that, if unpaid, would constitute Accrued Professional Compensation, or TOPrS Indenture Trustee Fees in accordance with Article IV.C.3 of the Plan or Tricadia Fees in accordance with Article IV.C.4 of the Plan.

5. No Release of Co-Obligor or Joint Tortfeasor

No provision of the Plan, including without limitation, any release or exculpation provision, shall modify, release, or otherwise limit the liability of any Entity other than the Releasees and the Exculpated Parties, including without limitation, any Entity that is a co-obligor, guarantor or joint tortfeasor of a Releasee or Exculpated Party or that otherwise is liable under theories of vicarious or other derivative liability.

6. Preservation of Rights of Action

a. Vesting of Causes of Action

i. Except as otherwise provided in the Plan or Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action other than the Former Officer Causes of Action that the Debtor may hold against any Entity shall vest upon the Effective Date in the Reorganized Debtor.

ii. Except as otherwise provided in the Plan or Confirmation Order, after the Effective Date, the Reorganized Debtor shall have the exclusive right to institute, prosecute, abandon, settle or compromise any Causes of Action other than the Former Officer Causes of Action, in accordance with the terms of the Plan and without further order of the Bankruptcy Court, in any court or other tribunal of competent jurisdiction, including, without limitation, in an adversary proceeding filed in the Chapter 11 Case. Without limiting the generality of the foregoing, upon the Effective Date, the Reorganized Debtor shall be deemed substituted for the Debtor in any pending adversary proceedings to which the Debtor is a party, including, without limitation, the actions set forth in Article VI.E.2 of the Plan.

iii. Causes of Action other than the Former Officer Causes of Action and any recoveries therefrom shall remain the sole property of the Reorganized Debtor (for the sole benefit of Entities entitled to Distributions under the Plan).

iv. The Former Officer Causes of Action shall vest upon the Effective Date in the Litigation Trust.

v. The Litigation Trust shall have the exclusive right to institute, prosecute, abandon, settle or compromise the Former Officer Causes of Action, in accordance with the terms of the Plan, in any court or other tribunal of competent jurisdiction, including, without limitation, in an adversary proceeding filed in the Chapter 11 Case.

vi. The Former Officer Causes of Action and any recoveries therefrom shall remain the sole property of the Litigation Trust for the sole benefit of Entities entitled to Distributions under the Plan.

b. Preservation of All Causes of Action Not Expressly Settled or Released

i. Unless a Cause of Action against a Holder or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including the Confirmation Order), the Reorganized Debtor expressly reserve such Cause of Action for later adjudication by the Reorganized Debtor (including, without limitation, Causes of Action not specifically identified or described in the Plan Supplement or elsewhere or of which the Debtor or the Reorganized Debtor may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtor or the Reorganized Debtor at this time or facts or circumstances which may change or be different from those the Debtor or the Reorganized Debtor now believe to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata,* collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after the entry of the Confirmation Order or Effective Date based on the Disclosure Statement, Plan or Confirmation Order, except where such Causes of Action have been released in the Plan (including, without limitation, and for the avoidance of doubt, the releases contained in Article IX.C.1 of the Plan) or any other Final Order (including the Confirmation Order). In addition, the Debtor and the Reorganized Debtor expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

ii. Subject to the immediately preceding paragraph, any Entity to whom the Debtor has incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from the Debtor or a transfer of money or property of the Debtor, or who has transacted business with the Debtor, or leased equipment or property from the Debtor, should assume that any such obligation, transfer, or transaction may be reviewed by the Reorganized Debtor subsequent to the Effective Date and may be the subject of an action after the Effective Date, regardless of whether: (i) such Entity has filed a Proof of Claim against the Debtor in the Chapter 11 Case; (ii) the Debtor or the Reorganized Debtor have objected to any such Entity's Proof of Claim; (iii) any such Entity's Claim was included in the Schedules; (iv) the Debtor or the Reorganized Debtor have objected to any such Entity's scheduled Claim; or (v) any such Entity's scheduled Claim has been identified by the Debtor or the Reorganized Debtor as disputed, contingent or unliquidated.

7. Release and Injunction

a. **Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan from and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner against the Debtor, the Reorganized Debtor, the Releasees, their successors and assigns, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any Claim, demand, liability, obligation, debt, right, Cause of Action, interest or remedy released or to be released, exculpated, or to be exculpated, pursuant to the Plan or the Confirmation Order.**

b. **Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, from and after the Effective Date, all Entities shall be precluded from asserting against the Debtor, the Reorganized Debtor, or their successors and assigns and their assets and properties, any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date; *provided, however*, nothing in the Plan or any order confirming the Plan shall preclude Lead Plaintiff and/or the putative securities class from pursuing their claims against the Debtor in the District Court solely to the extent of any available insurance coverage and any available insurance proceeds *provided, further*, the Claims of Lead Plaintiff and the Class against the Debtor, solely to the extent of any available insurance, are preserved and not discharged by the Plan.**

c. **Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, the rights afforded in the Plan and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction of Claims and Equity Interests of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, against the Debtor or the Reorganized Debtor or any of their assets or properties. On the Effective Date, all such Claims against, and Equity Interests in, the Debtor shall be satisfied and released in full.**

d. **Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, all Parties and Entities are permanently enjoined, on and after the Effective Date, on account of any Claim against or Equity Interest in the Debtor that is satisfied and released hereby, from:**

i. commencing or continuing in any manner any action or other proceeding of any kind against the Debtor, the Reorganized Debtor their successors and assigns and their assets and properties;

ii. enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Debtor, the Reorganized Debtor their successors and assigns and their assets and properties;

iii. creating, perfecting or enforcing any encumbrance of any kind against the Debtor, the Reorganized Debtor or the property or Estate of the Debtor or the Reorganized Debtor;

iv. asserting any right of setoff or subrogation of any kind against any obligation due from the Debtor or against the property or Estate of the Debtor or the Reorganized Debtor, except to the extent a right to setoff or subrogation is asserted with respect to a timely filed Proof of Claim; or

v. commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim against or Equity Interest in the Debtor or Cause of Action that is released or settled hereunder.

e. **Nothing in the Plan or in any order confirming the Plan shall (i) affect, release, enjoin or impact in any way the prosecution of the claims asserted, or to be asserted (based generally on the current allegations in the Securities Litigation) against any non-Debtor, including the Individual Non-Debtor Defendants, in the Securities Litigation or (ii) preclude Lead Plaintiff and/or the putative securities class from seeking discovery from the Reorganized Debtor or such other transferee of the Debtor's assets. Further, to the extent a member of the putative securities class holds a Claim (in addition to a Claim based upon the allegations of the Securities Litigation) that is entitled to vote to accept or reject the Plan, that vote (or failure to opt out or opt in) shall not be deemed to release that putative securities class member's Claim in the Securities Litigation.**

8. No Release of Non-Debtor Parties for Liability Related to the Pension Plan

Nothing in the Debtor's bankruptcy proceeding, the Confirmation Order, the Plan, the Bankruptcy Code (and section 1141 thereof), or any other document filed in the Chapter 11 Case shall in any way be construed to discharge, release, limit, or relieve any individual or entity, other than the Debtor, in any capacity, from any liability or responsibility with respect to the Pension Plan or any other defined benefit pension plan under any law, governmental policy, or regulatory provision. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the Debtor's bankruptcy case.

9. Releases of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against property of the Estate shall be fully released and discharged (except for the charging Liens of the TOPrS Indenture Trustee to the extent the TOPrS Indenture Trustee Fees or any other fees owed to the TOPrS Indenture Trustees under the TOPrS Indentures are not paid pursuant to the Plan) and all of the right, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interest shall revert to the Reorganized Debtor.

I. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the Debtor and the Reorganized Debtor and the Plan as is legally permissible, including, without limitation, jurisdiction to:

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

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

iii. resolve any matters related to the assumption, assignment or rejection of any executory contract or unexpired lease to which the Debtor or the Reorganized Debtor, as applicable is party or with respect to which the Debtor or the Reorganized Debtor, as applicable, may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including those matters related to any amendment to the Plan after the Effective Date pursuant to Article XI.C of the Plan adding executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed;

iv. ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

v. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtor after the Effective Date, *provided, however*, that the Reorganized Debtor shall reserve the right to commence actions in all appropriate jurisdictions;

vi. enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan, Plan Supplement or the Disclosure Statement;

vii. resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

viii. issue injunctions, enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Effective Date or enforcement of the Plan, except as otherwise provided in the Plan;

ix. enforce Article IX.A, Article IX.C, Article IX.D and Article IX.F of the Plan;

x. enforce the injunction set forth in Article IX.F.2(b) of the Plan;

xi. resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article IX of the Plan, and enter such orders as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;

xii. enter and implement such orders as necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

xiii. resolve any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement; and

xiv. enter an order and/or the decree contemplated in section 350 of the Bankruptcy Code and Bankruptcy Rule 3022 concluding the Chapter 11 Case.

J. Miscellaneous Provisions

1. Final Fee Applications, Initial TOPrS Indenture Trustee Fees, and Tricadia Fees

The deadline for submission by Professionals of applications for Bankruptcy Court approval of Accrued Professional Compensation, by each TOPrS Indenture Trustee for payment of any disputed TOPrS Indenture Trustee Fees incurred on or before the Effective Date and by Tricadia for payment of any disputed Tricadia Fees, shall be 60 days after the Effective Date.

2. Payment of Statutory Fees

All fees payable pursuant to Article 1930 of title 28 of the United States Code after the Effective Date, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid when due.

3. Modification of Plan

Subject to the limitations contained in the Plan: (a) the Debtor, with the Committee's and Tricadia's consent as to material modifications (such consent not to be unreasonably withheld), reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (b) after the entry of the Confirmation Order, the Debtor (with the Committee's and Tricadia's reasonable consent as to material modifications) or the Reorganized Debtor, as the case may be, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the

Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

4. Revocation of Plan

The Debtor reserves the right to withdraw the Plan prior to the entry of the Confirmation Order, and to file subsequent chapter 11 plans. If the Debtor withdraws the Plan, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any claims by or against, or any Equity Interests in, the Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c) constitute an admission of any sort by the Debtor or any other Entity.

5. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan, including without limitation the Debtor or the Reorganized Debtor, shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign (through merger, consolidation or otherwise) of such Entity, including without limitation the heir, executor, administrator, successor or assign (through merger, consolidation or otherwise) of the Debtor or the Reorganized Debtor.

6. Governing Law

Except to the extent that the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, instrument, release, indenture or other agreement or document entered into in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois, without giving effect to the principles of conflict of laws thereof.

7. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order and the occurrence of the Effective Date. Neither the filing of the Plan, any statement or provision contained herein, nor the taking of any action by the Debtor or any Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (a) the Debtor with respect to the Holders of Claims or Equity Interests or other parties-in-interest; or (b) any Holder of a Claim or other party-in-interest prior to the Effective Date.

8. Section 1125(e) Good Faith Compliance

The Debtor, the Committee and its individual members, and each of their respective Representatives, shall be deemed to have acted in "good faith" under section 1125(e) of the Bankruptcy Code.

9. Further Assurances

The Debtor, the Reorganized Debtor, all Holders of Claims receiving Distributions hereunder and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

10. Service of Documents

Any pleading, notice or other document required by the Plan to be served on or delivered to the Debtor shall be sent by first class U.S. mail, postage prepaid as follows:

To the Debtor:

Corus Bankshares, Inc.
10 S. Riverside Plaza
Suite 1800
Chicago, Illinois 60606
Attn: Stephen J. Antal, Esq.

with a copy to:

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attn: David Seligman, P.C.
Attn: Jeffrey W. Gettleman, Esq.

To the Committee:

Neal, Gerber & Eisenberg, LLP
2 North LaSalle Street, Suite 2200
Chicago, IL 60602
Attn: Deborah M. Gutfeld, Esq.
Attn: Mark A. Berkoff, Esq.

Kilpatrick Townsend & Stockton LLP
1100 Peachtree Street, Suit 2800
Atlanta, Georgia 30309
Attn: Todd C. Meyers, Esq.
Attn: Robbin S. Rahman, Esq.

To Tricadia:

Duane Morris LLP
1540 Broadway
New York, New York 10035

Attn: Gerard S. Catalanello, Esq.
Attn: John R. Weiss, Esq.

11. Filing of Additional Documents

On or before the Effective Date, the Debtor or the Reorganized Debtor, as applicable, may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

12. Aid and Recognition

The Debtor or the Reorganized Debtor, as the case may be, shall, as needed to effect the terms hereof, request the aid and recognition of any court or judicial, regulatory or administrative body in any nation, province or state.

13. Document Retention

From and after the Effective Date, the Debtor, the Reorganized Debtor, and any transferee of the Debtor's Documents, as the case may be, shall preserve and maintain all of the Documents, whether retained by the Debtor or any successor to the Debtor, or transferred to the Reorganized Debtor or such other transferee pursuant to the Plan; and any successors to the Debtor, the Reorganized Debtor, and/or such other transferee shall not destroy or otherwise abandon any such Documents absent further order of this Court or a court of competent jurisdiction after a hearing upon notice to parties in interest, including Lead Plaintiff, with an opportunity to be heard.

14. Reservation of Rights by the Debtor and the FDIC

Notwithstanding anything else contained herein, the provisions of the Plan (as distinct from the effect of Confirmation or the provisions of the Bankruptcy Code) shall not impact the rights, if any, granted to the FDIC as receiver pursuant to the provisions of Title 12 of the United States Code. For the avoidance of doubt, the Debtor and the Reorganized Debtor reserve all their respective rights to assert that the Bankruptcy Code governs over the provisions of Title 12 of the United States Code and the FDIC as receiver reserves all its rights to assert that the provisions of Title 12 of the United States Code govern over the Bankruptcy Code.

VII. Statutory Requirements For Confirmation Of The Plan

The following is a brief summary of the confirmation process. Holders of Claims and Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors.

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing to consider confirmation of a plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation.

B. Confirmation Standards

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtor believes that: (1) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (2) it has complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (3) the Plan has been proposed in good faith. Specifically, the Debtor believes that the Plan satisfies or will satisfy the applicable Confirmation requirements of section 1129 of the Bankruptcy Code, including those set forth below.

a. The Plan complies with all applicable provisions of the Bankruptcy Code.

b. The Debtor, as the Plan proponent, will have complied with the applicable provisions of the Bankruptcy Code.

c. The Plan has been proposed in good faith and not by any means forbidden by law.

d. Any payment made or to be made under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been or will be disclosed to the Bankruptcy Court, and any such payment: (a) made before the Confirmation of the Plan will be reasonable; or (b) will be subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation of the Plan.

e. Each Holder of an Impaired Claim has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the Debtor were liquidated on that date under chapter 7 of the Bankruptcy Code. Each Holder of an Impaired Equity Interest has accepted the Plan or will receive or retain under the Plan on account of such Equity Interest property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the Debtor was liquidated on that date under chapter 7 of the Bankruptcy Code.

f. Each Class of Claims or Equity Interests that is entitled to vote on the Plan has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of such voting Class of Claims or Equity Interests pursuant to section 1129(b) of the Bankruptcy Code.

g. Except to the extent that the Holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that: (a) Holders of Administrative Claims specified in section 507(a)(2) and 507(a)(3) of the Bankruptcy Code, respectively, will receive on account of such Claims Cash equal to the allowed amount of such Claim on the Effective Date of the Plan, or as soon thereafter as is reasonably practicable; (b) Holders of Claims specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code will receive (i) if such Class of Holders have accepted the Plan, deferred Cash payments of a value, as of the Effective Date, equal to the Allowed amount of such Claim or

(ii) if such Class of Holders have rejected the Plan, Cash on the Effective Date equal to the Allowed amount of such Claim; and (c) Holders of Claims specified in section 507(a)(8) of the Bankruptcy Code will receive on account of such Claim regular installment payments of Cash of a total value, as of the Effective Date of the Plan, equal to the allowed amount of such Claim over a period ending not later than five years after the Petition Date. Holders of FDIC Priority Claims shall receive periodic payments of Net Free Cash until such Allowed Claim is paid in full.

h. At least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any Insider holding a Claim in that Class.

i. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successors thereto under the Plan, unless the Plan contemplates such liquidation or reorganization.

j. The Debtor has paid the required filing fees pursuant to 28 U.S.C. § 1930 to the clerk of the Bankruptcy Court.

k. In addition to the filing fees paid to the clerk of the Bankruptcy Court, the Debtor will pay quarterly fees no later than the last day of the calendar month following the calendar quarter for which the fee is owed in the Debtor's Chapter 11 Case for each quarter (including any fraction thereof), to the U.S. Trustee, until the case is converted or dismissed, whichever occurs first.

C. Financial Feasibility

The Bankruptcy Code permits a chapter 11 plan to be confirmed if it is not likely to be followed by liquidation or the need for further financial reorganization, other than as provided in such plan. For purposes of determining whether the Plan meets this requirement, the Debtor has analyzed its ability to meet its obligations under the Plan. The Debtor believes the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtor. In connection with developing the Plan, and for purposes of determining whether the Plan satisfies feasibility standards, the Debtor has analyzed the Reorganized Debtor's ability to meet its obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct its businesses. In general, the Debtor believes that the Reorganized Debtor will be viable after emerging from chapter 11. Specifically, the Reorganized Debtor will have (i) sufficient Cash to fund all Plan distributions, (ii) no debt as of the occurrence of the Effective Date,[23] and (iii) adequate Cash reserves to cover all operating expenses after the Effective Date. The Debtor thus believes that the Reorganized Debtor will have sufficient liquidity to fund obligations as they arise, thereby maintaining value.

[23] Pursuant to the settlement with PBGC, described in more detail in Article IV.F.2.a herein, the Reorganized Debtor will be responsible for paying the amounts outstanding on account of the DRA Premium Claim over a period of three years after the Effective Date.

Accordingly, the Debtor believes the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

D. Best Interests of Creditors Test

Under the Bankruptcy Code, confirmation of a plan also requires a finding that the plan is in the "best interests" of creditors. Under the "best interests" test, the Bankruptcy Court must find (subject to certain exceptions) that the Plan provides, with respect to each Impaired Class, that each Holder of an Allowed Claim or Equity Interest in such Impaired Class has accepted the Plan, or will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

The analysis under the "best interests" test requires that the Bankruptcy Court determine what Holders of Allowed Claims and Equity Interests in each Impaired Class would receive if the Debtor's Chapter 11 Case were converted to a liquidation case under chapter 7 of the Bankruptcy Code, and the Bankruptcy Court appointed a chapter 7 trustee to liquidate all of the Debtor's assets into Cash. The Debtor's "liquidation value" would consist primarily of the following: (i) unencumbered and unrestricted Cash held by the Debtor at the time of the conversion to a chapter 7 case; (ii) the proceeds resulting from the chapter 7 trustee's sale of the Debtor's remaining unencumbered assets, and (iii) the value associated with the Debtor's litigation with the FDIC regarding the Debtor's ownership of certain tax refunds and its Receivership Claim thereto described above in Article I.F.3. The gross Cash available for distribution would be reduced by the costs and expenses incurred in effectuating the chapter 7 liquidation and any additional Administrative Claims incurred during the chapter 7 case.

The Bankruptcy Court then must compare the value of the distributions from the proceeds of the hypothetical chapter 7 liquidation of the Debtor (after subtracting the chapter 7-specific claims and administrative costs) with the value to be distributed to the Holders of Allowed Claims under the Plan. It is possible that in a chapter 7 liquidation, Claims and Equity Interests may not be classified in the same manner as set forth in the Plan. In a hypothetical chapter 7 liquidation of the Debtor's assets, the rule of absolute priority of distribution would apply, i.e., no junior Creditor would receive any distribution until payment in full of all senior Creditors, and no Holder of an Equity Interest would receive any distribution until all Creditors have been paid in full.

Of the foregoing groups of Claims, Classes 1 and 2 are "Unimpaired" under the Plan, meaning that the Plan generally leaves their legal, equitable, and contractual rights unaltered. As a result, Holders of such Claims are conclusively presumed to accept the Plan. The remainder of the Classes of Claims and Equity Interests are "Impaired" under the Plan and are either entitled to vote on, or conclusively presumed to reject, the Plan. Because the Bankruptcy Code requires that Holders of Claims in Voting Classes either accept the Plan or receive at least as much under the Plan as they would in a hypothetical chapter 7 liquidation, the operative "best interests" inquiry in the context of the Plan is whether in a chapter 7 liquidation, after accounting for recoveries by Classes 1 and 2, the Holders of Impaired Claims and Equity Interests will receive more or less than under the Plan. If the probable distribution to Holders of Impaired Claims and Equity Interests under a hypothetical chapter 7 liquidation is greater than the distributions to be

received by such Holders under the Plan, then the Plan is not in the best interests of Holders of Impaired Claims and Equity Interests.

Based upon the conclusions set forth in the Liquidation Analysis, attached hereto as **Exhibit B**, the Debtor believes that the value of distributions, if any, in a hypothetical chapter 7 liquidation to Holders of Allowed General Unsecured Claims and Equity Interests would be less than or equal to the value of distributions to such Holders under the Plan and the Debtor believes that the Plan satisfies the "best interests" test of section 1129(a)(7) of the Bankruptcy Code.

E. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or equity interests that is impaired under a plan, accept the plan. A class that is not "impaired" under a plan is conclusively presumed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (i) leaves unaltered the legal, equitable, and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (ii) cures any default and reinstates the original terms of such obligation; or (iii) provides that, on the Effective Date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually voting cast their Ballots in favor of acceptance.

The Claims in Classes 1 and 2 are not Impaired under the Plan, and, as a result, the Holders of such Claims are conclusively presumed to have accepted the Plan.

The Voting Classes are Impaired under the Plan, and the Holders of Claims in such Classes are entitled to vote on the Plan. Pursuant to section 1129 of the Bankruptcy Code, the Holders of Claims in the Voting Classes must accept the Plan for the Plan to be confirmed without application of the "fair and equitable test" to such Classes and without considering whether the Plan "discriminates unfairly" with respect to such Classes, as both standards are described herein.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a Plan even if all other impaired classes entitled to vote on the plan have not accepted it, *provided* that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or conclusively presumed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is

"fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

1. No Unfair Discrimination

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test

This test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the non-accepting class, the test sets different standards depending on the type of claims or equity interests in such class.

Secured Claims: The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (a) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (b) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

Unsecured Claims: The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or any equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior equity interest any property.

Equity Interests: The condition that a plan be "fair and equitable" to a non-accepting class of equity interests includes the requirements that either: (a) the plan provides that each holder of an equity interest in that class receives or retains under the plan on account of that equity interest property of a value, as of the effective date of the plan, equal to the greater of: (i) the allowed amount of any fixed liquidation preference to which such holder is entitled; (ii) any fixed redemption price to which such holder is entitled; or (iii) the value of such interest; or (b) if the class does not receive the amount as required under (a) hereof, no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

The Debtor will seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code in view of the conclusively presumed rejection by Classes 7 and 8. To the extent that any

of the Voting Classes vote to reject the Plan, the Debtor further reserves the right to (a) seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code and/or (b) modify the Plan in accordance with Article XI.C of the Plan.

The votes of Holders of Claims and Equity Interests in Classes 7 and 8 are not being solicited because, as set forth in Article III of the Plan, there will be no distribution to any of these Classes.

Notwithstanding the conclusively presumed rejection by Classes 7 and 8 or any Class that votes to reject the Plan, the Debtor does not believe that the Plan discriminates unfairly against any Impaired Class of Claims or Equity Interests. The Debtor believes that the Plan and the treatment of all Classes of Claims and Equity Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation of the Plan.

VIII. Certain Risk Factors To Be Considered Prior To Voting

A. Certain Bankruptcy Law Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims and Equity Interests under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

1. Parties in Interest May Object to the Plan's Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtor believes that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. Failure to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtor intends to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtor may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

3. The Debtor May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the bankruptcy court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial restructuring unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and the voting results are appropriate, the Bankruptcy Court can still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes.

Confirmation of the Plan is also subject to certain conditions as described in Article X of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims will receive with respect to their Allowed Claims.

The Debtor, subject to the terms and conditions of the Plan, reserves the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan, or no distribution of property whatsoever under the Plan.

4. Nonconsensual Confirmation

In the event that any impaired class of claims or equity interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the proponents' request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. The Debtor believes that the Plan satisfies these requirements and the Debtor may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation of the Plan may result in, among other things, increased expenses relating to Professional Claims.

5. The Debtor May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtor and the Reorganized Debtor reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection may not receive its expected share of the estimated distributions described in this Disclosure Statement and may not be entitled to vote on the Plan.

6. Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur. Specifically, termination of the Pension Plan is a condition precedent to the Effective Date under the Plan, and the Effective Date cannot occur until the Pension Plan is terminated in accordance with applicable law or until such condition is waived in accordance with the Plan.

7. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims, the outcome of litigation with the FDIC, and the price at which certain loan participations held by the Debtor can be monetized. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

B. Risk Factors that May Affect the Recovery Available to Holders of Allowed Claims

HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND RELATED DOCUMENTS, REFERRED TO OR INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THIS ARTICLE PROVIDES INFORMATION REGARDING POTENTIAL RISKS IN CONNECTION WITH THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

1. The Debtor Cannot State with any Degree of Certainty What Recovery Will Be Available to Holders of Allowed Claims in Voting Classes

No less than three unknown factors make certainty of creditor recoveries under the Plan impossible. First, the Debtor cannot know with any certainty, at this time, the exact value of the New Series A Common Stock or other common stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement. Second, the Debtor cannot know with any certainty, at this time, the number or amount of Claims that will ultimately be Allowed. Third, the Debtor cannot know with any certainty, at this time, the number or size of Claims senior to the Voting Classes or unclassified Claims that will ultimately be Allowed.

2. The Debtor is Subject to Litigation Which, if Adversely Determined, Could Result in Substantial Losses

As further discussed in Article IV.I, the Debtor is, from time to time, subject to various litigation claims and legal disputes, including, among other things, the tax refund litigation with the FDIC described in Article IV. If the tax refund litigation described in Article IV.F.2 above is determined adversely to the Debtor, substantially less funds may be available to be distributed under the Plan.

Additionally, certain litigation claims may not be covered entirely or at all by the Debtor's insurance policies or its insurance carriers may seek to deny coverage. In addition, litigation claims can be expensive to defend and may divert the Debtor's attention from the operations of its business and may result in the reduction of the Debtor's or the Reorganized Debtor's reversionary interest in the D&O Policy.

C. Risk Factors Could Negatively Impact the Reorganized Debtor's Business

The risks enumerated above could have a materially adverse effect on the business, financial condition, or results of operations of the Reorganized Debtor. Moreover, the Reorganized Debtor's business may be adversely affected by the major recession currently being experienced in the United States. Investment returns could be less than projected and the Reorganized Debtor might be forced to liquidate investments to raise Cash. Additional risks and uncertainties not currently known to the Debtor or that the Debtor currently deems immaterial may also materially adversely affect the Reorganized Debtor's business, financial condition, or results of operations.

D. Disclosure Statement Disclaimer

1. Information Contained Herein Is for Soliciting Votes

The information contained in this Disclosure Statement is for the purposes of soliciting acceptances of the Plan and may not be relied upon for any other purposes.

2. This Disclosure Statement Was Not Approved by the United States Securities and Exchange Commission

This Disclosure Statement was not filed with the Securities Exchange Commission under the Securities Exchange Act of 1934 and Securities and Exchange Commission Rules or applicable state securities laws. Neither the Securities Exchange Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

3. This Disclosure Statement May Contain Forward Looking Statements

This Disclosure Statement may contain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The Liquidation Analyses, the Financial Projections, distribution projections and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to Holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, any analyses, estimates or recovery projections may or may not turn out to be accurate.

4. Reliance on Exemptions from Registration Under the Securities Act

This Disclosure Statement has been prepared pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily in accordance with federal or state securities laws or other similar laws. The offer of New Series A Common Stock and other common stock in the Reorganized Debtor issues in connection with the Cash Election Entitlement to Holders of certain Classes of Claims has not been registered under the Securities Act or similar state securities or "blue sky" laws. To the maximum extent permitted by section 1145 of the Bankruptcy Code, the Securities Act and other applicable nonbankruptcy law, the issuance of this new stock will be exempt from registration under the Securities Act by virtue of Section 1145 of the Bankruptcy Code, section 4(2) of the Securities Act, Regulation D promulgated thereunder, and Rule 701 of the Securities Act.

5. No Legal or Tax Advice Is Provided to You by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or an Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan, or object to Confirmation of the Plan.

6. No Admissions Made

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including, without limitation, the Debtor) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtor, Holders of Allowed Claims or Equity Interests, or any other parties in interest.

7. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The Debtor or the Reorganized Debtor, as applicable, may seek to investigate, file, and prosecute objections to Claims and Equity Interests and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or objections to such Claims.

8. No Waiver of Right to Object or Right to Recover Transfers and Assets

The vote by a Holder of an Allowed Claim for or against the Plan does not constitute a waiver or release of any Claims, Causes of Action, or rights of the Debtor or the Reorganized Debtor (or any party in interest, as the case may be) to object to that Holder's Allowed Claim, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims, Causes of Action of the Debtor, its Estate or the Reorganized Debtor are specifically or generally identified herein.

9. Information Was Provided by the Debtor and Was Relied Upon by the Debtor's Professionals

The Professionals have relied upon information provided by the Debtor in connection with the preparation of this Disclosure Statement. Although the Professionals have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.

10. Potential Exists for Inaccuracies, and the Debtor Has No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the Debtor has used its reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtor nonetheless cannot, and does not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtor may subsequently update the information in this Disclosure Statement, the Debtor has no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

11. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or relating to the Debtor, this Chapter 11 Case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the counsel to the Debtor, counsel to the Committee, and the U.S. Trustee.

E. Liquidation Under Chapter 7

If no plan can be Confirmed, the Debtor's Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and the Debtor's liquidation analysis is set forth in Article VI.D herein, "Statutory Requirements for Confirmation of the Plan" and the Liquidation Analysis attached hereto as **Exhibit B**.

IX. Certain United States Federal Income Tax Consequences

The following is a summary of certain United States federal income tax consequences of the Plan to the Debtor and certain Holders of Claims and Equity Interests. This summary does not address the United States federal income tax consequences to Holders (i) whose Claims or Equity Interests are Unimpaired or otherwise entitled to payment in full in Cash under the Plan or (ii) that are deemed to reject the Plan. This summary is based on the Internal Revenue Code, Treasury Regulations thereunder, and administrative and judicial interpretations and practice, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtor does not intend to seek a ruling from the IRS as to any of the tax consequences of the Plan discussed below. This summary is not binding on the IRS or the courts. There can be no assurance that the IRS will not assert, or that a court will not sustain, a different position than any position discussed below.

This summary does not address all aspects of United States federal income taxation that may be relevant to the Debtor or to certain Holders in light of their individual circumstances, nor does it discuss tax issues applicable to Holders of Claims or Equity Interests that are not "United States persons" (as such term is defined in the Internal Revenue Code) or that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, brokers, dealers and traders in securities, financial institutions, governmental authorities or agencies, insurance companies, mutual funds, pass-through entities, regulated investment companies, small business investment companies, tax-exempt organizations, and trusts and those holding, or who will hold, Claims, Equity Interests, New Series A Common Stock or other Common Stock in the Reorganized Debtor issued in connection with the Cash

Election Entitlement as part of a hedge, straddle, conversion or constructive sale transaction). This summary assumes (i) each Holder of a Claim or Equity Interest holds its Claim, Equity Interests, New Series A Common Stock or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code and (ii) the debt obligations(s) underlying each Allowed Claim is properly treated as debt (rather than equity) of the Debtor. Moreover, this summary does not purport to cover all aspects of United States federal income taxation that may apply to the Debtor and Holders of Claims and Equity Interests based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than United States federal income tax law, including under state, local, estate, gift, foreign or other tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR EQUITY INTEREST. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, ESTATE, GIFT, FOREIGN AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS WRITTEN TO SUPPORT THE MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Certain United States Federal Income Tax Consequences to the Debtor

1. Cancellation of Debt and Reduction of Tax Attribute

In general, absent an exception, a debtor will realize and recognize CODI upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of CODI, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (x) the amount of Cash paid, (y) the issue price of any new indebtedness of the taxpayer issued and (z) the fair market value of any new consideration (including New Series A Common Stock or Cash or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement) given in satisfaction of such indebtedness at the time of the exchange.

Pursuant to Section 108 of the Internal Revenue Code, a debtor is not required to include CODI in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of CODI that it excluded from gross income. In general, tax attributes are reduced in the following order: (a) NOLs; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (f) passive activity loss and credit carryovers; and (g) foreign tax credits.

Because the Plan provides that Holders of certain Claims will receive New Series A Common Stock or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement, the amount of CODI, and accordingly the amount of tax attributes required to be reduced, will depend on the fair market value of the New Series A Common Stock or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement. The amount of such CODI is therefore uncertain. The Debtor expects, however, that it will recognize a substantial amount of CODI as a result of consummation of the Plan, and that this CODI will result in a reduction in their NOL carryforwards.

2. Limitation of NOL Carryforwards and Other Tax Attributes

Even after taking into account a reduction in its NOLs as a result of CODI, the Debtor anticipates the Reorganized Debtor will have significant tax attributes (in particular, NOLs) at emergence. The amount of such tax attributes that will be available to the Reorganized Debtor at emergence is based on a number of factors and is impossible to calculate at this time. Some of the factors that will impact the amount of available tax attributes include: (a) the amount of tax losses incurred by the Debtor in 2011; (b) the fair market value of the New Series A Common Stock or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement; and (c) the amount of CODI incurred by the Debtor in connection with consummation of the Plan.

Under Section 382 of the Internal Revenue Code, if a corporation undergoes an "ownership change," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. As discussed in greater detail herein, the Debtor anticipates that the issuance of the New Series A Common Stock and/or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement pursuant to the Plan will result in an "ownership change" of the Reorganized Debtor for these purposes, and that the Debtor's use of its Pre-Change Losses (which are anticipated to include substantial built-in losses) will be subject to limitation unless an exception to the general rules of Section 382 of the Internal Revenue Code applies.

a. General Section 382 Annual Limitation

In general, the annual Section 382 Limitation on the use of Pre-Change Losses in any "post-change year" is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments) multiplied by (b) the "long-term tax-exempt rate" in effect for the month in which the "ownership change" occurs (approximately 4.3% for the month of July 2011). The Section 382 Limitation may be

increased to the extent that the Debtor recognizes certain built-in gains in its assets during the five-year period following the ownership change, or is treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation which experiences an ownership change as the result of a bankruptcy proceeding.

The issuance under the Plan of the New Series A Common Stock and/or other Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement, along with the cancellation of existing Debtor Equity Interests through the Plan, is expected to cause an ownership change with respect to the Debtor on the Effective Date. As a result, unless an exception applies, Section 382 of the Internal Revenue Code will apply to limit the Debtor's use of any remaining Pre-Change Losses after the Effective Date. This limitation is independent of, and in addition to, the reduction of tax attributes described in the preceding section resulting from the exclusion of CODI.

b. Special Bankruptcy Exceptions

The 382(1)(5) Exception to the foregoing annual limitation rules generally applies when so-called "qualified creditors" of a debtor company in chapter 11 receive, in respect of their Claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan. Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis but, instead, the debtor's NOLs are required to be reduced by the amount of any interest deductions claimed during any taxable year ending during the three-year period preceding the taxable year that includes the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies but the debtor undergoes another ownership change within two years after consummation, then the debtor's Pre-Change Losses effectively would be eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule, the 382(1)(6) Exception, will generally apply. When the 382(l)(6) Exception applies, a debtor corporation that undergoes an ownership change generally is permitted to determine the fair market value of its stock after taking into account the increase in value resulting from any surrender or cancellation of creditors' Claims in the bankruptcy. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an ownership change to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that the debtor corporation is not required to reduce its NOLs by interest deductions in the manner described above, and the debtor may undergo a change of ownership within two years without triggering the elimination of its Pre-Change Losses.

The Debtor believes it will be beneficial for it to qualify for, and utilize, the 382(1)(5) Exception. However, as mentioned above, if the Debtor does utilize the 382(l)(5) Exception and another ownership change were to occur within the two-year period after consummation, then the

Debtor's Pre-Change Losses would effectively be eliminated. In order to prevent such a subsequent ownership change, it is expected that the Reorganized Debtor's certificate of incorporation will contain restrictions on transfers of the Reorganized Debtor's stock that are intended to prevent such a change.

Whether the Reorganized Debtor will qualify for the 382(l)(5) Exception is uncertain. Qualification under Section 382(l)(5) is a complex determination that depends on a number of different facts and legal conclusions, many of which cannot be known at this time, including the identify of those persons who will own claims against the Debtor that will be exchanged for stock on the Effective Date. If the Reorganized Debtor does not qualify for the 382(l)(5) Exception, the Debtor expects that its use of its NOLs after the Effective Date will be subject to limitation based on the rules discussed above, but taking into account the 382(l)(6) Exception. Regardless of whether the Reorganized Debtor takes advantage of the 382(l)(5) Exception or the 382(l)(6) Exception, the Reorganized Debtor's use of its Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of Section 382 of the Internal Revenue Code were to occur after the Effective Date.

c. Alternative Minimum Tax

In general, an AMT is imposed on a corporation's AMTI at a 20% rate to the extent such tax exceeds the corporation's regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, generally only 90% of a corporation's AMTI may be offset by available alternative tax NOL carryforwards. The effect of this rule could cause the Reorganized Debtor to owe a modest amount of federal income tax on taxable income in future years even though NOL carryforwards may be available to offset that taxable income.

B. Certain United States Federal Income Tax Consequences to the Holders of Allowed Claims

1. Consequences to Holders of Class 3 FDIC Priority Claims

Pursuant to the Plan, and in full satisfaction of its Claim, a Holder of an Allowed Class 3 Claim will receive Cash. A Holder of an Allowed Class 3 Claim who receives Cash in exchange for its Allowed Claim generally should recognize income, gain or loss for federal income tax purposes in an amount equal to the difference between (a) the amount of Cash received in exchange for its Claim not allocable to accrued but unpaid interest and (b) the Holder's adjusted tax basis in its Claim. The character of such gain or loss as capital gain (subject to the "market discount" rules described below) or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Holder, the nature of the Claim in such Holder's hands, the extent that a portion of the Cash received in exchange for the Claim is allocable to accrued but unpaid interest (see "Accrued Interest" below), whether the Claim constitutes a capital asset in the hands of the Holder, whether the Claim was purchased at a discount and whether and to what extent the Holder has previously claimed a bad debt deduction with respect to its Claim.

2. Consequences to Holders of Class 4 TOPrS Unsecured Claims

Pursuant to the Plan, and in full satisfaction of its Claim, a Holder of an Allowed Class 4 Claim will receive New Series A Common Stock or, where the Holder elects the Cash Election Entitlement, a Pro Rata Distribution of Residual Net Free Cash, which may be evidenced in part (at the Debtor's option) by other series or class of Common Stock in the Reorganized Debtor.

While not free from doubt, where a Holder elects the Cash Election Entitlement, and the Debtor does not issue other Common Stock in the Reorganized Debtor to evidence such right, the Holder should recognize capital gain or loss on the exchange, except to the extent that a portion of the Cash received is treated as interest that accrued between the Effective Date and the distribution dates (see "Accrued Interest" below). Any such capital gain or loss would equal the difference between (a) the amount of Cash received (other than Cash treated as interest) and (b) the Holder's tax basis in the surrendered Allowed Class 4 Claim. Such gain or loss should be long-term capital gain (subject to the "market discount" rules described below) or loss if the Holder had a holding period in the Class 4 Claim of more than one year.

Additionally, certain Holders so electing may be eligible to use the installment method to defer recognition of any gain until the distribution dates. It is also plausible that a Holder not eligible for the installment method could defer recognition of any gain or loss by treating the transaction as an "open" transaction for United States federal income tax purposes. The United States federal income tax consequences of an open transaction are uncertain and highly complex. A Holder electing the Cash Election Entitlement should consult with its tax advisor to determine if it is eligible to use the installment method and/or whether open transaction treatment might be appropriate.

The discussion that follows describes the tax treatment that applies where a Holder either (a) receives New Series A Common Stock or (b) elects the Cash Election Entitlement and the Debtor issues other Common Stock in the Reorganized Debtor to evidence such right.

Whether a Holder of an Allowed Class 4 Claim recognizes gain or loss as a result of the exchange of its Claim for New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement depends on whether (a) the exchange qualifies as a tax-free recapitalization, which in turn depends on whether the TOPrS Debentures constituting the Allowed Class 4 Claim surrendered are treated as a "security" for the reorganization provisions of the Internal Revenue Code; (b) such Holder previously included in income any accrued but unpaid interest with respect to the Allowed Class 4 Claim; (c) such Holder has claimed a bad debt deduction with respect to such Allowed Class 4 Claim; and (d) such Holder uses the accrual or cash method of accounting for tax purposes.

Whether a debt instrument constitutes a "security" for United States federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for United States federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are

numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable or contingent and whether such payments are made on a current basis or accrued. The Debtor anticipates taking the position that the TOPrS Debentures underlying the Allowed Class 4 Claims will be treated as "securities" for United States federal income tax purposes.

If the TOPrS Debentures constituting a Holder's surrendered Allowed Class 4 Claim are treated as "securities" for United States federal income tax purposes, the exchange of such Holder's Allowed Class 4 Claim for New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement should be treated as a recapitalization, and therefore a reorganization, under the Internal Revenue Code. In general, this means such a Holder will recognize gain, but not loss, on the exchange. Specifically, such a Holder will recognize (a) capital gain, subject to the "market discount" rules discussed below, to the extent of the lesser of (i) the amount of gain realized from the exchange or (ii) the fair market value of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received, and (b) ordinary interest income to the extent that the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement are treated as received in satisfaction of accrued but untaxed interest on the TOPrS Debentures underlying the Allowed Class 4 Claim (see discussion of "Accrued Interest" below). In such case, such a Holder's tax basis in the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received should be equal to the tax basis of the TOPrS Debentures constituting the Allowed Class 4 Claim surrendered therefor (increased by the amount of any gain recognized and decreased by the fair market value of the New Series A Common Stock or the Cash Election Entitlement received), and such a Holder's holding period for its New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received should include the holding period for the TOPrS Debentures constituting the surrendered Allowed Class 4 Claim; *provided* that the tax basis of any portion of New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement that is treated as received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, and the holding period for any such portion of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement should not include the holding period of the TOPrS Debentures constituting the surrendered Allowed Class 4 Claim.

If the TOPrS Debentures constituting a Holder's surrendered Allowed Class 4 Claim is not treated as "securities" for U. S. federal income tax purposes, such a Holder should be treated as exchanging its Allowed Class 4 Claim for New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement in a fully taxable exchange. A Holder of an Allowed Class 4 Claim who is subject to this treatment should recognize gain or loss equal to the difference between (i) the Holder's tax

basis in the Allowed Class 4 Claim surrendered by the Holder in such exchange, and (ii) the fair market value of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received. Such gain or loss should be capital gain, subject to the "market discount" rules discussed below, and should be long term capital gain or loss if the TOPrS Debentures constituting the surrendered Allowed Class 4 Claim were held for more than one year by the Holder. To the extent that a portion of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received is allocable to accrued but untaxed interest, such a Holder may recognize ordinary interest income (see discussion of "Accrued Interest" below). Such a Holder's tax basis in the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received should equal its fair market value. Such a Holder's holding period for the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received on the Effective Date should begin on the day following the Effective Date.

3. Consequences to Holders of Class 5 FDIC Non-Priority Claims and Class 6 Other Unsecured Claims

Pursuant to the Plan, and in full satisfaction of its Claim, a Holder of an Allowed Class 5 or 6 Claim will receive New Series A Common Stock or, where the Holder elects the Cash Election Entitlement, a Pro Rata Distribution of Residual Net Free Cash, which may be evidenced in part (at the Debtor's option) by other Common Stock in the Reorganized Debtor.

While not free from doubt, where a Holder elects the Cash Election Entitlement, and the Debtor does not issue other Common Stock in the Reorganized Debtor to evidence such right, the Holder should recognize capital gain or loss on the exchange, except to the extent that a portion of the Cash received is treated as interest that accrued between the Effective Date and the distribution dates (see "Accrued Interest" below). Any such capital gain or loss would equal the difference between (a) the amount of Cash received (other than Cash treated as interest) and (b) the Holder's tax basis in the surrendered Allowed Class 5 or 6 Claim. Such gain or loss should be long-term capital gain (subject to the "market discount" rules described below) or loss if the Holder had a holding period in the Class 5 or 6 Claim of more than one year.

Additionally, certain Holders so electing may be eligible to use the installment method to defer recognition of any gain until the distribution dates. It is also plausible that a Holder not eligible for the installment method could defer recognition of any gain or loss by treating the transaction as an "open" transaction for United States federal income tax purposes. The United States federal income tax consequences of an open transaction are uncertain and highly complex. A Holder electing the Cash Election Entitlement should consult with its tax advisor to determine if it is eligible to use the installment method and/or whether open transaction treatment might be appropriate.

The discussion that follows describes the tax treatment that applies where a Holder either (a) receives New Series A Common stock or (b) elects the Cash Election Entitlement and the Debtor issues other Common Stock in the Reorganized Debtor to evidence such right.

Whether a Holder of an Allowed Class 5 or 6 Claim recognizes gain or loss as a result of the exchange of its Claim for New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement depends on whether (a) the exchange qualifies as a tax-free recapitalization, which in turn depends on whether the debt instrument(s) constituting the Allowed Class 5 or 6 Claim surrendered is treated as a "security" for the reorganization provisions of the Internal Revenue Code; (b) such Holder previously included in income any accrued but unpaid interest with respect to the Allowed Class 5 or 6 Claim; (c) such Holder has claimed a bad debt deduction with respect to such Allowed Class 5 or 6 Claim; and (d) such Holder uses the accrual or cash method of accounting for tax purposes.

Whether a debt instrument constitutes a "security" for United States federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for United States federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable or contingent and whether such payments are made on a current basis or accrued. The Debtors anticipate taking the position that the debt instruments underlying the Class 5 and 6 Claims will not be treated as "securities."

If the debt instrument(s) constituting a Holder's surrendered Allowed Class 5 or 6 Claim is not treated as a "security" for U. S. federal income tax purposes, such a Holder should be treated as exchanging its Allowed Class 5 or 6 Claim for New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement in a fully taxable exchange. A Holder of an Allowed Class 5 or 6 Claim who is subject to this treatment should recognize gain or loss equal to the difference between (i) the Holder's tax basis in the Allowed Class 5 or 6 Claim surrendered by the Holder in such exchange, and (ii) the fair market value of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received. Such gain or loss should be capital gain, subject to the "market discount" rules discussed below, and should be long term capital gain or loss if the debt instrument(s) constituting the surrendered Allowed Class 5 or 6 Claim was held for more than one year by the Holder. To the extent that a portion of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received is allocable to accrued but untaxed interest, such a Holder may recognize ordinary interest income (see discussion of "Accrued Interest" below). Such a Holder's tax basis in the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received should equal its fair market value. Such a Holder's holding period for the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement received on the Effective Date should begin on the day following the Effective Date.

4. Accrued Interest

To the extent that any amount received by a Holder of a surrendered Allowed Claim under the Plan is attributable to accrued but unpaid interest and such amount has not previously been included in the Holder's gross income, such amount should be taxable to the Holder as ordinary interest income. Conversely, a Holder of a surrendered Allowed Claim may be able to recognize a deductible loss (or, possibly, a write-off against a reserve for worthless debts) to the extent that any accrued interest on the debt instrument(s) constituting such Claim was previously included in the Holder's gross income but was not paid in full by the Debtor. Such loss may be ordinary, but the tax law is unclear on this point.

The extent to which the consideration received by a Holder of a surrendered Allowed Claim will be attributable to accrued interest on the debt instrument(s) constituting the surrendered Allowed Claim is unclear. Certain Treasury Regulations generally treat a payment under a debt instrument first as a payment of accrued and untaxed interest and then as a payment of principal. Application of this rule to a final payment on a debt instrument being discharged at a discount in bankruptcy is unclear. Pursuant to the Plan, distributions in respect of Allowed Claims will be allocated first to the principal amount of such claims (as determined for United States federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest. However, the provisions of the Plan are not binding on the IRS nor a court with respect to the appropriate tax treatment for creditors.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

5. Market Discount

Under the "market discount" provisions of sections 1276 through 1278 of the Internal Revenue Code, some or all of the gain realized by a Holder who exchanges the debt instrument(s) constituting its Allowed Claim for other property on the Effective Date may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt instrument(s) constituting the surrendered Allowed Claim.

In general, a debt instrument is considered to have been acquired with "market discount" if its Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with "original issue discount," its adjusted issue price, by at least a *de minimis* amount (equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a Holder on the exchange of the debt instrument(s) constituting its Allowed Claim that had been acquired with "market discount" should be treated as ordinary income to the extent of the "market discount" that accrued thereon while such debts were

considered to be held by the Holder (unless the Holder elected to include "market discount" in income as it accrued).

6. Consequences to Holders of New Series A Common Stock or Other Series or Class of Common Stock in the Reorganized Debtor

a. Dividends on New Series A Common Stock or Other Series or Class of Common Stock in the Reorganized Debtor

Any distributions made on account of the New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement will constitute dividends for United States federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Debtor as determined under United States federal income tax principles. To the extent that a Holder receives distributions that would otherwise constitute dividends for United States federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Holder's basis in its shares. Any such distributions in excess of the Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain. Subject to certain exceptions, dividends received by noncorporate Holders prior to 2013 will be taxed under current law at a maximum rate of 15%, provided that certain holding period requirements and other requirements are met.

Dividends paid to Holders that are corporations generally will be eligible for the dividends-received deduction so long as there are sufficient earnings and profits. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

b. Sale, Redemption or Repurchase of New Series A Common Stock or Other Series or Class of Common Stock in the Reorganized Debtor

Unless a non-recognition provision applies, subject to the "market discount" rules discussed above, Holders generally will recognize capital gain or loss upon the sale, redemption or other taxable disposition of New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement.[24]

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[24] Any such redemption for the Cash Election Entitlement will only occur upon final settlement or disposition of the FDIC Cause of Action, and will result in all recipients of the Cash Election Entitlement receiving, without a discount, what they would have received if no alternative security was issued. The exact terms of any such redemption shall be disclosed in the Plan Supplement.

c. Medicare Tax

Certain Holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, gains from the sale or other disposition of capital assets for taxable years beginning after December 31, 2012. Holders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of New Series A Common Stock or other series or class of Common Stock in the Reorganized Debtor issued in connection with the Cash Election Entitlement.

7. Information Reporting and Backup Withholding

The Debtor will withhold all amounts required by law to be withheld from payments of interest and dividends. The Debtor will comply with all applicable reporting requirements of the Internal Revenue Code. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder complies with the applicable requirements of the backup withholding rules and: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; *provided, however*, that the required information is provided to the IRS.

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its United States federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR EQUITY INTEREST IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF EQUITY INTERESTS IN OR CLAIMS AGAINST THE DEBTOR SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, ESTATE, GIFT, FOREIGN OR OTHER TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

X. Voting Procedures

On July 28, 2011, the Bankruptcy Court entered the Disclosure Statement Order approving the adequacy of this Disclosure Statement and approving procedures for the solicitation of votes to accept or reject the Plan. In addition to approving the Solicitation Procedures, the Disclosure Statement Order established certain dates and deadlines, including the date for the Confirmation Hearing, the deadline for parties to object to Confirmation, the Voting Record Date, and the Voting Deadlines. The Disclosure Statement Order also approved the forms of Ballots, letters from the Debtor and the Committee to the Holders of Claims in Voting Classes and certain Confirmation-related notices. The Disclosure Statement Order and the Solicitation Procedures should be read in conjunction with this Article IX.

A. Confirmation Generally

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the requirements of chapter 11 of the Bankruptcy Code. One of these requirements is that the Bankruptcy Court find, among other things, that the Plan has been accepted by the requisite votes of all Classes of Impaired Claims and Equity Interests unless approval will be sought under section 1129(b) of the Bankruptcy Code despite the non-acceptance by one or more such Classes. The process by which the Debtor solicits votes to accept or reject the Plan will be governed by the Disclosure Statement Order and the Solicitation Procedures.

The following is a brief and general summary of the Solicitation Procedures. Holders of Claims and Equity Interests are encouraged to review the Disclosure Statement Order, the Solicitation Procedures, the relevant provisions of the Bankruptcy Code, and to consult their own advisors. To the extent of any inconsistency between the summary below and (i) the Disclosure Statement Order or (ii) the Solicitation Procedures, the Disclosure Statement Order and the Solicitation Procedures shall govern.

B. Who Can Vote

In general, a holder of a claim or equity interest may vote to accept or to reject a plan if (i) no party in interest has objected to such claim or interest and (ii) the claim or equity interest is impaired by the plan but the plan does not make distributions on account of such claim or interest. If the holder of an impaired claim or interest will not receive any distribution under the plan in respect of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan in respect of such claim or interest. If a claim or an interest is not impaired, the Bankruptcy Code deems that the holder of such claim or interest has accepted the plan and the plan proponent need not solicit such holder's vote.

Pursuant to section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or, notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy), reinstates the maturity of such claim or interest as it existed before the default, compensates the holder of such claim or interest for any damages incurred as a result of reasonable reliance on the holder's

legal right to an accelerated payment, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder thereof.

Only the following Holders of Claims shall be entitled to vote on the Plan with regard to such Claims:

(4) Holders of Claims who, on or before the Voting Record Date, have timely filed a Proof of Claim (or an untimely Proof of Claim which has been Allowed as timely by the Bankruptcy Court under applicable law on or before the Voting Record Date) that (i) has not been expunged, disallowed, disqualified, or suspended prior to the Voting Record Date; and (ii) is not the subject of a pending objection on the Voting Record Date; *provided*, *however*, that the Debtor is authorized to enter into stipulations with the Holder of any Claim agreeing to the amount of a Claim for voting purposes; *provided further, however,* that the Holders of a Claim that is the subject of a pending objection on a reduce and allow basis shall receive a Solicitation Package and be entitled to vote such Claim in the reduced amount contained in such objection and *provided further, however,* that a Holder of a Claim that becomes a Disputed Claim at any date prior to fifteen (15) calendar days before to the Confirmation Hearing shall not be entitled to vote unless such Holder becomes eligible to vote through a Resolution Event;

(5) Holders of Claims that are listed in the Debtor's Schedules, with the exception of those Claims that are scheduled as contingent, unliquidated, or disputed (excluding such scheduled Claims that have been superseded by a timely filed Proof of Claim);

(6) Holders of Claims that arise pursuant to an agreement or settlement with the Debtor, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtor pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim has been filed; and

(7) The assignee of a transferred and assigned Claim (whether a timely-Filed Claim or a Claim on the Schedules) shall be permitted to vote such Claim only if (a) the transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register as of the close of business on the Voting Record Date and (b) the transferor and assignor of such Claim would be permitted to vote such Claim if such transfer and assignment had not occurred.

For purposes of determining the Claim amount associated with each Holder's vote, such amount shall not include applicable interest accrued after the Petition Date.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Solicitation Procedures also set forth assumptions and procedures for tabulating Ballots.

C. Classes Impaired Under the Plan

(i) Unimpaired Classes of Claims. Classes 1 and 2 are Unimpaired under the Plan and are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Thus, Holders in such Classes will not be solicited to vote to accept or to reject the Plan. Rather, acceptances or rejections of the Plan are being solicited only from those who hold Claims in an Impaired Class whose members will receive a distribution under the Plan. Pursuant to the Solicitation Procedures, these parties will receive a notice, substantially in the form attached as an exhibit to the Disclosure Statement Order, notifying them of their non-voting status.

(ii) Voting Impaired Classes of Claims. Classes 3, 4, 5 and 6 are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

(iii) Non-Voting Impaired Classes of Claims and Equity Interests. Classes 7 and 8 are wholly Impaired under the Plan and are conclusively presumed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Thus, Holders in such Classes will not be solicited to vote to accept or to reject the Plan. Rather, acceptances or rejections of the Plan are being solicited only from those who hold Claims in an Impaired Class whose members will receive a distribution under the Plan. Pursuant to the Solicitation Procedures, these parties will receive a notice, substantially in the form attached as an exhibit to the Disclosure Statement Order, notifying them of their non-voting status.

D. Contents of Solicitation Package

The following materials shall constitute the Solicitation Package:

(i) A copy of the Solicitation Procedures, in substantially the form attached as Exhibit 1 to Disclosure Statement Order;

(ii) The Confirmation Hearing Notice, substantially in the form attached as Exhibit 3 to the Disclosure Statement Order;

(iii) A cover letter, in substantially the form attached as Exhibit 4 to the Disclosure Statement Order: (i) describing the contents of the Solicitation Package and (ii) urging the Holders in each of the Voting Classes to vote to accept the Plan;

(iv) An appropriate form of ballot, in substantially the form of ballots attached as Exhibits 5-A, 5-B, 5-C, or 5-D to the Disclosure Statement Order, as applicable;

(v) The approved form of the Disclosure Statement (together with the proposed Plan attached as **Exhibit A** hereto); and

(vi) Other support materials and such other materials as the Bankruptcy Court may direct.

E. Distribution of Solicitation Package

The Debtor shall serve, or cause to be served, all of the materials in the Solicitation Package on: (i) the United States Trustee for the Northern District of Illinois; (ii) counsel to the Committee; (iii) the indenture trustee for each of the Debtor's TOPrS Debentures; and (iv) those parties who have requested service of papers in this case pursuant to Bankruptcy Rule 2002 and the Case Management Procedures approved by the Bankruptcy Court in this case. In addition, the Debtor shall mail, or cause to be mailed, the Solicitation Package to the Entities listed in subparagraphs (1) to (8) below:

(1) All Entities who, on or before the Voting Record Date, have timely filed a Proof of Claim (or an untimely Proof of Claim which has been Allowed as timely by the Bankruptcy Court under applicable law on or before the Voting Record Date) that (A) has not been expunged, disallowed, disqualified, or suspended prior to the Voting Record Date; and (B) is not the subject of a pending objection on the Voting Record Date; *provided*, *however*, that the Holders of a Claim that is the subject of a pending objection on a reduce and allow basis shall receive a Solicitation Package and be entitled to vote such Claim in the reduced amount contained in such objection;

(2) All Entities listed in the Debtor's Schedules as holding a noncontingent, liquidated, undisputed Claim as of the Voting Record Date, except to the extent that such Claim was paid, expunged, disallowed, disqualified, or suspended prior to the Voting Record Date;

(3) All Entities that hold Claims pursuant to an agreement or settlement with the Debtor executed prior to the Voting Record Date, as reflected in a document Filed with the Bankruptcy Court, in an order entered by the Bankruptcy Court, or in a document executed by the Debtor pursuant to authority granted by the Bankruptcy Court, regardless of whether a Proof of Claim has been filed;

(4) The Holder of any Disputed Claim that has been temporarily Allowed to vote or whose Claim was objected to on a reduce and allow basis;

(5) With respect to any Entity described in subparagraphs (i) to (iv) above who, on or before the Voting Record Date, has transferred such Entity's Claim to another Entity, to the assignee of such Claim in lieu of sending such Solicitation Package to the assigning Entity; provided that such transfer or assignment has been fully effectuated pursuant to the procedures set forth in Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register on the Voting Record Date;

(6) The Securities and Exchange Commission;

(7) The Internal Revenue Service; and

(8) The United States Attorney for the Northern District of Illinois.

F. Temporary Allowance of Disputed Claims for Voting Purposes

The Solicitation Procedures generally provide that Holders of Disputed Claims will not be entitled to vote unless a Resolution Event occurs; *provided*, *however*, that if the Claim is objected to on a reduce-and-allow basis, such Holder shall receive a Ballot and be entitled to vote such Claim in the reduced amount contained in such objection. No later than two (2) Business Days after a Resolution Event, the Claims and Solicitation Agent shall distribute a Ballot and a pre-addressed, postage pre-paid envelope to the relevant Holder of such a Disputed Claim, which must be returned to the Claims and Solicitation Agent by no later than the General Voting Deadline or the Plan Support Party Voting Deadline, as applicable.

If the Holder of a Claim receives a Solicitation Package, but the Debtor objects to such Claim after the Voting Record Date, the Debtor's notice of objection will inform such Holder of the rules applicable to Disputed Claims, and the procedures for temporary allowance for voting purposes.

Each Holder of a Disputed Claim will receive a notice notifying such Holder of the Solicitation Procedures applicable to Disputed Claims.

G. Voting

The Claims and Solicitation Agent will facilitate the solicitation process. The Claims and Solicitation Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation. The Claims and Solicitation Agent will also process and tabulate Ballots for each Class entitled to vote to accept or reject the Plan.

BALLOTS CAST BY HOLDERS OF CLAIMS IN CLASSES ENTITLED TO VOTE MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT BY THE GENERAL VOTING DEADLINE OR THE PLAN SUPPORT PARTY VOTING DEADLINE, AS APPLICABLE, WHETHER BY FIRST CLASS MAIL, OVERNIGHT COURIER, OR PERSONAL DELIVERY. THE ADDRESS FOR BALLOTS RETURNABLE TO THE CLAIMS AND SOLICITATION AGENT, OTHER THAN BALLOTS SENT VIA OVERNIGHT MAIL OR BY HAND DELIVERY, IS: BMC GROUP INC., ATTN: CORUS BALLOT PROCESSING, PO BOX 3020, CHANHASSEN, MN 55317-3020. BALLOTS SENT BY OVERNIGHT MAIL OR HAND DELIVERY SHOULD BE DELIVERED TO: BMC GROUP, INC., ATTN: CORUS BALLOT PROCESSING, 18750 LAKE DRIVE EAST, CHANHASSEN, MINNESOTA 55317-3020.

FOR ANSWERS TO ANY QUESTIONS REGARDING SOLICITATION PROCEDURES, PARTIES MAY CALL THE CLAIMS AND SOLICITATION AGENT TOLL FREE AT (888) 909-0100.

To obtain an additional copy of the Plan, this Disclosure Statement, the Plan Supplement, or other Solicitation Package materials, please refer to the Debtor's restructuring website at http://bmcgroup.com/corus or request a copy from the Notice, Claims, and Solicitation Agent, by

calling toll free at (888) 909-0100 or by writing to BMC Group Inc., PO Box 3020, Chanhassen, MN 55317-3020 Attn: Kevin Martin.

If a Ballot is received after the applicable Voting Deadlines, it will not be counted unless the Debtor determines otherwise. In the event that the Debtor uses its discretion to accept any Ballot received after the applicable Voting Deadline, all such Ballots shall be disclosed on a schedule filed with the Bankruptcy Court. The method of delivery of Ballots to the Claims and Solicitation Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Solicitation Procedures, such delivery will be deemed made only when the Claims and Solicitation Agent actually receives the originally executed Ballot. Instead of effecting delivery by mail, it is recommended, though not required, that Holders use an overnight or hand delivery service. In all cases, Holders should allow sufficient time to assure timely delivery. Delivery of a Ballot by facsimile, e-mail, or any other electronic means will not be accepted, unless otherwise determined by the Debtor. No Ballot should be sent to the Debtor or the Debtor's financial or legal advisors. The Debtor expressly reserves the right to amend from time to time the terms of the Plan (subject to compliance with the requirements of section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification).

XI. Plan Supplement

The Plan Supplement will be filed with the Bankruptcy Court no later than ten Business Days prior to the Plan Objection Deadline. The Debtor reserves the right to modify and supplement the Plan Supplement through and including the Effective Date.

XII. Conclusion And Recommendation

The Debtor believes the Plan is in the best interests of all Holders of Claims. In addition, the Debtor understands that the Committee supports the Plan and that the Plan is satisfactory to the Committee. The Debtor urges all Holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots, as applicable, so they will be received by the Debtor's Claims and Solicitation Agent by the applicable Voting Deadlines.

Dated: July 28, 2011

Respectfully submitted,

CORUS BANKSHARES, INC.

EXHIBIT A

The Plan

EXHIBIT B

Liquidation Analysis

Introduction

The hypothetical Liquidation Analysis of the Debtor pursuant to Chapter 7 (the Liquidation Analysis) was prepared by the Debtor based on: (a) unaudited information contained in the Statement of Financial Affairs and the Schedules filed with the Bankruptcy Court; (b) the Debtor's Monthly Operating Report through June 30, 2011 as filed with the Bankruptcy Court; (c) the Claims Register; and (d) information that the Debtor has received and generated since the filing of the Debtor's June 2011 monthly operating report.

This Liquidation Analysis presents the Debtor's estimated net value of its assets as of September 30, 2011, the assumed effective date when the Chapter 11 Case is converted to Chapter 7, if the Debtor's assets were to be liquidated under the provisions of Chapter 7 of the United States Bankruptcy Code and the net proceeds of such liquidation were to be distributed to the Debtor's creditors entitled to distributions pursuant to Chapter 7 of the Bankruptcy Code.

All amounts contained in this Liquidation Analysis and described in the Notes to this Liquidation Analysis are the Debtor's good faith estimate and belief of the amounts the Debtor would receive from liquidating the assets and the estimated allowed claims against the Debtor. The amounts, descriptions, and other information contained herein do not constitute an admission or a denial of the existence or values of the assets or liabilities, and are not to be used as such in any legal action, administrative proceeding, or otherwise.

The information contained in this Liquidation Analysis is as of the filing date of the Disclosure Statement and the Debtor is under no obligation, and expressly disclaims any obligation to publicly update any of the information contained herein, whether as a result of new information, future events, or otherwise.

The statements in the Liquidation Analysis, including estimates of Allowed Claims, were prepared solely to assist the Bankruptcy Court in making the findings required under section 1129(a)(7) and they may not be used or relied upon for any other purpose.

THE DEBTOR BELIEVES THAT ANY ANALYSIS OF A HYPOTHETICAL LIQUIDATION IS NECESSARILY SPECULATIVE. THERE ARE A NUMBER OF ESTIMATES AND ASSUMPTIONS UNDERLYING THE LIQUIDATION ANALYSIS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT ECONOMIC, COMPETITIVE, AND OPERATIONAL UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS OR A CHAPTER 7 TRUSTEE. NEITHER THE LIQUIDATION ANALYSIS, NOR THE FINANCIAL INFORMATION ON WHICH IT IS BASED, HAS BEEN EXAMINED OR REVIEWED BY INDEPENDENT ACCOUNTANTS IN ACCORDANCE WITH STANDARDS PROMULGATED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THERE CAN BE NO ASSURANCE THAT ACTUAL RESULTS WILL NOT VARY MATERIALLY FROM THE HYPOTHETICAL RESULTS PRESENTED IN THE LIQUIDATION ANALYSIS.

Detailed Liquidation Analysis

The following tables provide detailed calculations of recoveries under a chapter 7 liquidation and should be read in conjunction with the accompanying notes.

Corus Bankshares, Inc. - Liquidation Analysis
Estimated Liquidation Proceeds
($ millions)

	Estimated Liquidation Value		
	High	Low	*Notes*
Gross Liquidation Proceeds			
Cash	$27.9	$27.9	*1*
Federal tax refund	220.8	0.0	*2*
Illinois state tax refund	0.8	0.0	
Loan participation agreements	3.1	2.5	*3*
Total Gross Proceeds	252.7	30.4	
Costs of Liquidation			
Chapter 7 legal fees	3.0	3.0	*4*
Chapter 7 accounting fees and other costs	0.7	0.7	*5*
Chapter 7 Trustee fees	5.1	0.9	*6*
Total Liquidation Costs	8.8	4.6	
Net Proceeds Available for Distribution	*243.9*	*25.8*	

Corus Bankshares, Inc. - Liquidation Analysis
Estimated Liquidation Distribution
($ millions)

	Estimated Recovery				
	High	%	Low	%	Notes
Net Proceeds Available for Distribution	*$243.9*	*100%*	*$25.8*	*100%*	
Secured Claims	-		-		
Proceeds Available for Administrative/Priority Claims	*243.9*		*25.8*		
Administrative Claims					
Chapter 11 Administrative claims	1.6	*100%*	1.6	*100%*	*7*
Proceeds Available for Priority Claims	*242.3*		*24.2*		
Priority Claims					
Priority Tax claims	0.1	*100%*	0.1	*100%*	*8*
Total Priority claims	0.1		0.1		
Proceeds Available for Unsecured Claims	*242.2*		*24.1*		
General Unsecured Claims					
TOPrS Unsecured claims	429.4	*38.2%*	429.4	*5.4%*	*9*
FDIC Non-Priority claims	188.9	*38.2%*	-	*5.4%*	*2*
PBGC Unsecured claim	15.0	*38.2%*	15.0	*5.4%*	*10*
Other Unsecured claims	1.0	*38.2%*	1.0	*5.4%*	*11*
Total Unsecured claims	*$634.3*		*$445.4*		
Proceeds Available for Equity Interests	-		-		

Notes

The following Notes are an integral part of the Liquidation Analysis:

1. Cash

The Cash balance reflects the projected Cash balance as of September 30, 2011, the assumed Effective Date, and is net of outstanding checks. The projected Cash balance is based on the Cash balance as of June 30, 2011 reduced by estimated disbursements and increased by estimated collections during the four months ending September 30, 2011.

2. Federal Tax Refund

Because the Debtor claimed a worthless stock deduction in 2009 of approximately $900 million, the Debtor alone—and without consideration of any net operating losses of the Bank—incurred more than enough net operating losses to generate the $109.5 million and $147.5 million federal income tax refunds received. Accordingly, the Debtor believes that it is reasonable and appropriate to assume that it will recover the full amount of its income tax refund claims.

The High case assumes that the Debtor recovers $265 million—the full amount of its income tax refund claims, comprising of (i) the $109.5 million federal income tax refund generated from applying the net operating loss carrybacks from 2008 to the 2006 and 2007 tax years, (ii) the $147.8 million federal income tax refund generated from applying the net operating loss carrybacks from 2009 to the 2004 and 2005 tax years, and (iii) $7.7 million of accrued interest on such federal income tax refunds ($3.3 million with respect to the refund described in (i) and $4.4 million with respect to the refund described in (ii)). The High case further assumes that the FDIC will have an unsecured claim for $188.9 million, comprising of (i) all of the income tax refund claims (i.e., the refund itself and any accrued interest thereon) resulting from the application of the net operating loss carrybacks from 2008 to the 2006 and 2007 tax years and (ii) half of the income tax refund claims (i.e., the refund itself and any accrued interest thereon) resulting from the application of the net operating loss carrybacks from 2009 to the 2004 and 2005 tax years. The Low case assumes the Debtor recovers none of its income tax refund claims, and consequently, the FDIC has no Claim.

This analysis assumes that the income tax refunds are received by the Reorganized Debtor two years from the Effective Date. As a result, the analysis shows the present value of those payments as of the effective date assuming a discount rate of 9.6%.

3. Loan Participation Agreements

The Debtor purchased participations in certain loans originated by its former Bank subsidiary. The participation agreements have potential liquidation value to the Debtor. The High case assumes a liquidation value of $4.3 million; the Low case assumes a liquidation value of $3.8 million. The Debtor believes that there will not be any future liabilities associated with these participations.

4. Chapter 7 Legal Fees

Given the complex issues surrounding the Debtor's tax refund claim, related litigation, and potential FDIC issues, a $3.0 million legal fee has been assumed for all scenarios.

5. Chapter 7 Accounting and Other Costs

This figure assumes the liquidation takes 18 months to complete and that accounting fees, claims agent fees, office and utility costs and similar costs approximate $40,000 per month or $0.7 million in the aggregate.

6. Chapter 7 Trustee Fees

It is assumed that the Chapter 7 Trustee fees are paid in accordance with limits established by section 326 of the Bankruptcy Code. The Trustee's fees are assumed to be capped at 2% in the High case and 3% in the Low case. Since the Chapter 7 Trustee's fees are based on a percentage of distributions to creditors, the Chapter 7 Trustee's fees are higher in the High Case due to the additional distributions.

7. Chapter 11 Administrative Claims

It is assumed that all Chapter 11 professional fee holdbacks and accrued fees will be paid in full by the Chapter 7 Trustee.

8. Priority Tax Claims

Only one priority claim in the amount of $0.1 million has been Filed. It is assumed that the FDIC will not file a FDIC Priority Claim which, if Filed, may have priority status and potentially could eliminate all recoveries to unsecured creditors.

9. TOPrS Unsecured Claims

This analysis assumes that the Allowed amount for these claims will be $429.4 million, as set forth in the Schedules.

10. PBGC Unsecured Claims

PBGC has filed an Administrative Claim for $9.1 million contingent on termination of the Pension Plan. Assuming the Bankruptcy Court approves the Debtor's settlement with PBGC, the PBGC will have an Allowed Other Unsecured Claim for $15 million.

11. Other Unsecured Claims

A total of $2.6 million of Other Unsecured Claims have been Filed, and this analysis assumes that such Claims are Allowed at $1 million, in addition to PBGC's Allowed Other Unsecured Claim.

EXHIBIT C

Consolidated Annual Financial Statements

EXHIBIT D

Financial Projections

Income Statement - High Scenario

($ millions)

	Year 1	Year 2	Year 3	Year 4
Interest Income	**$ -**	**$ 1.5**	**$ 15.3**	**$ 29.6**
Operating Expenses	1.0	1.0	1.2	2.3
Operating Income	(1.0)	0.5	14.1	27.3
Interest Expense	0.0	0.8	7.7	14.2
Pre-Tax Income	(1.0)	(0.3)	6.4	13.1
Income Tax[1]	0.0	0.0	0.0	0.0
Net Income	**$ (1.0)**	**$ (0.3)**	**$ 6.4**	**$ 13.1**

[1] Assumes no taxes are paid due to the use of net operating losses.

Balance Sheet - High Scenario

($ millions)

ASSETS		At Year End			
	Effective Date	Year 1	Year 2	Year 3	Year 4
Cash	$ 15.7	$ 12.0	$ 101.3	$ 47.7	$ (0.0)
Loan Participation	3.1	0.0	0.0	0.0	0.0
Cause of Action [1]	143.2	143.2	0.0	0.0	0.0
Investment in Real Estate Assets	0.0	16.7	169.8	322.9	459.2
Excess of Reorganization Value over Assets	12.0	12.0	12.0	12.0	12.0
Total Assets	**$ 174.0**	**$ 183.9**	**$ 283.1**	**$ 382.6**	**$ 471.2**

LIABILITIES AND EQUITY		At Year End			
	Effective Date	Year 1	Year 2	Year 3	Year 4
Liabilities:					
Project-level Debt Incurred	$ -	$ 10.9	$ 110.4	$ 203.5	$ 279.0
Total Liabilities	**0.0**	**10.9**	**110.4**	**203.5**	**279.0**
Equity:					
Retained earnings	$ -	$ (1.0)	$ (1.3)	$ 5.2	$ 18.2
Enterprise Equity	174.0	174.0	174.0	174.0	174.0
Total Equity	**174.0**	**173.0**	**172.7**	**179.2**	**192.2**
Total Liabilities & Equity	**$ 174.0**	**$ 183.9**	**$ 283.1**	**$ 382.6**	**$ 471.2**

[1] Assumes a contingent asset at emergence that is monetized in year 2.

Statement of Cash Flows - High Scenario

($ millions)

	Year 1	Year 2	Year 3	Year 4
Net Income	**$ (1.0)**	**$ (0.3)**	**$ 6.4**	**$ 13.1**
Add: interest expense	0.0	0.8	7.7	14.2
Proceeds from Cause of Action	0.0	143.2	0.0	0.0
Net Cash Flow from Operations	**(1.0)**	**143.7**	**14.1**	**27.3**
Investment in Real Estate Assets	(16.7)	(153.1)	(153.1)	(136.3)
Net Cash Flow from Investing Activities	(16.7)	(153.1)	(153.1)	(136.3)
Project-level Debt Incurred	10.9	99.5	99.5	88.6
Interest expense	0.0	(0.8)	(7.7)	(14.2)
Principal repayment	0.0	0.0	(6.4)	(13.1)
Net cash Flow from Financing Activities	10.9	98.7	85.4	61.3
Beginning cash	18.8	12.0	101.3	47.7
change in cash	(6.9)	89.3	(53.6)	(47.7)
Ending cash	**$ 12.0**	**$ 101.3**	**$ 47.7**	**$ (0.0)**

Income Statement - Low Scenario

($ millions)

	Year 1	Year 2	Year 3	Year 4
Interest Income	**$ -**	**$ 2.0**	**$ 4.0**	**$ 6.1**
Operating Expenses	1.0	1.0	1.0	1.0
Operating Income	(1.0)	1.0	3.0	5.1
Interest Expense	0.0	0.8	1.5	2.1
Pre-Tax Income	(1.0)	0.2	1.5	3.0
Income Tax[1]	0.0	0.0	0.0	0.0
Net Income	**$ (1.0)**	**$ 0.2**	**$ 1.5**	**$ 3.0**

[1] Assumes no taxes are paid due to the use of net operating losses.

Balance Sheet - Low Scenario

($ millions)

ASSETS		At Year End			
	Effective Date	Year 1	Year 2	Year 3	Year 4
Cash	$ 15.8	$ 11.5	$ 5.8	$ -	$ -
Loan Participation	2.5	0.0	0.0	0.0	0.0
Cause of Action [1]	0.0	0.0	0.0	0.0	0.0
Investment in Real Estate Assets	0.0	16.5	33.0	49.5	49.5
Excess of Reorganization Value over Assets	3.7	3.7	3.7	3.7	3.7
Total Assets	**$ 22.0**	**$ 31.8**	**$ 42.5**	**$ 53.2**	**$ 53.2**

LIABILITIES AND EQUITY		At Year End			
	Effective Date	Year 1	Year 2	Year 3	Year 4
Liabilities:					
Project-level Debt Incurred	$ -	$ 10.7	$ 21.2	$ 30.4	$ 27.4
Total Liabilities	**0.0**	**10.7**	**21.2**	**30.4**	**27.4**
Equity:					
Retained earnings	$ -	$ (1.0)	$ (0.8)	$ 0.8	$ 3.8
Enterprise Equity	22.0	22.0	22.0	22.0	22.0
Total Equity	**22.0**	**21.0**	**21.3**	**22.8**	**25.8**
Total Liabilities & Equity	**$ 22.0**	**$ 31.8**	**$ 42.5**	**$ 53.2**	**$ 53.2**

[1] Assumes a contingent asset at emergence that is monetized in year 2.

Statement of Cash Flows - Low Scenario

($ millions)

	Year 1	Year 2	Year 3	Year 4
Net Income	**$ (1.0)**	**$ 0.2**	**$ 1.5**	**$ 3.0**
Add: interest expense	0.0	0.8	1.5	2.1
Proceeds from Cause of Action	0.0	0.0	0.0	0.0
Net Cash Flow from Operations	**(1.0)**	**1.0**	**3.0**	**5.1**
Investment in Real Estate Assets	(16.5)	(16.5)	(16.5)	0.0
Net Cash Flow from Investing Activities	(16.5)	(16.5)	(16.5)	0.0
Project-level Debt Incurred	10.7	10.7	10.7	0.0
Interest expense	0.0	(0.8)	(1.5)	(2.1)
Principal repayment	0.0	(0.2)	(1.5)	(3.0)
Net cash Flow from Financing Activities	10.7	9.7	7.7	(5.1)
Beginning cash	18.3	11.5	5.8	0.0
change in cash	(6.8)	(5.8)	(5.8)	0.0
Ending cash	**$ 11.5**	**$ 5.8**	**$ -**	**$ -**