



Entered on Docket
February 15, 2006

Hon. Gregg W. Zive
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

Case No. 06-50026-GWZ
(Chapter 11)

In re:

BLUE BIRD BODY COMPANY, et al.,
Debtors.

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW IN SUPPORT
OF ORDER APPROVING DISCLOSURE
STATEMENT AND CONFIRMING PLAN
OF REORGANIZATION**

Date of Hearing: January 27, 2006
Time of Hearing: 4:00 p.m. (PST)

On January 26, 2006 (the "Petition Date"), Blue Bird Body Company ("Blue Bird") and certain of its affiliates, debtors and debtors-in-possession in the above-captioned cases (the "Debtors"), filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the "Bankruptcy Code"). The Debtors are proponents of the Joint Prepackaged Plan Of Reorganization Of Blue Bird Body Company And Certain Affiliates, dated January 24, 2006 (Docket No. 4).

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2 **I. BACKGROUND**

3 The evidence adduced at the hearing of January 27, 2006, declarations, testimony, and written
4 exhibits that were undisputed established the following factual context for these unusual bankruptcy
5 cases and procedures.

6 Since September 2005, following the Debtors' conclusion that they were financing more bank
7 debt than they could support, the Debtors, the Lenders (also referred to as the "Bank Group"), and
8 their equity security holders have worked to restructure the Debtors' balance sheet outside of Chapter
9 11. Since January 3, 2006, following the abandonment by Volvo (as defined in Section 1.49 of the
10 Prepackaged Joint Plan of Reorganization) of its plans to purchase of the equity held by the Debtors'
11 lenders, the Debtors discussed with their Lenders and equity security holders all available
12 restructuring alternatives in turn, which included a complete out-of-court restructuring, a sale, a
13 traditional Chapter 11 case and a liquidation.

14 The Debtors and the majority of their Lenders and equity security holders concluded that an
15 out-of-court restructuring proved the most viable and sensible of the Debtors' available restructuring
16 alternatives. Under the out-of-court restructuring (the "Out-Of-Court Restructuring") pursued by the
17 Debtors, the Lenders were to acquire the Debtors' equity interests from its largest shareholder, Volvo,
18 and the other small equity holders, followed by the extension of additional financing to the Debtors
19 by a subset of their existing Lenders. On January 18, 2006, the Debtors reached an understanding
20 with all but one Lender (Newstart Factors, Inc. ("Newstart")) on the terms of the Out-Of-Court
21 Restructuring, although at all relevant times since late 2005, Newstart had the same opportunity to
22 participate as, had access to the same information as, and in fact participated in substantially all of
23 the restructuring discussions with, the other members of the Bank Group. In the time leading up to
24 the decision to pursue the Out-Of-Court Restructuring and since such time, the Debtors and the
25 Lenders conducted frequent telephonic conference calls at which Newstart actively participated by
26 asking questions and by attempting to convince other Lenders to pursue a different strategy.

27 On January 20, 2006, counsel for the Debtors, Mr. Jay Goffman of Skadden, Arps, Slate,
28 Meagher & Flom LLP, had a telephone conversation with Mr. Jim Bennett, a principal of Newstart,

1 at which time Mr. Goffman responded to Mr. Bennett's inquiries regarding the pre-packaged plan
2 process and timing and invited Newstart to participate in the restructuring. The lack of unanimous
3 consent by the Lenders compelled the Debtors to utilize the Chapter 11 process as a means to
4 consummate the transaction contemplated by the Out-Of-Court Restructuring. On January 20, 2006,
5 prior to the January 26, 2006 Petition Date, the Debtors provided advance notice first by telephone
6 and then by electronic mail to all the Lenders under the Credit Agreement and the Joint Co-ordinators
7 under the Credit Agreement of the Debtors' intention to pursue a consensual prepackaged Chapter 11
8 plan, including the likely solicitation dates, filing dates, and confirmation timeline (a copy of the
9 January 20, 2006 letter is Exhibit B to the Confirmation Motion).

10 Prior to the Petition Date, on January 24, 2006, the Debtors provided additional advance
11 notice by electronic mail of the commencement of these prepackaged Chapter 11 cases and the
12 Debtors' intention to seek confirmation of the Plan to the Lenders and to the equity holders (a copy
13 of the notice provided to the Lenders is Exhibit C to the Confirmation Motion). The Disclosure
14 Statement, attached to the January 24, 2006 notice, required the Lenders and equity holders to deliver
15 any objections to the adequacy of the information contained in the Disclosure Statement and
16 confirmation of the Plan by electronic mail or facsimile to the Debtors before January 26, 2006 at
17 5:00 p.m. Eastern Time. The January 24, 2006 notice informed the Lenders and equity holders of the
18 confirmation hearing scheduled for Friday, January 27, 2006 at 4:00 p.m. Pacific Time. The Debtors
19 sent specific letters to counsel for Newstart on January 24, 2006 and January 25, 2006, summarizing
20 and responding to telephone conversations and correspondence with Newstart's counsel, Mr. Andrew
21 Rahl of Anderson Kill & Olick, P.C., regarding the Debtors' prepackaged plan process and
22 restructuring alternatives proposed by Newstart (copies of the January 24, 2006 and January 25, 2006
23 letters are Exhibits D and E to the Confirmation Motion).

24 On January 24, 2006, at 9:36 p.m. Pacific Time, the Debtors commenced the solicitation of
25 votes (the "Solicitation") regarding the Plan from the Lenders to the credit agreement dated September
26 14, 1999 (as amended October 18, 2004 and May 12, 2005, (the "Credit Agreement")). As part of
27 the Solicitation, the Debtors transmitted copies of (i) the Plan, (ii) the disclosure statement relating
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1 to the Plan (Docket No. 3) (the "Disclosure Statement"), and (iii) a ballot (a "Ballot") with which to
2 vote to accept or reject the Plan (the Plan, Disclosure Statement, and Ballot, collectively, the
3 "Solicitation Packages") to the Lenders. The Debtors established January 26, 2006 at 10:00 a.m.
4 (Eastern Time) as the deadline (the "Voting Deadline") for Lenders to vote to accept or reject the Plan
5 on account of their claims under the Credit Agreement (the "Bank Group Claims"). On January 25,
6 2006 at 1:43 p.m. (Pacific Time), Newstart returned a ballot (the "Newstart Ballot") indicating its
7 rejection of the Plan. By executing the Newstart Ballot (Exhibit E to the Confirmation Motion),
8 Newstart certified that, among other things, it had access to the type of information it deemed
9 necessary to evaluate whether to accept the Plan. Prior to the Voting Deadline, 92.56% in amount
10 and 90.91% in number of those holders of Bank Group Claims voting on the Plan voted to accept the
11 Plan.

12 On the Petition Date, the Debtors filed the Declaration of Donlin, Recano & Company Inc.
13 Certifying Voting On And Tabulation Of Ballots Accepting And Rejecting The Joint Prepackaged
14 Plan Of Reorganization For Blue Bird Body Company And Certain Of Its Affiliates (Docket No. 5)
15 (the "Tabulation Declaration"), which declaration sets forth the results of the Solicitation. On January
16 26, 2006, the Debtors filed the Memorandum Of Law In Support Of (A) Approval Of Solicitation
17 Procedures And Adequacy Of Disclosure Statement And (B) Confirmation Of Joint Prepackaged Plan
18 Of Reorganization For Blue Bird Body Company And Certain Of Its Affiliates (Docket No. 13) (the
19 "Confirmation Brief"). On the Petition Date, the Debtors filed the Declaration of Wayne F. Hunnell
20 in Support of Confirmation of Consensual Prepackaged Joint Plan of Reorganization of Blue Bird
21 Body Company and Certain Affiliates (Docket No. 10), the Declaration Of Stephen Cooper In
22 Support Of Consensual Joint Prepackaged Plan Of Reorganization Of Blue Bird Body Company And
23 Certain Affiliates (Docket No. 11), and the Declaration of Neil Wright in Support of Consensual
24 Prepackaged Joint Plan of Reorganization of Blue Bird Body Company and Certain Affiliates (Docket
25 No. 12) (collectively, the "Confirmation Declarations"), and the Restructuring Agreement dated
26 January 24, 2006 among the Debtors, the Lenders, and the equity holders of Peach County Holdings,
27 Inc. (the "Restructuring Agreement").
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1 Also, at noon Pacific Time on the Petition Date, I conducted an emergency hearing to consider
2 Debtor's request to conduct a confirmation hearing the next day. After hearing and considering
3 argument from all counsel for the parties and other participants, the confirmation hearing was
4 scheduled as requested.

5 On the Petition Date, the Debtors filed the Motion for Order Confirming Debtors' Consensual
6 Plan of Reorganization, Approving Agreed Shortened Notice Thereof, Approving Prepetition
7 Solicitation and Disclosure Statement in Support Thereof and Granting Related Relief (the
8 "Confirmation Motion"). The hearing to consider approval of the solicitation procedures (the
9 "Solicitation Procedures"), approval of the adequacy of the Disclosure Statement, and confirmation
10 of the Plan was held before me on the January 27, 2006, at 4:00 p.m. (the "Confirmation Hearing").
11 Newstart Factors, Inc., a holder of a Class 1 Bank Group Claim under the Plan, filed its written
12 objection to confirmation of the Plan on January 27, 2006 (Docket No. 30). I entered a separate order
13 in accordance with Rule 9021 of the Federal Rules of Bankruptcy Procedure confirming the Plan on
14 January 27, 2006 (the "Confirmation Order"), and directed that the Confirmation Order would be
15 followed by these findings and conclusions of law (the "Finding and Conclusions"). Confirmation
16 of the Plan was effective immediately upon entry of the Confirmation Order, and entry of these
17 Findings and Conclusions does not alter in any way the effectiveness of the Confirmation Order and
18 does not constitute a separate order for purposes of the appeal period, which commenced upon entry
19 of the Confirmation Order.

20 Based upon my review of the Disclosure Statement, the Plan, the Solicitation Packages, the
21 Tabulation Declaration, the Confirmation Declarations, the Restructuring Agreement, and the
22 Confirmation Brief; and upon all of the evidence proffered or adduced at, memoranda filed in
23 connection with, and arguments of counsel made at, the Confirmation Hearing; and after due
24 deliberation thereon; and good and sufficient cause appearing therefor; in addition to the oral findings
25 of fact and conclusions of law I stated on the record at the time of the hearing, which are incorporated
26 herein as though fully set forth pursuant to Fed. R. Bankr. P. 7052; I hereby found and determined
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1 in accordance with Fed. R. Bankr. P. 3020(b)(1), 7052, and 9014 in support of the Confirmation
2 Order that:

3 **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

4 **A. Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)).** This
5 Court has jurisdiction over the Debtors' Chapter 11 cases under 28 U.S.C. §§ 157 and 1334. Venue
6 is proper under 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan, approval of the Disclosure
7 Statement, and approval of the Solicitation Procedures are core proceedings under 28 U.S.C. §§
8 157(b)(2)(A), (L), and (N), over which the Court has exclusive jurisdiction.

9 **B. Judicial Notice.** The Court takes judicial notice of the docket of these Chapter 11
10 cases maintained by the Clerk of the Court and/or its duly-appointed agent, including, without
11 limitation, all pleadings and other documents filed, and all evidence and argument made, proffered,
12 or adduced at the hearing held before the Court.

13 **C. Adequacy Of Disclosure Statement.** The Disclosure Statement contains "adequate
14 information," as such term is defined in section 1125 of the Bankruptcy Code.

15 **D. Adequacy Of Solicitation.** Votes for acceptance or rejection of the Plan were
16 solicited from holders of Class 1 Bank Group Claims in good faith and in compliance with sections
17 1125 and 1126 of the Bankruptcy Code, Fed. R. Bankr. P. 3017 and 3018, and all other applicable
18 provisions of the Bankruptcy Code under the Debtors' exigent circumstances. All procedures used
19 to distribute the Solicitation Packages to the appropriate holders of Claims entitled to vote on the Plan
20 and to tabulate Ballots were fair and were conducted in accordance with the applicable provisions of
21 the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of Bankruptcy Practice of the United
22 States Bankruptcy Court for the District of Nevada (the "Local Rules"), and all other applicable rules,
23 laws, and regulations.

24 **E. Transmittal And Mailing Of Materials; Notice.** The transmittal and service of the
25 Disclosure Statement, the Plan, and the Solicitation Packages was adequate and sufficient under the
26 circumstances. Adequate and sufficient notice of the Confirmation Hearing and time to object to the
27 adequacy of the Disclosure Statement and confirmation of the Plan was given under the Debtors'
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1 exigent circumstances and no other or further notice is or shall be required. Moreover, for the reasons
2 stated on the record as incorporated by Fed. R. Bankr. P. 7052 the Debtors' filings to date are
3 sufficient and the Court finds that cause exists to excuse the Debtors from any of the requirements
4 of sections 341 and 521 of the Bankruptcy Code or any similar requirements. The expedited Chapter
5 11 procedures embodied in the Solicitation Procedures and the Confirmation Motion are appropriate
6 under the circumstances and therefore in compliance with Local Rule 3016(d).

7 **F. Impaired Class That Has Voted To Accept The Plan.** As set forth in the Plan, Class
8 1 Bank Group Claims are impaired; and, as set forth in the Tabulation Declaration, such holders of
9 Bank Group Claims, as a class designated under the Plan, have voted to accept the Plan for all
10 purposes pursuant to the requirements of sections 1124 and 1126 of the Bankruptcy Code. Thus, at
11 least one impaired Class of Claims has voted to accept the Plan.

12 **G. Burden Of Proof.** The Debtors, as proponents of the Plan, have met their burden of
13 proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the
14 evidence.

15 **H. Classes Deemed To Have Accepted The Plan.** Classes 2 (Other Secured Claims),
16 3 (Other Priority Claims), 4 (General Unsecured Claims), 5 (Intercompany Claims), and 6 (Interests)
17 are not impaired under the Plan and are deemed to have accepted the Plan pursuant to section 1126(f)
18 of the Bankruptcy Code. Such Classes shall be treated as unimpaired within the fullest meaning of
19 section 1124 of the Code. The Court has not required the Debtors to provide notice of the
20 Confirmation Hearing to holders of unimpaired claims or interests.

21 **I. Class Deemed to Have Rejected The Plan.** No classes are deemed to have rejected
22 the Plan.

23 **J. Plan Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(1)).** The Plan
24 complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1)
25 of the Bankruptcy Code.

26 **(1) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)).** In addition to Administrative
27 Claims and Priority Tax Claims, which need not be classified, the Plan designates six Classes of
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1 Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other
2 Claims and Interests, as the case may be, in each such Class. Valid business, factual, and legal
3 reasons exist for separately classifying the various Classes of Claims and Interests created under the
4 Plan, and such Classes do not unfairly discriminate among holders of Claims and Interests. Thus, the
5 Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

6 **(2) Specify Unimpaired Classes (11 U.S.C. § 1123(a)(2)).** Article III of the Plan
7 specifies that Classes 2 through 6 are unimpaired under the Plan, thereby satisfying section 1123(a)(2)
8 of the Bankruptcy Code.

9 **(3) Specify Treatment Of Impaired Classes (11 U.S.C. § 1123(a)(3)).** Article III of the
10 Plan designates Class 1 as impaired and specifies the treatment of Claims in this Class, thereby
11 satisfying section 1123(a)(3) of the Bankruptcy Code.

12 **(4) No Discrimination (11 U.S.C. § 1123(a)(4)).** The Plan provides for the same
13 treatment by the Debtors for each Claim or Interest in each respective Class unless the holder of a
14 particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby
15 satisfying section 1123(a)(4) of the Bankruptcy Code.

16 **(5) Implementation Of Plan (11 U.S.C. § 1123(a)(5)).** The Plan provides adequate and
17 proper means for its implementation, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

18 **(6) Non-Voting Equity Securities (11 U.S.C. § 1123(a)(6)).** Article IV.B of the Plan
19 provides that the certificate of incorporation or other organization documents of each Reorganized
20 Debtor will be amended as of the Effective Date to the extent necessary to satisfy section 1123(a)(6)
21 of the Bankruptcy Code.

22 **(7) Selection Of Officers And Directors (11 U.S.C. § 1123(a)(7)).** At or prior to the
23 Confirmation Hearing, the Debtors properly and adequately disclosed or otherwise identified all
24 individuals proposed to serve on or after the Effective Date as an officer or director of each
25 Reorganized Debtor, and the manner of selection and appointment of such officers and directors is
26 consistent with the interests of Claim and Interest holders and with public policy and, accordingly,
27 satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.
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1 **(8) Additional Plan Provisions (11 U.S.C. § 1123(b)).** The Plan's provisions are
2 appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code.

3 **K. Releases.** Pursuant to section 1123(b)(3) of the Bankruptcy Code and Fed. R. Bankr.
4 P. 9019(a), the limited mutual releases, discharges, exculpations, and injunctions set forth in the Plan
5 shall be, and hereby are, approved as fair, equitable, reasonable, and in the best interests of the
6 Debtors, the Reorganized Debtors, and their Estates, creditors, and equity holders. Such releases
7 neither affect any claims, causes of action, or choses in action, nor abridge any rights of any party that
8 is not a party to the Restructuring Agreement, including without limitation, Newstart Factors, Inc.
9 Such releases also do not affect any claims, causes of action, or choses in action, nor do they abridge
10 any rights, of any party to the Restructuring Agreement against Newstart Factors, Inc.

11 **L. Compliance With Fed. R. Bankr. P. 3016.** The Plan is dated and identifies the
12 entities submitting it, thereby satisfying Fed. R. Bankr. P. 3016(a). The filing of the Disclosure
13 Statement with the Court satisfies Fed. R. Bankr. P. 3016(b).

14 **M. Compliance With Fed. R. Bankr. P. 3017.** The Debtors have given notice of the
15 Confirmation Hearing as required by Fed. R. Bankr. P. 3017, as shortened pursuant to Fed. R. Bankr.
16 P. 9006(c)(1) and Local Rule 3016. The Solicitation Packages were transmitted to the holders of
17 Class 1 Bank Group Claims pursuant to Fed. R. Bankr. P. 3017(e), as shortened by this Court
18 pursuant to Fed. R. Bankr. P. 9006(c)(1) and Local Rule 3016.

19 **N. Compliance With Fed. R. Bankr. P. 3018.** The Solicitation of votes to accept or
20 reject the Plan satisfies Fed. R. Bankr. P. 3018. The Plan was transmitted to all creditors entitled to
21 vote on the Plan, sufficient time under the Debtors' exigent circumstances was prescribed for such
22 creditors to accept or reject the Plan, and the Solicitation Packages and Solicitation Procedures
23 comply with section 1126 of the Bankruptcy Code, thereby satisfying the requirements of Fed. R.
24 Bankr. P. 3018.

25 **O. Debtors' Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(2)).** The
26 Debtors have complied with all provisions of the Bankruptcy Code, the Bankruptcy Rules, and the
27 Local Rules.
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1 **P. Plan Proposed In Good Faith (11 U.S.C. § 1129(a)(3)).** The Debtors have proposed
2 the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3)
3 of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Court has
4 examined the totality of the circumstances of record surrounding the formulation of the Plan. The
5 Debtors filed their Chapter 11 cases and proposed the Plan with legitimate and honest purposes
6 including, among other things, (i) the reorganization of the Debtors' businesses and (ii) the
7 preservation of the going concern value of the Debtors' businesses and maximization of value to
8 creditors and interest holders.

9 **Q. Payments For Services Or Costs And Expenses (11 U.S.C. § 1129(a)(4)).** All
10 payments made or to be made by the Debtors or by a person issuing securities or acquiring property
11 under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 cases,
12 or in connection with the Plan and incident to the Chapter 11 cases, have been approved by, or are
13 subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the
14 Bankruptcy Code.

15 **R. Directors, Officers, And Insiders (11 U.S.C. § 1129(a)(5)).** The Debtors have
16 complied with section 1129(a)(5) of the Bankruptcy Code. The identity of the individuals who will
17 hold the director and officer positions with the Reorganized Debtors after confirmation of the Plan
18 has been fully disclosed. Such individuals' appointment to, or continuance in, such offices is
19 consistent with the interests of holders of Claims against and Interests in the Debtors and with public
20 policy. Additionally, the Debtors identified the identity and compensation of any insiders expected
21 to be employed or retained by the Reorganized Debtors after the Effective Date.

22 **S. No Rate Changes (11 U.S.C. § 1129(a)(6)).** The Debtors' Plan does not provide for
23 any rate change that requires regulatory approval. Section 1129(a)(6) of the Bankruptcy Code is thus
24 not applicable.

25 **T. Best Interests Of Creditors (11 U.S.C. § 1129(a)(7)).** The Plan satisfies section
26 1129(a)(7) of the Bankruptcy Code. The liquidation analysis attached as an exhibit to the Disclosure
27 Statement and other evidence proffered or adduced at the Confirmation Hearing (a) are persuasive
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1 and credible, (b) have not been controverted by other evidence, and (c) establish that each holder of
2 an impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on
3 account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than
4 the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7
5 of the Bankruptcy Code on such date.

6 **U. Acceptance Or Rejection By Certain Classes (11 U.S.C. § 1129(a)(8)).** Classes
7 2, 3, 4, 5, and 6 are Classes of unimpaired Claims and Interests that are conclusively presumed to
8 have accepted the Plan under section 1126(f) of the Bankruptcy Code. Class 1 has voted to accept
9 the Plan in accordance with sections 1126(c) and (d) of the Bankruptcy Code. As set forth in the
10 Tabulation Declaration, 92.56% in amount and 90.91% in number of those holders of Class 1 Bank
11 Group Claims voting on the Plan voted to accept the Plan. No other Classes of Claims or Interests
12 were entitled to vote on the Plan. Section 1129(b) of the Bankruptcy Code is inapplicable in these
13 Chapter 11 cases because all of the requirements of section 1129(a) of the Bankruptcy Code have
14 been satisfied.

15 **V. Treatment Of Administrative And Priority Claims (11 U.S.C. § 1129(a)(9)).** The
16 treatment of Administrative Claims, Priority Tax Claims, and Other Priority Claims pursuant to
17 Articles II and III of the Plan satisfies the requirements of sections 1129(a)(9)(A), (B), and (C) of the
18 Bankruptcy Code.

19 **W. Acceptance By Impaired Class (11 U.S.C. § 1129(a)(10)).** Class 1 is an Impaired
20 Class of Claims that voted to accept the Plan and, to the Debtors' knowledge, does not contain
21 insiders whose votes have been counted. Therefore, the requirement of section 1129(a)(10) of the
22 Bankruptcy Code that at least one Class of Claims against or Interests in the Debtors that is impaired
23 under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any
24 insider, has been satisfied.

25 **X. Feasibility (11 U.S.C. § 1129(a)(11)).** The projections set forth in the Disclosure
26 Statement and other evidence proffered or adduced by the Debtors at the Confirmation Hearing or in
27 support of confirmation of the Plan with respect to feasibility, including the Hunnell Declaration, (a)
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1 are persuasive and credible, (b) have not been controverted by other evidence, and (c) establish that
2 confirmation of the Plan is not likely to be followed by the need for further financial reorganization
3 of the Reorganized Debtors, thus satisfying the requirements of section 1129(a)(11) of the Bankruptcy
4 Code.

5 **Y. Payment Of Fees (11 U.S.C. § 1129(a)(12)).** All fees payable under section 1930 of
6 title 28, United States Code, as determined by the Court, have been paid or will be paid on the
7 Effective Date pursuant to Article XII.B of the Plan, thus satisfying the requirements of section
8 1129(a)(12) of the Bankruptcy Code.

9 **Z. Continuation Of Retiree Benefits (11 U.S.C. § 1129(a)(13)).** All obligations under
10 existing retiree benefit programs maintained for the benefit of the Debtors' employees will continue
11 to be honored by the Debtors. The Debtors, therefore are not rejecting any retiree benefits within the
12 meaning of 11 U.S.C. § 1114 upon the Effective Date. Thus, the requirements of section 1129(a)(13)
13 of the Bankruptcy Code are satisfied.

14 **AA. Principal Purpose (11 U.S.C. § 1129(d)).** The principal purpose of the Plan is neither
15 the avoidance of taxes nor the avoidance of section 5 of the Securities Act of 1933, and no party has
16 objected to the confirmation of the Plan on any such grounds. The Plan therefore satisfies the
17 requirements of section 1129(d) of the Bankruptcy Code.

18 **BB. Good Faith Solicitation (11 U.S.C. § 1125(e)).** Based on the record before the Court
19 in these Chapter 11 cases, the Debtors and their directors, officers, employees, equity holders,
20 members, agents, advisors, accountants, financial advisors, consultants, attorneys, and other
21 representatives have acted in good faith within the meaning of section 1125(e) of the Bankruptcy
22 Code and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules
23 in connection with all of their respective activities relating to the solicitation of acceptances of the
24 Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and
25 are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation
26 and injunctive provisions set forth in Article XI of the Plan.
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CC. Satisfaction Of Confirmation Requirements. The Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

DD. Retention Of Jurisdiction. The Court may properly retain jurisdiction over the matters set forth in Article X of the Plan and section 1142 of the Bankruptcy Code.

EE. Releases, Injunctions, Exculpation, And Limitation Of Liability. The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the U.S. Code to approve the injunctions and related matters set forth in Article XI of the Plan.

FF. Waiver Of Stays Under Bankruptcy Rules. Under the circumstances, it is appropriate that the ten-day stay imposed by Fed. R. Bankr. P. 3020(e), 6004(h), and 6006(d) be waived.

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