

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

CREDIT-BASED ASSET SERVICING  
AND SECURITIZATION LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 10-16040 (ALG)

(Jointly Administered)

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**NOTICE OF ENTRY OF AN ORDER CONFIRMING  
THE DEBTORS' AMENDED JOINT CHAPTER 11 PLAN**

**PLEASE TAKE NOTICE THAT:**

1. **Confirmation of the Plan.** On April 25, 2011, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order (the "Confirmation Order") confirming the *Debtors' Amended Joint Chapter 11 Plan* [Docket No. 269] (as modified and amended in accordance with the terms of the Confirmation Order, the "Plan"). Copies of the Confirmation Order and the Plan are available at Donlin, Recano & Company, Inc.'s website <http://www.donlinrecano.com/cbass>. Unless otherwise defined in this notice, capitalized terms used herein shall have the meanings ascribed to them in the Plan and the Confirmation Order.

2. **Effect of Plan.** Pursuant to section 1141 of the United States Code, 11 U.S.C. §§ 101 - 1532 (as amended, the "Bankruptcy Code"), except as otherwise provided in the Plan or in the Confirmation Order, and subject to the occurrence of the Effective Date, the provisions of the Plan shall bind any Holder of a Claim against, or Interests in, the Debtors and their respective successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan, whether or not such Holder has voted to accept the Plan, and whether or not such Holder will receive a distribution.

Except for the purposes of evidencing a right to receive a distribution under the Plan or as otherwise provided in the Plan, the Confirmation Order, or hereunder, on the Effective Date, all the agreements or other documents evidencing any Claims or rights of any Holder of a Claim against the Debtors, including all indentures, credit agreements, security agreements and notes evidencing such Claims, and any Interests, options or warrants (regardless of whether exercised) to purchase Interests, shall be deemed automatically cancelled, surrendered to the Debtors, and of no further force or effect; provided that (A) the Senior Credit Facility shall continue in effect for the purposes of permitting the Administrative Agent to (i) make distributions to the Senior Lenders in accordance with the Plan and perform such other functions as are contemplated by the

<sup>1</sup> The other Debtors in these cases are C-BASS CBO Holding LLC, C-BASS Credit Corp., C-BASS Investment Management LLC, NIM I LLC, Pledged Property II LLC, Starfish Management Group LLC, and Sunfish Management Group LLC.

Plan and (ii) maintain and assert any rights or Liens; and (B) nothing in the Confirmation Order shall impact the ability of the Indenture Trustees to assert charging liens under the applicable indenture; provided, further, that (A) nothing in the Confirmation Order shall be deemed to impair or discharge any rights of the Administrative Agent vis-à-vis the Senior Lenders or any other Person or Entity (other than the Debtors and those parties described in clause (i) of the definition of "Released Parties") under the Senior Credit Facility, including without limitation any indemnification obligations of the Senior Lenders; and (B) nothing in the Confirmation Order shall be deemed to impair the rights of the Indenture Trustee vis-à-vis the TruPs Claims Holders under the applicable indenture. On the Effective Date, the Debtors shall be deemed to have no authorized Interests.

### 3. Releases.

In consideration of the contributions of the Released Parties to the Debtors' liquidation and the Chapter 11 Cases, section 10.1(a) of the Plan provides for the following releases: AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, INCLUDING WITHOUT LIMITATION THE SERVICE OF THE RELEASED PARTIES IN FACILITATING THE EXPEDITIOUS LIQUIDATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN (INCLUDING, WITHOUT LIMITATION, THE CONTRIBUTION BY THE ADMINISTRATIVE AGENT, ON BEHALF OF THE SENIOR LENDERS, OF THE SENIOR LENDER CASH CONTRIBUTION TO THE LIQUIDATION TRUST), EACH OF THE DEBTORS (AND ANY PERSON OR ENTITY SEEKING TO EXERCISE THE RIGHTS OF THE DEBTORS' ESTATES, INCLUDING WITHOUT LIMITATION THE LIQUIDATION TRUSTEE OR OTHER SUCCESSOR TO THE DEBTORS OR ANY ESTATE REPRESENTATIVE APPOINTED OR SELECTED PURSUANT TO SECTION 1123(b)(3) OF THE BANKRUPTCY CODE, HEREBY IRREVOCABLY, ABSOLUTELY AND PERMANENTLY RELEASES, WAIVES AND DISCHARGES ALL RELEASED PARTIES FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION THAT THE DEBTORS WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER ENTITY OR PERSON, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE ARISING OUT OF OR IN ANY WAY RELATED TO THE DEBTORS, THE CHAPTER 11 CASES OR THE PLAN; PROVIDED, HOWEVER, THAT THERE SHALL BE NO SUCH RELEASE ON ACCOUNT OF CLAIMS OR LIABILITIES IN RESPECT OF ANY (I) CONTRACTUAL OBLIGATION OWED BY SUCH ENTITY OR PERSON TO THE DEBTORS UNDER THE PLAN OR IN ANY CONTRACTS, INSTRUMENTS OR AGREEMENTS DELIVERED UNDER THE PLAN, OR (II) TAX REFUND CLAIMS; PROVIDED, FURTHER, THAT THE FOREGOING PROVISIONS OF SECTION 10.1(a) OF THE PLAN SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY OF THE RELEASED PARTIES FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD, OR CRIMINAL CONDUCT AS DETERMINED BY A FINAL ORDER; PROVIDED, FURTHER, THAT THE FOREGOING PROVISIONS OF SECTION 10.1(a) OF THE PLAN SHALL HAVE NO EFFECT ON ANY RIGHT OF THE DEBTORS OR THE LIQUIDATION TRUSTEE TO SETOFF AGAINST ANY EMPLOYEE CLAIM AND THE

DISTRIBUTIONS TO BE MADE PURSUANT TO THE PLAN ON ACCOUNT OF SUCH EMPLOYEE CLAIM.

Section 10.1(b) of the Plan provides for the following releases: AS OF THE EFFECTIVE DATE, IN EXCHANGE FOR THEIR RIGHTS AND DISTRIBUTIONS UNDER THE PLAN, EACH HOLDER OF A CLAIM THAT EITHER (I) HAS VOTED TO ACCEPT OR REJECT THE PLAN AND HAS NOT EXERCISED THE RELEASE OPT-OUT ELECTION OR (II) HAS FAILED TO VOTE OR ABSTAINED FROM VOTING ON THE PLAN, HEREBY SHALL BE DEEMED TO HAVE RELEASED, WAIVED AND DISCHARGED, IRREVOCABLY, ABSOLUTELY AND PERMANENTLY, EACH OF THE RELEASED PARTIES FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE ARISING OUT OF OR IN ANY WAY RELATED TO THE DEBTORS, THE CHAPTER 11 CASES OR THE PLAN; PROVIDED, HOWEVER, THAT THE FOREGOING PROVISIONS OF SECTION 10.1(b) OF THE PLAN SHALL HAVE NO EFFECT ON (A) THE LIABILITY OF THE RELEASED PARTIES FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD OR CRIMINAL CONDUCT AS DETERMINED BY A FINAL ORDER OR (B) ANY CAUSE OF ACTION BROUGHT DERIVATIVELY OR PURSUANT TO WHICH THE LIQUIDATION TRUSTEE OTHERWISE HAS STANDING TO PURSUE TO THE EXTENT NOT ALSO RELEASED PURSUANT TO THE PLAN.

4. **Exculpations.** Section 10.2 of the Plan provides for the following exculpations and limitation of liability: except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, including without limitation the service of the Exculpated Parties in facilitating the expeditious liquidation of the Debtors and the implementation of the transactions contemplated by the Plan, none of the Exculpated Parties shall have or incur any liability to any Holder of a Claim or Interest or any other Person or Entity for any action or omission arising out of or in connection with the Debtors' restructuring and liquidation or the Chapter 11 Cases on or before the Effective Date, regardless of whether such action or omission occurred or failed to occur, respectively, before or after the Petition Date, including without limitation the commencement of the Chapter 11 Cases, the negotiation or execution of the Disclosure Statement, the negotiation, execution and performance of the Plan (including, without limitation, the contribution by the Administrative Agent, on behalf of the Senior Lenders, of the Senior Lender Cash Contribution to the Liquidation Trust), the solicitation of votes for and the pursuit of Confirmation of the Plan, the Effective Date of the Plan, the consummation of the Plan or the administration of the Plan or the Assets to be distributed under the Plan, or any act or failure to act by the Administrative Agent, in consultation with the Oversight Committee, to direct or not direct any Debtor to deliver or not to deliver any Assets under the Plan; provided, however, that the foregoing provisions of Section 10.2 of the Plan shall have no effect on the liability of the Exculpated Parties for gross negligence, willful misconduct, fraud or criminal conduct as determined by a final and non-appealable order of the Bankruptcy Court. The Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under and in connection with the Plan.

5. **Injunction**. Section 10.3 of the Plan provides for the following injunction related to Releases and Exculpations: in addition to the injunction provided under sections 524(a) and 1141 of the Bankruptcy Code, the Confirmation Order shall permanently enjoin the commencement or prosecution by any Person or Entity, directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released or exculpated pursuant to the Plan, including without limitation the Claims and Causes of Action released in Sections 10.1 and 10.2 of the Plan.

Dated: New York, New York  
April 25, 2011

BY ORDER OF THE COURT

Peter S. Partee, Sr.  
Andrew Kamensky (admitted *pro hac vice*)  
Richard P. Norton  
Robert A. Rich  
HUNTON & WILLIAMS LLP  
200 Park Avenue, 53<sup>rd</sup> Floor  
New York, New York 10166-0136  
(212) 309-1000

*Attorneys for Debtors and Debtors-in-Possession*