

CAUSE NO. D-1-GV-10-000454

STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
RETIREMENT VALUE, LLC,	§	
RICHARD H. “DICK” GRAY, HILL	§	
COUNTRY FUNDING, LLC, a	§	
Texas Limited Liability Company,	§	
HILL COUNTRY FUNDING, a Nevada	§	
Limited Liability Company, and	§	
WENDY ROGERS,	§	
	§	
Defendants,	§	TRAVIS COUNTY, TEXAS
	§	
AND	§	
	§	
JAMES SETTLEMENT SERVICES, LLC,	§	
ET AL.,	§	
	§	
Third Party Defendants.	§	126 th JUDICIAL DISTRICT

[PROPOSED] PLAN OF DISTRIBUTION

After considering the Receiver’s Motion to Approve a Plan of Distribution, along with the evidence presented, the arguments of counsel and applicable Texas law, the Court finds that the Motion should be granted and the following plan of distribution adopted:

I. DEFINITIONS

Capitalized terms shall have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Texas Securities Act or Texas Rules of Civil Procedure, will have the meaning given that term in the Securities Act or Rules, and in that order.

A. Defined Terms

1. “**Administrative Claim**” means a Claim for costs and expenses of administration of the Receivership including without limitation, fees incurred by the Receiver or his counsel and taxes owed to state and federal authorities.

2. “**Agreed TI**” means the Agreed Temporary Injunction Order against Defendants Retirement Value, LLC and Richard H. “Dick” Gray and the Relief Defendant and Order Appointing Receiver entered in the Case on May 28, 2010.

3. “**Allowed Claim**” means a Claim that

(a) has been listed on the Receiver’s Schedule as other than disputed, contingent, or unliquidated and is not otherwise a Contested Claim;

(b) any Administrative Claim for which a request for payment has been timely filed under applicable law and which is not otherwise a Contested Claim; or

(c) is allowed: (i) in any stipulation of amount and nature of claim executed by the Receiver and a Claimant on or after the Effective Date; (ii) in any contract, instrument, or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan

4. “**Allowed Interest**” means all authorized Membership Interests issued and outstanding as of the Effective Date.

5. “**Bar Date**” means _____, 2012.

6. “**Business Day**” means any day, other than a Saturday, Sunday or legal holiday as defined by the Commissioners Court of Travis County, Texas.

7. “**Case**” means the lawsuit entitled *State of Texas v. Retirement Value, LLC, Richard H. “Dick” Gray, Hill Country Funding, LLC, a Texas Limited Liability Company, Hill Country Funding, LLC, a Nevada Limited Liability Company, and Wendy Rogers, and Kiesling, Porter, Kiesling, & Free, P.C, Relief Defendant* pending in the 126th Judicial District Court of Travis County, Texas.

8. “**Cash**” means cash, cash equivalents, or other readily marketable securities or instruments traded on an active and nationally recognized exchange, but under all circumstance excluding life insurance policies.

9. “**Causes of Action**” means any and all causes of actions, legal and equitable claims, rights, and defenses of any person under any law or statute, including without limitation, all actions, rights, and defenses of Retirement Value.

10. “**Claim**” means

(a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or

(b) a right to an equitable remedy for breach of performance if such breach gives rise to a Claim pursuant to subpart (a).

11. “**Claimant**” means a holder of a Claim.
12. “**Class**” means any group of substantially similar Claims or Membership Interests as classified in Section II herein.
13. “**Contested Claim**” means any Disputed Claim, Contingent Claim, Unliquidated Claim, Disputed Interest or other Claim as to which there exists a dispute as to its validity, amount, or classification.
14. “**Contingent Claim**” or “**Unliquidated Claim**” means a Claim: (i) listed as contingent or unliquidated, respectively, in the Schedule, as such may be amended, supplemented or otherwise modified, from time to time; or (ii) otherwise filed as contingent or unliquidated, respectively, in a timely filed proof of claim.
15. “**Disputed Claim**” or “**Disputed Interest**” means a Claim or Membership Interest, respectively: (i) scheduled on the Schedule as disputed; or (ii) as to which a proof of claim has been timely filed, has not been withdrawn and has not been settled, resolved or denied by a Final Order; or (iii) a Claim or Membership Interest which is disputed by virtue of a pending lawsuit asserting a Cause of Action against or on behalf of Retirement Value.
16. “**Distribution Funds**” means the Cash held by the Receiver and available, after withholding reserves, for distribution to holders of Allowed Claims and Allowed Interests pursuant to this Plan.
17. “**Distribution Record Date**” as to the Initial Distribution Date or any subsequent Interim Distribution Date(s), means the Business Day that is fifteen (15) calendar days before such Initial Distribution Date or Interim Distribution Date.
18. “**Effective Date**” means the date that this Plan is adopted by the Court.
19. “**Final Order**” means an order or judgment of the Court, or other court of competent jurisdiction, as entered on the docket in the Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified, or amended and as to which the time to appeal or seek certiorari or move for a new trial, reargument, or rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order.
20. “**General Claim**” has the meaning given to it in Section II.C., herein.
21. “**Hill Country Funding**” means Hill Country Funding, LLC, a Nevada limited liability company and Hill Country Funding, LLC, a Texas limited liability company and each of them.

22. “**HCF Investor**” mean a Person who delivered its funds to Hill Country Funding or its agents for the purpose of purchasing or attempting to purchase participations in an investment issued by Hill Country Funding.

23. “**HCF Investor Claim**” means a Claim arising out of an HCF Investor’s purchase or attempted purchase of participations in an investment issued by Hill Country Funding.

24. “**HCF Receiver**” means Don Taylor, in his capacity as the court appointed receiver for Hill Country Funding, and any successor or supplemental receivers appointed by the Court.

25. “**Initial Distribution Amount**” means the amount set forth in Section VI.C.3.

26. “**Initial Distribution Date**” means a date, as determined by the Receiver, as soon as reasonably practicable following the Effective Date.

27. “**Interim Distribution Date(s)**” shall mean such date(s), if any, as may be determined by the Receiver, following the Initial Distribution Date.

28. “**Investor**” means a HCF Investor or a RV Investor.

29. “**Investor Claim**” means a HCF Investor Claim or a RV Investor Claim.

30. “**Kiesling Porter**” means Kiesling Porter Kiesling & Free, P.C., a Texas professional corporation.

31. “**Licensee**” means any Person who has (i) entered into a licensee agreement with Retirement Value or Hill Country Funding; (ii) otherwise agreed to sell participations in the Resale Life Insurance Policy Program or any investment issued by Hill Country Funding; (iii) sold participations in the Resale Life Insurance Policy Program or any investment issued by Hill Country Funding; or (iv) otherwise received a commission, compensation or other consideration in connection with the sale of participations in the Resale Life Insurance Policy Program or any investment issued by Hill Country Funding.

32. “**Membership Interest**” means a membership interest in Retirement Value or Hill Country Funding.

33. “**Person**” means any individual, corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government or any political subdivision thereof, governmental unit, or other entity.

34. “**Plan**” means this Plan of Distribution and all exhibits and schedules attached hereto or referenced herein, as the same may be amended, modified, or supplemented.

35. “**Policies**” means the life insurance policies owned by Retirement Value or Hill Country Funding.

36. **“Pro Rata”** means (a) with respect to a holder of an Allowed Claim, the ratio of (i) the amount of the Allowed Claim to (ii) the aggregate amount of all Allowed Claims plus a amount estimated by the Receiver for Contested Claims in the respective Class; and (b) with respect to a holder of an Allowed Interest, the ratio of (i) the number Allowed Interests held by such holder to (ii) the total number of Allowed Interests.

37. **“Receiver”** means Eduardo S. Espinosa, in his capacity as the court appointed receiver for Retirement Value, and any successor or supplemental receivers appointed by the Court.

38. **“Receivership Asset”** means all assets of Retirement Value, LLC or Hill Country Funding and any other assets placed in the possession or control of the Receiver by the Agreed TI or any other order of the Court along with the proceeds of such assets, including without limitation the proceeds of any claims asserted by the Receiver or the HCF Receiver.

39. **“Resale Life Insurance Policy Program”** means the investment program sponsored and sold by Retirement Value under which Persons provided money to Retirement Value to purchase life insurance policies in exchange for Retirement Value’s promise to repay a fixed sum of money upon the death of an insured.

40. **“Retirement Value”** means Retirement Value, LLC, a Texas limited liability company.

41. **“RV Investor”** mean a Person who delivered its funds to Retirement Value, Kiesling Porter or their agents for the purpose of purchasing or attempting to purchase participations in the Resale Life Insurance Program.

42. **“RV Investor Claim”** means a Claim arising out of an RV Investor’s purchase or attempted purchase of participations in the Resale Life Insurance Program.

43. **“Schedule”** means the schedule of Claims prepared by the Receiver as required by the Plan, as amended, modified, or supplemented, from time to time.

44. **“Vida Transaction”** means the transaction described in Section V.B.

B. Rules of Interpretation and Computation of Time

1. Rules of Interpretation

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) any reference in the Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified, or supplemented pursuant to the Plan or court order; (d) any reference to an entity as a holder of a Claim or Membership Interest includes that entity’s successors, assigns, and affiliates; (e) all

references in the Plan to sections and exhibits are references to sections and exhibits of or to the Plan; and (f) the words “herein,” “hereunder” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan;

2. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Texas Rule of Civil Procedure 4 will apply.

II. CLASSIFICATION OF CLAIMS AND MEMBERSHIP INTERESTS

All Claims and Membership Interests are placed in the following Classes. Claims are classified for making distributions hereunder, and for ease of administration. A Claim or Membership Interest shall be deemed classified in a particular Class only to the extent that such Claim or Membership Interest qualifies within the description of such Class and shall be deemed classified in a different Class to the extent that any remainder of the Claim or Membership Interest qualifies within the description of such different Class. A Claim or Membership Interest is in a particular Class only to the extent that the Claim or Membership Interest is an Allowed Claim or an Allowed Interest in that Class and has not been paid, settled or otherwise resolved prior to the Effective Date.

A. Class 1 – Administrative Claims

Class 1 consists of Allowed Administrative Claims.

B. Class 2 – Investor Claims

Class 2 consists of Allowed Investor Claims; except for any Allowed Investor Claims by or on behalf of current or former Membership Interest holders.

C. Class 3 – General Claims

Class 3 consists of all Allowed Claims against the Receivership Assets that are not otherwise classified herein, including without limitation, any Allowed Investor Claims by or on behalf of current or former Membership Interest holders (“**General Claims**”).

D. Class 4 – Membership Interests

Class 4 consists of all Allowed Interests.

III. DETERMINATION OF CLAIMS AND MEMBERSHIP INTERESTS

A. Generally

1. Investor Claims shall be limited to the amount paid by the Claimant for such Claim to Hill Country Funding, Retirement Value or Kiesling Porter less any amounts received by the Claimant from Hill Country Funding, Retirement Value or Kiesling Porter No interest,

penalties, attorneys' fees, costs of collection or any other compensation for such Claims will be allowed on Investor Claims, except as provided in this Plan.

2. General Claims shall be limited to the amount due and owing by Retirement Value or Hill Country Funding as of May 5, 2010 exclusive of interest or penalties. No interest, penalties, attorneys' fees, costs of collection or any other compensation for such Claims will be allowed on General Claims except as provided in this Plan.

3. Claims by Licensees based on, arising out of or related to the relationship between the Licensee and Retirement Value or Hill Country Funding; or a Licensee Agreement between any Licensee and Retirement Value or Hill Country Funding, including without limitation claims for payment of commissions or for indemnification, are disallowed. Any Investor Claims held by a Licensee shall not be affected by this provision; except that any such Claims shall be reduced by any amounts paid to or on behalf of the Licensee or any affiliate of the Licensee by or on behalf of Hill Country Funding, Retirement Value or Kiesling Porter.

B. Schedule of Claims

Within 15 days of the Effective Date, the Receiver shall file with the Court a Schedule setting forth all Claims known to him to have been asserted against Retirement Value or Hill Country Funding. On this Schedule, the Receiver will set forth the name of the Claimant, the amount claimed by such Claimant, the Class to which such Claim belongs, any amount offset against the Claim and whether the Claim is disputed, contingent and/or unliquidated. Any Claim which is not identified as "disputed," "contingent" or "unliquidated" is hereby allowed, subject to the provisions of this Plan.

C. Proofs of Claim

1. Any Claimant holding a Contested Claim or who disagrees with the amount or classification of an Allowed Claim may submit a proof of claim to the Receiver in the form of Exhibit A.

2. Any Person holding a Membership Interest or who disagrees with the amount or classification of an Allowed Interest reflected on the Schedule may submit a proof of claim to the Receiver in the form of Exhibit A.

3. To be valid, a proof of claim must be completely filled out, signed under oath and have documentation supporting the Claimant's position attached.

4. Proofs of claim must be submitted to the Receiver on or before the Bar Date. A proof of claim will be deemed to have been submitted on the date it is physically or electronically received by the Receiver or the date it is deposited, enclosed in a postage paid, properly addressed wrapper, in a post office or official depository under the care and custody of the United States Postal Service.

5. Unless the corresponding proof of claim is submitted to the Receiver by the Bar Date:

(a) Contested Claims will be unenforceable against the Receiver or any Receivership Asset and will receive no distribution under the Plan; and

(b) Any dispute as to the amount or classification of an Allowed Claim will be waived.

D. Publicity

1. Website

(a) The Receiver shall post a copy of this Plan and the Schedule on his website (www.rvllcreceivership.com) along with copies of forms for proofs of claim, change of address, assignment and such other forms as the Receiver may create for purposes of administering this Plan.

(b) In addition, the Receiver shall prominently display the following notice on his website:

To All Persons Having Claims against Retirement Value or Hill Country Funding:

If your claim is either (a) not listed on the Schedule or (b) your claim is listed as disputed, contingent or unliquidated, you must submit a proof of claim to the Receiver by the Bar Date of [insert bar date]. Failure to do so waives your claim; and your claim will be forever barred and will not be enforceable against Retirement Value or the Receiver.

If your claim is listed on the Receiver's Schedule but you dispute either the amount or classification of your claim, you must submit a proof of claim by the Bar Date of [insert bar date]. Failure to do so waives any dispute as to the amount or classification of your claim.

2. Publication

The Receiver shall publish a notice of the adoption of this Plan and the setting of the Bar Date in newspapers of general circulation in the following Texas cities: Austin, Dallas, Fort Worth, Houston, and San Antonio. The published notice should include the notice required by Section III.D.1(b), herein, and information as to how to obtain a copy of the Schedule and any necessary forms.

3. Mail

The Receiver shall send a copy of the Schedule along with the notice required by Section III.D.1(b) herein and a copy of the proof of claim form to all known Claimants by regular US Mail at the last known address on file with the Receiver.

E. Procedures for Contested Claims

1. Authority to Contest Claims

The Receiver has the authority to file, settle, compromise, withdraw or litigate to judgment disputes as to Contested Claims.

2. Subordination

The Receiver may also move the Court to subordinate any Claim below the Class to which such Claim would otherwise belong. Upon the filing of such a motion, the Claim shall become a Contested Claim and shall be determined in accordance with the procedures set forth herein.

3. Treatment of Contested Claims

Notwithstanding any other provisions of the Plan, no payments or distributions will be made on account of a Contested Claim until such Claim becomes an Allowed Claim.

4. Distributions on Account of Contested Claims Once Allowed

On each Interim Distribution Date, the Receiver will make distributions on account of any formerly Contested Claim which has become an Allowed Claim which shall include any participation in former distributions for which the Receiver reserved funds, pending resolution of the dispute.. Such distributions will be made pursuant to the provisions of the Plan governing the applicable Class.

5. Determination of Contested Claims

This section shall apply to all Contested Claims. Nothing contained in the Plan or Motion to Approve the Plan shall change, waive or alter any requirement under applicable law that the holder of a Contested Claim must file a timely proof of claim by the applicable Bar Date, and the Claim of any such Claimant who is required to file a proof of claim and fails to do so shall receive no distribution through the Plan. Contested Claims shall each be determined separately, except as otherwise ordered by the Court.

(a) Scheduling Order. Unless otherwise ordered by the Court, a scheduling order shall be entered as to each Contested Claim. The Receiver shall tender a proposed scheduling order and request the entry of a scheduling order. The scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

(b) Discovery. Unless otherwise ordered by the Court, discovery regarding a Contested Matter will be limited as follows:

- (i) No depositions will be allowed.

(ii) Each side is limited to 15 interrogatories.

(c) Subject of Disputes. All disputes regarding Contested Claims shall be limited to: (i) whether the Claim is valid and payable; (ii) the amount of the Claim, including the amount of any payments to the Claimant or its affiliates by or on behalf of Hill Country Funding, Retirement Value or Kiesling Porter; and (iii) the classification of the Claim. No Person may use the procedures set forth herein for determining Contested Claims to challenge any portion of this Plan, including without limitation the respective priority among Classes; the distribution of assets within a Class or whether monies received from or on behalf of Hill Country Funding or Retirement Value should be offset against monies paid to or on behalf of Hill Country Funding or Retirement Value to determine the amount of a Claim.

6. Pending Lawsuits

(a) If a Contested Claim is the subject of a lawsuit pending as of the Effective Date, then questions of the validity and amount of such Claim shall be resolved by that lawsuit. No amount will be distributed on account of a Contested Claim that is determined pursuant to this subsection until a Final Order is entered by the court hearing such suit.

(b) Questions as to the classification of such Claim shall be decided by this Court pursuant to the Plan using the procedures set forth herein.

(c) Claimants holding Contested Claims that are the subject of litigation pending as of the Effective Date must file a proof of claim by the Bar Date and the Claim of any such Claimant who is required to file a proof of claim and fails to do so shall receive no distribution through the Plan.

IV. TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

A. Class 1 – Administrative Claims

Administrative claims will be paid by the Receiver in accordance with the Agreed TI as modified by previous orders of the Court and as may be modified from time to time.

B. Class 2 – Investor Claims

After all Claims in Class 1 have been paid in full or the Receiver has in his discretion made adequate reserves to cover such Claims, the Distribution Funds (up to the aggregate amount of Investor Claims) will be thereafter divided among holders of Allowed Investor Claims as follows:

1. Distribution Funds derived from the (i) Vida Transaction, (ii) the sale of Receivership Assets, or (iii) any bonds payable with regard to the Policies owned by Hill Country Funding shall be distributed

(a) 94.7% to be paid on a Pro Rata basis to the holders of RV Investor Claim (based on the amount of the Claim of each such holder), as of the Distribution Record Date; and

(b) 5.3% to be paid on a Pro Rata basis to the holders of HCF Investor Claims (based on the amount of the Claim of each such holder), as of the Distribution Record Date.

2. Distribution Funds derived from litigation against Persons against whom the HCF Receiver and the Receiver have jointly asserted claims shall be distributed

(a) 94.7% to be paid on a Pro Rata basis to the holders of RV Investor Claim (based on the amount of the Claim of each such holder), as of the Distribution Record Date; and

(b) 5.3% to be paid on a Pro Rata basis to the holders of HCF Investor Claims (based on the amount of the Claim of each such holder), as of the Distribution Record Date.

3. Distribution Funds derived from litigation against Persons against whom the Receiver but not the HCF Receiver has asserted claims shall be paid on a Pro Rata basis to the holders of RV Investor Claim (based on the amount of the Claim of each such holder), as of the Distribution Record Date.

4. Distribution Funds derived from litigation against Persons against whom the HCF Receiver but not the Receiver has asserted claims (except for any claim for payment of a bond payable with regard to the Policies owned by Hill Country Funding) shall be paid on a Pro Rata basis to the holders of HCF Investor Claims (based on the amount of the Claim of each such holder), as of the Distribution Record Date.

5. Once all of the Allowed Investor Claims have been fully satisfied, then holders of Allowed Investor Claims shall be entitled to receive simple interest on the outstanding principal balance of such claims, as may be periodically reduced by any interim distributions. If interest is paid, it shall be calculated commencing as of May 5, 2010, and calculated at six percent (6%). Interest is not due and shall not be paid until the principal amount of the Allowed Investor Claims have been paid in full. Interest payment will be distributed on a Pro Rata basis in accordance with this Section IV.B..

C. Class 3 – General Claims

After all Claims in Classes 1 and 2 have been paid in full (including interest as allowed), the remaining Distribution Funds (up to the aggregated amount of the General Claims) will be thereafter divided among holders of Allowed General Claims on a Pro Rata basis (based on the amount of the Claim of each holder, as of the Distribution Record Date). Once all of the Allowed General Claims have been fully satisfied, then holders of Allowed General Claims shall be entitled to receive simple interest on the outstanding principal balance of such claims, as may be periodically reduced by any interim distributions. If interest is paid, it shall be calculated commencing the Effective Date and calculated at the then-applicable judgment rate of interest

under Texas law as of the Effective Date. Interest is not due and shall not be paid until the principal amount of the Allowed General Claims has been paid in full. Interest payment will be distributed on a Pro Rata basis.

D. Class 4 – Membership Interests

All Class 4 – Membership Interests shall be subordinated to all Claims in Classes 1, 2 and 3. Allowed Interests shall be paid only after all Claims in Classes 1, 2 and 3 (and any other senior classes) are paid the full amount of their Allowed Claims, including interest as allowed by the Court. After all senior classes are paid in full and after all expenses incurred by the Receiver in implementing and executing the Plan have been paid in full, Allowed Interests will receive a Pro Rata portion of the remaining assets, if any.

V. MEANS FOR IMPLEMENTATION AND EXECUTION OF PLAN

A. Liquidation of Assets

1. Other than the assets used for the Vida Transaction, the Receiver shall liquidate Hill Country Funding’s and Retirement Value’s remaining assets. The timing and manner of liquidation shall be left to the Receiver’s sole discretion. The sale of any asset worth less than \$5,000 is approved without further order of the Court.

2. The Receiver may dispose of any assets that he, in his sole discretion, determines to be uneconomical to sell.

3. The Receiver may, in his sole discretion, pursue any and all Causes of Action belonging to Retirement Value or the Receiver.

4. The HCF Receiver may, in his sole discretion, pursue any and all Causes of Action belonging the Hill Country Funding or the HCF Receiver.

B. Vida Transaction

1. Purchase of Interest in Vida Longevity Fund

Promptly following the approval of this Plan, the Receiver shall cause the receivership estate to acquire a limited partnership interest in the Vida Longevity Fund, LP, a Delaware limited partnership (the “Fund”) The estate shall contribute, to the Fund, \$20 million (the “Initial Capital Contribution”), consisting of (a) all of the estates’ un-matured life insurance policies (the “In-Kind Contribution”) and (b) Cash, for the difference between the In-Kind Contribution’s valuation and the Initial Capital Contribution . The Fund and the Receiver shall cause there assets to be valued as of the Initial Capital Contribution’s effective date (the Subscription Date”) pursuant to substantially consistent methodologies, so that the receivership estate’s limited partnership interest in the Fund is proportionate to its contribution.

The Receiver shall consummate receivership’s subscription to the Fund substantially in accordance with (x) the Fund’s Confidential Private Placement Memorandum, (y) the Fund’s Second Amended and Restated Agreement of Limited Partnership effective as of March 1, 2011;

and (z) such other agreements, modifications and ancillary concessions as the Receiver may negotiate for the receivership's benefit. Further the Receiver is hereby expressly authorized to execute and deliver such agreements, contracts, documents, and ancillary instruments and to make such filings as he deems necessary and appropriate to effectuate the above contemplated contribution; provided that the Receiver may, at any time, terminate or otherwise abandon discussions with the Fund, if, in his sole discretion, the Receiver determines that it is not in the receivership's best interest to consummate the transaction.

VI. PROVISIONS GOVERNING DISTRIBUTIONS

A. Delivery of Distributions

Except as otherwise provided herein, distributions to holders of Allowed Claims will be made by the Receiver in currency of the United States by checks drawn on a domestic bank selected by the Receiver (a) at the addresses set forth on the respective proofs of claim filed by holders of such Claims; (b) at the addresses set forth in any written certification of address change delivered to the Receiver after the Effective Date; or (c) at the addresses reflected in the Receiver's records if no proof of claim has been filed and the Receiver has not received a written notice of a change of address after the Effective Date.

B. Distribution Record Date

1. The Receiver will have no obligation to recognize the transfer or sale of any Claims or Membership Interests that occur after the close of business on the respective Distribution Record Date for the Initial Distribution or any Interim Distribution(s) and will be entitled for all purposes herein to recognize and make distributions only to those who are holders of such Claims or Membership Interests as of the close of business on any respective Distribution Record Date.

2. The Receiver will have no obligation to recognize the transfer or sale of any Claims or Membership Interests that occur prior to the close of business on any Distribution Record Date unless the transferee or purchaser of such Claim provides written notice of transfer in a form reasonably acceptable to the Receiver, prior to the corresponding Distribution Record Date. Any transferee or purchaser of a Claim prior to the Effective Date must provide notice under this section even if he or she has previously provided notice

C. Timing and Calculation of Amounts to Be Distributed

1. Generally

Prior to making an Interim Distribution to holders of Allowed Claims or Allowed Interests, the Receiver must submit to the Court a report, detailing the distributions which the Receiver intends to make, and shall serve such report on the parties on the then-applicable service list in the Case. The Receiver shall be entitled to make such distributions after obtaining approval from the Court.

2. Limit on Amount to be Distributed

Unless otherwise ordered by the Court, the Receiver may not make a distribution unless, after making such distribution, the Receiver retains adequate reserves to pay: (i) the remaining Administrative Expenses; (ii) any unresolved Contested Claims pertaining to a Class superior to which the distribution is proposed; and (iii) such additional contingencies as the Receiver deems necessary or appropriate to retain a reserve.

3. Initial Distribution Amount

The Initial Distribution Amount shall be \$_____. The Receiver is hereby directed to distribute the Initial Distribution Amount to the holders of Allowed Investor Claims in accordance with this Plan on an Initial Distribution Date to be set by the Receiver.

4. Distributions to Classes

(a) Distributions to Class 1 Administrative Claims

The Receiver will pay the Class 1 Administrative Claims in accordance with the Agreed TI.

(b) Distributions to Class 2 Investor Claims

(i) Initial Distribution

The Initial Distribution Date shall occur as soon as reasonably practicable after the Effective Date. The distribution made on the Initial Distribution Date shall be in the Initial Distribution Amount as set out herein.

(ii) Interim Distributions

The Receiver may make such interim distributions on the Interim Distribution Dates in such amounts and on such terms as the Receiver may deem necessary or appropriate, subject to the limitations imposed by this Plan and as approved by the Court. The Receiver shall continue to make distributions with respect to the Class 2 Claims until: (A) each holder of an Allowed Investor Claim shall have received a Pro Rata portion of the Distribution Funds, up to the full amount of its Allowed Investor Claim, and (B) thereafter, until any interest authorized hereby has been paid. The Receiver may hold back in reserve such sums as he may deem reasonably necessary, in the exercise of his sole discretion, to satisfy the expenses of the receivership and all Class 2 Contested Claims not previously resolved.

(c) Distributions to Class 3 General Claims

If all Allowed Claims in Classes 1 and 2 are paid in full, including interest, as allowed hereby, the Receiver shall make interim distributions on the Interim Distribution Dates with respect to the Class 3 General Claims in such amounts and on such terms as the Receiver may deem necessary or appropriate, subject to the limitations imposed by this Plan and as approved by the Court. The Receiver shall continue to make distributions with respect to the Class 3 Claims until: (A) each holder of an Allowed General Claim shall have received a Pro Rata portion of the Distribution Funds, up to the amount of its Allowed General Claim; and (B)

thereafter, until any interest authorized hereby has been paid. The Receiver may hold back in reserve such sums as he may deem reasonably necessary, in the exercise of his sole discretion, to satisfy the expenses of the receivership and all Contested Claims, not previously resolved.

(d) **Distributions to Class 4 Membership Interests**

If all Allowed Claims in Classes 1, 2 and 3 are paid in full, including interest, as allowed by the Court, the Receiver shall make interim distributions on the Interim Distribution Dates with respect to the Class 4 Membership Interests in such amounts as the and on such terms as the Receiver may deem necessary or appropriate, subject to the limitations imposed by this Plan and as approved by the Court. The Receiver shall continue to make distributions with respect to the Class 4 Membership Interests until each holder of an Allowed Interest shall have received its Pro Rata portion of the Distribution Funds. The Receiver may hold back in reserve such sums as he may deem reasonably necessary, in the exercise of his sole discretion, to satisfy the expenses of the receivership and all Contested Claims, not previously resolved.

5. Reservation for Contested Claims

In calculating the amount to be distributed under this Plan, the Receiver may estimate the amount that would be required to be paid if Contested Claims were to become Allowed Claims and to withhold that amount from any distribution allowed under this Plan.

6. De Minimus Distributions

The Receiver may abstain from making any Initial Distribution or Interim Distribution to the holder of an Allowed Claim or Allowed Interest in any Class if the amount of cash to be distributed on account of such Claim or Membership Interest is less than or equal to twenty-five dollars (\$25).

7. Compliance with Tax Requirements

(a) In connection with the Plan, to the extent applicable, the Receiver will comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan will be subject to such withholding and reporting requirements.

(b) Notwithstanding any other provision of the Plan, each Person receiving a distribution of cash or pursuant to the Plan will have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on it by any governmental unit on account of such distribution, including income, withholding, and other tax obligations.

D. Undeliverable Distributions

1. Holding of Undeliverable Distributions

If any distribution to a holder of an Allowed Claim or Allowed Interest is returned to the Receiver as undeliverable, no further distributions will be made to such holder unless and until the Receiver is notified by written certification of such holder's then-current address.

2. Failure to Claim Undeliverable Distributions

Any holder of an undeliverable distribution related to an Allowed Claim or Allowed Interest who fails to make the required certification to the Receiver within one year after the date on which a distribution was deliverable to such holder but returned to the Receiver as undeliverable, shall not be entitled to such undelivered distribution and will be forever barred from asserting any Claim or Membership Interest in such undelivered distribution. Unclaimed cash will become property of the estate, free of any restrictions thereon. Nothing contained in the Plan will require the Receiver to attempt to locate any holder of an Allowed Claim or Allowed Interest, except that the Receiver shall maintain and post on his website, a list of Claimants whose distributions were returned as undeliverable.

VII. RETENTION OF JURISDICTION

Notwithstanding the entry of an order or judgment disposing of all claims against the defendants in this Case, the Court will retain jurisdiction over the Case as is legally permissible, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Membership Interest, including the resolution of any request for payment of any Administrative Claim, the resolution of any objections to the allowance, priority, or classification of Claims or Membership Interests, and the estimation of any Disputed Claim;
2. Grant or deny any applications for allowance of compensation or reimbursement of expenses of professionals;
3. Ensure that distributions to holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of the Plan;
4. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents entered into or delivered in connection with the Plan;
5. Resolve any cases, controversies, suits, or disputes that may arise in connection with or the consummation, interpretation, or enforcement of the Plan or any contract, instrument, release, or other agreement or document that is entered into or delivered pursuant to the Plan or any Person's rights arising from or obligations incurred in connection with the Plan or such documents, including, but not limited to Causes of Actions;

6. Modify the Plan; or remedy any defect or omission or reconcile any inconsistency in any Court order, the Plan, or any contract, instrument, release, or other agreement or document entered into, delivered, or created in connection with the Plan, in such manner as may be necessary or appropriate to consummate the Plan;

7. Issue injunctions, enforce the injunctions contained in the Plan, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation, or enforcement of the Plan; and

8. Determine any other matters that may arise in connection with or relate to the Plan, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Plan.

VIII. NO DISCHARGE OF CLAIMS

This Plan does not discharge, settle or otherwise resolve any claim against any person other than the Receiver. The Plan does, however, provide the sole method by which the Receivership Assets will be distributed and by which any person may be paid by the Receiver, except as may be separately ordered by the Court.

IX. AGREED TO

Except as specifically stated herein, the Agreed TO is not modified by this Plan and remains in full force and effect.

SO ORDERED.

DATED: _____, 2012.

THE HONORABLE GISELA TRIANA,
JUDGE PRESIDING