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IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN MARIANA ISLANDS

BANKRUPTCY DIVISION

In re **IMPERIAL PACIFIC INTERNATIONAL (CNMI) LLC,** Debtor and Debtor-in-Possession.	Case No. 1:24-bk-00002 Chapter 11 **DISCLOSURE STATEMENT DESCRIBING JOINT CHAPTER 11 PLAN OF LIQUIDATION, DATED OCTOBER 31, 2025 BY DEBTOR AND OFFICIAL COMMITTEE OF GENERAL UNSECURED CREDITORS** Hearing Date: [To be Set] Time: [To be Set] Judge: Hon. Robert J. Faris

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I.

INTRODUCTION

Imperial Pacific International (CNMI) LLC, the above-captioned debtor and debtor in possession (the "Debtor") and the Official Committee of General Unsecured Creditors (the "Committee") in the above-captioned chapter 11 case (the "Chapter 11 Case"), prepared this Disclosure Statement (the "Disclosure Statement") in connection with the solicitation of votes for acceptance of the Joint *Chapter 11 Plan of Liquidation Dated October 31, 2025 by Debtor and the Official Committee of General Unsecured Creditors* (the "Plan").[1] This Disclosure Statement is intended to provide adequate information of a kind, and in sufficient detail, to enable the Debtor's creditors ("Creditors") to make an informed judgment about the Plan, including whether to vote to accept or reject the Plan.

On April 19, 2024, the Debtor commenced this case by filing a voluntary petition under chapter 11 of title 11 of the United States Code. The Debtor remains a debtor in possession pursuant to 11 U.S.C. Sections 1107 and 1108. Chapter 11 allows the Debtor, and in some cases creditors and other parties in interest to propose a plan. The Debtor and the Committee are the proponents of the Plan which is being sent to you in the same envelope as this document. **THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN**.

A plan may provide for the debtor to reorganize by continuing to operate, to liquidate by selling the assets of its estate, or a combination of both, among other options. The Plan being proposed is a liquidating plan. In other words, the Debtor seeks to wind up its affairs, liquidate its remaining assets, and make payments to Creditors of this Estate.

The Effective Date of the Plan will be the first Business Day that is practicable following the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court with respect to the Chapter 11 Case on which (a) the conditions to effectiveness of the Plan set forth in Section VIII.A of the Plan have been satisfied or otherwise waived in accordance with Section VIII.B or VIII.C of the Plan and (b) no stay of the Confirmation Order is in effect.

[1] Any capitalized term not defined herein shall have the meaning ascribed to it in the Plan.

The Debtor and the Committee believe the Plan represents the best possible return to holders of Claims. Accordingly, the Debtor and the Committee strongly recommend all creditors vote to accept the Plan.

A. <u>Purpose of This Document.</u>

This Disclosure Statement summarizes what is in the Plan, and tells you certain information related to the Plan as well as the procedures the Court will follow in order to determine whether or not to confirm the Plan.

<u>READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT</u>:

(1) WHO CAN VOTE OR OBJECT;

(2) WHAT THE TREATMENT OF YOUR CLAIM IS (*i.e.*, what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION;

(3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY;

(4) WHAT FACTORS THE COURT WILL CONSIDER WHEN DECIDING WHETHER OR NOT TO CONFIRM THE PLAN;

(5) WHAT IS THE EFFECT OF CONFIRMATION; AND

(6) WHETHER THE PLAN IS FEASIBLE.

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own attorney to obtain more specific advice on how the Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as this Disclosure Statement. If there are any inconsistencies between the Plan and this Disclosure Statement, the provisions contained in the Plan will govern.

The Bankruptcy Code requires a disclosure statement to contain "adequate information" concerning the Plan. The Court has approved this document as containing enough information to enable parties affected by the Plan to make an informed judgment about the Plan.

B. Exhibits to this Disclosure Statement.

Exhibit 1 attached hereto contains the liquidation analysis that shows an estimate of what distributions would be made to creditors in a hypothetical chapter 7 liquidation.

C. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing.

THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL CREDITORS, INTEREST HOLDERS, AND INTERESTED PARTIES IN THIS CASE.

1. Time and Place of the Hearing on Confirmation of the Plan.

The hearing where the Court will determine whether or not to confirm the Plan will take place on _____, 2025 at __:00 _.m. Chamorro Standard Time (ChST), in the 3rd Floor Courtroom, 21671 Gualo Rai Rd., Gualo Rai, Saipan, MP 96950.

2. Deadline For Voting For or Against the Plan.

If you are entitled to vote, it is in your best interest to timely vote by executing the enclosed ballot and returning the executed ballot to:

KCC dba Verita Global
222 N. Pacific Coast Hwy., Ste. 300
El Segundo, CA 90245

Alternatively, your ballot can be filed electronically on Verita's website at https://www.veritaglobal.net/ipi. Your ballot must be received by _____, ____, **at 5:00 p.m.** Chamorro Standard Time (ChST)**,** at the address above, or it will not be counted.

3. Deadline For Objecting to Confirmation of the Plan.

Objections to confirmation of the Plan must be filed with the Court and served upon counsel for the Debtor and the Committee at the address listed in the upper left-hand corner of the first page of this Disclosure Statement by _____**, 2025**.

4. Identity of Person to Contact for More Information Regarding the Plan.

Any interested party desiring further information about the Plan should contact counsel of record for the Debtor, Chuck C. Choi and Allison A. Ito of Choi & Ito, 700 Bishop Street, Suite

1107, Honolulu, HI 96813, telephone: 808-533-1877, facsimile: 808-566-6900; email: cchoi@hibklaw.com; and aito@hibklaw.com. Unsecured creditors may also contact counsel of record for the Official Committee of General Unsecured Creditors, Aram Ordubegian and Christopher K.S. Wong of ArentFox Schiff LLP, 555 South Flower Street, 43rd Floor, Los Angeles, California 90071, telephone: (213) 629-7400, facsimile: (213) 629-7401; email: aram.ordubegian@afslaw.com; and christopher.wong@afslaw.com.

D. Disclaimer.

The financial data relied upon in formulating the Plan is based on the events of this Case and the Debtor's books and records, which unless otherwise indicated, are unaudited. The information contained in this Disclosure Statement is provided solely by the Debtor from the Debtor's review of its books and records, its bankruptcy schedules of assets and liabilities, statement of financial affairs, proofs of claim filed in this Case, and its observations during the pendency of this Case. The Debtor represents that everything stated in the Disclosure Statement is true and correct to the Debtor's best knowledge. The Court has not yet determined whether or not the Plan is confirmable and makes no recommendation as to whether or not you should support or oppose the Plan.

II.

BACKGROUND INFORMATION

A. The Debtor's Operations and Events Leading to the Filing of this Case.

In 2014, the Commonwealth Lottery Commission issued an exclusive casino license (the "Casino License") for the island of Saipan to the Debtor and its sole member, Best Sunshine International, Ltd., which required, among other things, the payment of $15 million in annual Casino License fees. The Debtor opened its casino in 2014. It made $90 million in Casino License fee payments from 2014 to 2019. The casino is primarily situated on property leased from the CNMI Department of Public Land (the "DPL").

The COVID-19 Pandemic forced the closure of the Debtor's operations in March 2020. In April 2021, the Debtor's Casino License was suspended by the Commonwealth Casino

Commission (the "CCC") for nonpayment of fees and other alleged monetary defaults. The Debtor's primary real estate assets consist of (1) an unfinished hotel building with a casino, (2) a leasehold interest in approximately 19,204 square meters of land leased from the DPL under Lease Agreement No. LA-15-002S (the "Leasehold Property"), and (3) Debtor's ownership interest in Imperial Pacific Properties, LLC, which holds leasehold interests in eight lots adjacent to the Leasehold Property.

On April 19, 2024, the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States District Court for the District of the Northern Mariana Islands, bankruptcy division (the "Bankruptcy Court"). The Debtor is a limited liability company organized under the laws of the Commonwealth of the Northern Mariana Islands ("CNMI") and is continuing to manage its property as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. On May 14, 2024, the Office of the United States Trustee appointed three (3) members to the Committee pursuant to Section 1102 of the Bankruptcy Code. ECF No. 54.

B. <u>Retention and Employment of Professionals.</u>

During the Chapter 11 Case, the following Professionals were retained to assist in the administration of the Debtor's Chapter 11 Case: (i) Choi & Ito as general bankruptcy and restructuring counsel and McDonald Law Office as co-counsel to the Debtor (employment order entered June 28, 2024) [ECF. No. 151]; (ii) the Michael Chen Law Offices as special litigation counsel to the Debtor (employment order entered June 28, 2024) [ECF. No. 146]; (iii) ArentFox Schiff LLP ("AFS") as general bankruptcy counsel to the Committee (employment order entered July 8, 2024) [ECF. No. 162]; (iv) Chambers Law LLC as local counsel to the Committee (employment order entered July 8, 2024) [ECF. No. 163]; (v) Kurtzman Carson Consultants, LLC dba Verita Global as claims and noticing agent to the Debtor (employment order entered August 30, 2024) [ECF. No. 214]; (vi) Intrepid Investment Bankers LLC ("Intrepid") as investment banker to the Committee (employment order entered October 5, 2024) [ECF. No. 276]; and (vii) KCL & Partners as special litigation counsel to the Debtor (employment order entered April 2, 2025) [ECF. No. 413].

C. Filing of Schedules and Statements.

On May 23, 2024, the Debtor filed its schedules of assets and liabilities and statement of financial affairs [Dkt. No. 74] (collectively, the "Schedules").

D. Claims Bar Date.

On October 8, 2024, the Bankruptcy Court entered an order establishing deadlines for filing Proofs of Claim [ECF. No. 277] (the "Bar Date Order"). Pursuant to the Bar Date Order, the Court set December 2, 2024 as the deadline for filing a Proof of Claim for any Claim against the Debtor by any Entity that arose before the Petition Date (the "General Bar Date").

E. Sale of the Property.

1. Preliminary Discussions and Decision to Sell the Property.

The Debtor's initial exit strategy involved reinstating its Casino License and resuming operations, forming a plan based on this premise. However, it became clear early that Debtor could not reach an agreement with the CCC to renew the Casino License and restart operations. Recognizing that the Debtor's original exit strategy was no longer feasible, the Committee worked diligently and collaboratively with the Debtor to implement a comprehensive sale process for the Debtor's business and assets.

The Debtor's financial condition did not allow for an extensive postpetition sale process. As set forth in detail in the *Final Order Authorizing Debtor to Obtain Postpetition Indebtedness* [ECF No. 173] (the "DIP Loan Order"), the Court approved a total of $1.4 million for debtor in possession financing (the "DIP Loan") from Loi Lam Sit ("Mr. Sit") pursuant to the approved budget provided in the DIP Loan Order. As the Debtor had ceased operations and no longer generated revenue, the DIP Loan became the sole financial resource available to address the estate's liquidity needs and certain fundamental stabilizing expenses, such as utilities, insurance, payroll, and rent, as well as the professional fees incurred in this case. In short, the Debtor's liquidity position dictated that the sale be consummated on an expedited basis.

2. The Marketing of the Property.

On August 14, 2024, Debtor filed its motion seeking approval of bid procedures for sale of substantially all of the Debtor's assets [ECF No. 182] (the "Bid Procedures Motion"). Mr. Sit, who

made the DIP Loan, submitted an initial bid for $10 million for the Assets. In conjunction with the Bid Procedures Motion, Debtor submitted an employment application to retain Keen-Summit Capital Partners LLC as a real estate broker [ECF No. 222] (the "Keen-Summit Application"). On the other hand, the Committee believed Debtor should first be marketed as a holistic business, and thus, filed an employment application to engage Intrepid as an investment banker. This was a heavily contested matter. The Debtor engaged in detailed negotiations with the Committee, the OUST, and related parties to address and resolve the multifaceted disputes involved in the Bid Procedures Motion. After these extensive briefings, on October 19, 2024 the Court denied the Bid Procedures Motion, approved the employment of Intrepid.

Beginning in September 2024, the Debtor, the Committee, and Intrepid diligently crafted comprehensive marketing materials, set up a virtual data room and executed an extensive marketing process, all of which facilitated a transparent and equitable process for potential buyers to conduct due diligence on the Assets. Intrepid's robust marketing efforts included contacting nearly 100 potential interested buyers including casino operators and distressed investors in Southeast Asia, Oceania, the United States, and around the world.

On January 4, 2025, the Debtor and the Committee filed a *Stipulation (a) to Establish Bidding Procedures for the Sale of the Assets of the Debtor, (b) to Designate a Stalking Horse Bidder, (c) to Schedule an Auction and a Sale Hearing, and (d) to Establish Assumption and Assignment Procedures* [ECF No. 338] (the "Joint Bid Procedures"). On January 8, 2025, the Court approved the Joint Bid Procedures proposed by the Debtor and the Committee. ECF No. 340.

3. <u>The Auction and Sale.</u>

After extensive negotiations, Mr. Sit agreed to purchase the Assets as a stalking horse bidder for the purchase price of $12.5 million (not including the Casino License) and an additional $2.5 million if he is allowed to assume the Casino License with CCC consent (with related costs to be borne by Mr. Sit), as well as serve as the stalking horse bidder, subject to overbids, under the terms of the approved Joint Bid Procedures. On February 14, 2025, the Debtor and the Committee filed their *Joint Motion of Debtor and Official Committee of General Unsecured Creditors for Order (I) Approving the Sale of Substantially All of the Debtor's Assets Free and Clear of All Liens, Claims,*

and Encumbrances Pursuant to 11 U.S.C. § 363, Subject to Overbids; and (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Cure Amounts Associated Therewith (the "Sale Motion") [ECF No. 367] seeking approval for the sale of substantially all of the Debtor's assets to Loi Lam Sit for $12,500,000.00 plus an additional $2,500,000.00 if the Casino License is assigned to the buyer under certain conditions, subject to overbid.

At the auction held on February 26, 2025, the Assets were sold to Team King Investment (CNMI) LLC (the "Buyer" or "Team King") for $12,950,000.00 (the "Purchase Price"), with terms set forth in the Asset Purchase Agreement ("APA") entered into by Team King and the Debtor is filed as ECF No. 427. Under the APA, Team King holds an option to acquire an exclusive casino license for the island of Saipan for a payment of $2,500,000.00 to the Debtor, which is in addition to the Purchase Price.

On March 11, 2025, the Commonwealth of the Northern Mariana Islands and Joshua Gray ("Gray"), respectively, filed their oppositions to the Sale Motion. ECF Nos. 388 and 390. On April 23, 2025, the Debtor, the Committee, and creditors the CNMI, the CCC, Gray, U.S.A. Fanter Corporation, Ltd. ("Fanter"), and the Law Office of Michael W. Dotts ("Dotts") entered into a stipulation to resolve the disputes regarding the Sale Motion [ECF. No. 428] (the "Sale Stipulation") wherein the CNMI, Gray, Fanter, and the CCC agreed to settle their claims, subject to Bankruptcy Court approval. In summary, Gray, Dotts, and Fanter agreed to amend their respective claims to assert general unsecured claims only upon receipt of no less than $1,500,000.00 in aggregate from the sale proceeds; the CNMI Department of Finance, Division of Revenue and Taxation agreed to accept $5,000,000 in full satisfaction of its secured claim; and the CNMI Department of Finance, Division of Revenue and Taxation and the CCC agreed to subordinate their claims.

The Sale Motion also requested that the Court confirm that it approved the assumption by and assignment of the lease of the Leasehold Property with the DPL to the Buyer to ensure that the Debtor owed no outstanding cures to the CNMI in connection with the Debtor's assumption and assignment of the lease to the Buyer.

On May 1, 2025, the Court entered its order approving the Sale Motion [ECF. No. 433] (the "Sale Order"). On August 21, 2025, the Debtor apprised the Court that the sale was closed on

August 20, 2025 and all interested parties that the sale of Assets had closed. After the deduction of sale-related expenses and disbursement of settlement payments from escrow pursuant to the Sale Stipulation and Sale Order, the Remaining Sale Proceeds in the escrow total approximately $6,441,436.25.

F. Pending and Contemplated Litigation.

On the Petition Date, the Debtor was party to more than 200 litigation matters, as reflected in Schedule A and the Statement of Financial Affairs filed on May 23, 2024 (ECF No. 74). The majority of these actions—primarily suits to recover gaming-related debts in the Superior Court for the Northern Mariana Islands—were included among the assets sold to Team King.

Currently, there are no pending adversary proceedings in the Bankruptcy Court. Under Federal Rules of Bankruptcy Procedure 9027(b), notice of removal to bankruptcy court for litigation that is pending when a bankruptcy case is commenced must be filed within the longest of "(A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under §362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief." In this case, the deadline to remove all but one of the pending litigation matters in other courts has passed.

III.

SUMMARY OF THE PLAN

A. Overview.

As required by the Bankruptcy Code, this Plan classifies claims and interests in various classes according to their right to priority and other relative rights in a way that comports with Section 1112 of the Bankruptcy Code. The Plan lists each class of Claims established under the Plan and states whether each class is impaired or unimpaired by this Plan.

Class	Description of Class	Voting Status
Class 1	Priority Non-Tax Claims	Unimpaired. Not entitled to vote.
Class 2(A)	Secured Claim of CNMI Department of	Unimpaired. Not entitled to vote.

	Finance, Division of Revenue and Taxation	
Class 2(B)	Secured Claims of Joshua Gray, U.S.A. Fanter Corporation, Ltd., and the Law Office of Michael W. Dotts	Unimpaired. Not entitled to vote.
Class 2(C)	Other Secured Claims	Impaired. Entitled to vote.
Class 3(A)	General Unsecured Claim of Commonwealth Casino Commission	Impaired. Entitled to vote.
Class 3(B)	General Unsecured Claim of the Commonwealth Treasurer	Impaired. Entitled to vote.
Class 3(C)	General Unsecured Claim of Joshua Gray, U.S.A. Fanter Corporation, Ltd., and the Law Office of Michael W. Dotts	Impaired. Entitled to vote.
Class 3(D)	Other General Unsecured Claims	Impaired. Entitled to vote.
Class 4	Interest Holders	Impaired and deemed to reject the Plan. Not entitled to vote.

B. <u>Treatment of Unclassified Claims.</u>

Certain types of Claims are not placed into voting classes; instead, they are unclassified. As such, they are not considered impaired and do not vote on the Plan because they are automatically entitled to specific treatment as provided in the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Lender and Break Up Fee Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and thus, are excluded from the Classes of Claims and Interests set forth in Article III.C hereof.

1. <u>Administrative Claims.</u>

Except to the extent that an Allowed Administrative Expense Claim (i) is not yet due, (ii) is paid before the Effective Date, or (iii) agrees to a different treatment in full satisfaction, settlement,

and release of an in exchange for each Allowed Administrative Expense Claim (excluding any Professional Compensation and Reimbursement Claim), the holder thereof shall receive Cash from the Debtor or the Liquidating Trustee, as applicable, equal to the amount of such Administrative Expense Claim on or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date on which such Administrative Expense Claim becomes Allowed by the Final Order. Allowed Administrative Expense Claims not yet due and owing as of the Effective Date shall be paid by the Liquidating Trustee in the ordinary course of business, unless otherwise agreed to in writing by the Liquidating Trustee and the holder.

Except as otherwise provided herein, requests for payment of Administrative Claims must be filed and served on the Debtor and the Liquidating Trustee no later than the applicable Administrative Expense Claims Bar Date. Holders of Administrative Expense Claims (other than Professional Compensation and Reimbursement Claims) that are required to, but do not, file and serve a request for payment of such Administrative Expense Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Expense Claims against the Debtor, the Liquidating Trust or the Liquidating Trustee, or their property, and such Administrative Expense Claims shall be deemed satisfied as of the Effective Date. Objections to requests for payment of Administrative Expense Claims shall be filed no later than five (5) Business Days before the hearing on such Claims. Notwithstanding the foregoing, no request for payment of an Administrative Expense Claim need be filed with respect to (i) any Administrative Expense Claim previously Allowed by a Final Order, including any Administrative Expense Claim expressly Allowed under the Plan.

The following chart lists all of the Estate's § 507(a)(2) administrative claims and their treatment under the Plan.

Name	**Amount Currently Owed**	**Amount Previously Paid**	**Treatment**
Payroll for Employees and Bookkeeper	$105,000 (est.)	n/a	Paid in full on the Effective Date, unless claimant agrees to a different treatment.

Choi & Ito, General Bankruptcy and Restructuring Counsel for Debtor and Debtor-in-Possession	$208,992 (est.)	$220,746.20[2]	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.
McDonald Law Office, Local Co-Counsel for Debtor and Debtor-in-Possession	$25,364.39 (est.)	$0.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.
Michael Chen Law Offices, Special Litigation Counsel for the Debtor and Debtor-in-Possession	$11,536.00 (est.)	$46,144.00[3]	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.
ArentFox Schiff LLP, Counsel for the Official Committee of Unsecured Creditors	$509,113.70 (est.)	$283,553.90[4]	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.
Chambers Law LLC, Local Co-Counsel for the Official Committee of Unsecured Creditors	$4,327.80 (est.)	$3,575.00[5]	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.
Kurtzman Carson Consultants, LLC dba Verita Global, Claims and Noticing Agent for Debtor and Debtor-	$123,414.54[6] (est.)	$0.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.

[2] The payments to the firm were made pursuant to the *Order Establishing Interim Fee Application and Expense Reimbursement* Procedures on A Final Basis [ECF No. 147].

[3] The payments to the firm were made pursuant to the *Order Establishing Interim Fee Application and Expense Reimbursement* Procedures on A Final Basis [ECF No. 147].

[4] The payments to the firm were made pursuant to the *Order Establishing Interim Fee Application and Expense Reimbursement* Procedures on A Final Basis [ECF No. 147].

[5] The payments to the firm were made pursuant to the *Order Establishing Interim Fee Application and Expense Reimbursement* Procedures on A Final Basis [ECF No. 147].

[6] On August 30, 2024, the Court approved the employment of Kurtzman Carson Consultants, LLC dba Verita Global as the Claims and Noticing Agent for Debtor and Debtor-in-Possession pursuant to 28 U.S.C. § 156(c) [Dkt. No. 214]. The Debtor and the Committee are authorized to compensate the Claims and Noticing Agent for services provided in accordance with the terms of the Verita Agreement and the Order upon the receipt of reasonably detailed invoices setting forth the services provided by the Claims and Noticing Agent and the rates charged for each, and to reimburse the Claims and Noticing Agent for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, without the need for the Claims and Noticing Agent to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses.

in-Possession			
Intrepid Investment Bankers LLC, Investment Banker for Debtor and Debtor-in-Possession	$1,110,036.49[7] (est.)	$50,000.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment. Final claim amount pending order approving final fee application.
Loi Lam Sit as DIP Facility lender and potential Break-up Fee	$1,400,000.0[8]	$0.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment.
Loi Lam Sit as Stalking Horse Bidder, potential Break-up Fee	$200,000.00 (est.)[9]	$0.00	Paid in full upon order of the Bankruptcy Court, unless claimant agrees to a different treatment.
Saipan Stevedore Company, Inc.	$222,430.00[10]	$0.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment.
Internal Revenue Services	$43,714.00 (est.) for postpetition taxes	$0.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment.

[7] On October 5, 2024, the Court approved the employment of Intrepid Investment Bankers LLC as Investment Banker for Debtor and Debtor-in-Possession pursuant to 11 U.S.C. §§ 328 and 1103 [Dkt. No. 276]. According to this order, no compensation shall be paid to Intrepid absent an order of this Court approving a fee application, except that the Debtor is authorized to pay Intrepid on a monthly basis without a prior fee application in accordance with the compensation procedure set forth in the *Order Establishing Interim Fee Application and Expense Reimbursement Procedures on a Final Basis* entered on June 28, 2024 (Dkt. No. 149).

[8] On July 18, 2024, the Court granted the *Motion for Authorizing Debtor to Obtain Postpetition Secured Indebtedness* on a final basis [Dkt. No. 173], which provides that all advances of the DIP facility shall be afforded administrative priority status pursuant to 11 U.S.C. § 364(b) as an administrative expense, but only for funds actually advanced by Lender to benefit the estate pursuant to the budget; provided, however, that Lender's priority shall be subject to the Carve Out.

[9] Pursuant to the Sale Stipulation and the Sale Order, Loi Lam Sit's request in the Sale Motion for the approval and payment of a Break-up Fee was withdrawn, without prejudice to Loi Lam Sit seeking its approval in a separate motion. To date, no such request has been submitted to the Bankruptcy Court.

[10] On September 23, 2025, the Court approved a stipulation permitting a Chapter 11 administrative expense claim by Saipan Stevedore Company, Inc. in the amount of $222,430.00 pursuant to 11 U.S.C. §503(b)(1)(A).

Commonwealth of Northern Mariana Islands	$11,354.09 (est.) for postpetition taxes	$0.00	Paid in full on the Effective Date, unless claimant agrees to a different treatment.
Clerk's Office Fees	Unknown, but estimated to be less than $1,000	$0.00	Paid in full on the Effective Date.
Office of the U.S. Trustee Fees	Unknown, but estimated to be less than $3,000	$15,701.02 (approx)	Paid in full on the Effective Date.
TOTAL	$4,029,283 (est.)		

2. <u>Professional Compensation and Reimbursement Claims.</u>

All Entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under Sections 327, 328, 329, 330, 331, 503, or 1103 of the Bankruptcy Code (i) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is sixty (60) days after the Effective Date, and (ii) shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (A) on the date on which the order relating to any such Professional Compensation and Reimbursement Claim is entered or (B) upon such other terms as may be mutually agreed upon between the holder of such a Professional Compensation and Reimbursement Claim and the Liquidating Trustee. Holders of Professional Compensation and Reimbursement Claims that do not file and serve such application by the required deadline shall be forever barred from asserting such Professional Compensation and Reimbursement Claims against the Debtor, its properties, or the Liquidating Trust, and such Claims shall be deemed waived as of the Effective Date. Objections to Professional Compensation and Reimbursement Claims shall be filed no later than seven (7) Business Days before the hearing on such Claims. The Liquidating Trust is authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Effective Date in the ordinary course

and without the need for Bankruptcy Court approval, including the reasonable fees and expenses of professionals employed subsequent to the Effective Date by the Liquidating Trustee.

3. Claims of Loi Lam Sit.

Loi Lam Sit's claims as DIP Facility lender shall be deemed to be Allowed for all purposes as an Administrative Claim in an amount equal to (i) the principal amount outstanding under the DIP Facility on such date, (ii) all interest accrued and unpaid thereon to the date of payment without prejudice to Loi Lam Sit asserting a separate claim for a $200,000.00 Break-up Fee as provided in the Sale Order. Except to the extent that Mr. Sit agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of the Allowed DIP Facility Claim and any Break-up Fee Claim as may be allowed by the Court, on the Effective Date, Mr. Sit shall receive payment in full in Cash.

4. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim has not been paid by the Debtor before the Effective Date, each holder of an Allowed Priority Tax Claim shall receive, on account of and in full and complete settlement, release, and satisfaction of, and in exchange for, such Allowed Priority Tax Claim Cash, an amount equal to such Allowed Priority Tax Claim on the later of (i) the date that is fourteen (14) days after the Effective Date or (ii) fourteen (14) days after such Priority Tax Claim becomes an Allowed Priority Tax Claim.

The following chart lists all of the Estate's Section 507(a)(8) priority tax claims and their treatment under the Plan:

Description	Amount Owed	Treatment
Internal Revenue Services	$2,049,977.49 (est.)	Paid in full on the later of (i) the date that is fourteen (14) days after the Effective Date or (ii) fourteen (14) days after such Priority Tax Claim becomes an Allowed Priority Tax Claim.
Department of Revenue & Taxation of the Commonwealth	$0.00	Paid in full.[11]

[11] On May 1, 2025, the Court granted the *Stipulation Resolving Section 363 Objections to Sale Motion* [Dkt. No. 428] (the "Sale Stipulation"), approved as part of the *Order Granting Joint Motion of Debtor and Official Committee of General Unsecured Creditors for Order (I)* Approving *the Sale of Substantially all of the Debtor's Assets Free and Clear of All Liens, Claims, and Encumbrances Pursuant to 11 U.S.C. § 363, Subject to Overbids; and (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Cure Amounts Associated Therewith* [Dkt. No.

Description	Amount Owed	Treatment
Acting Secretary of Labor Julie Su, United States Department of Labor	$0.00	Satisfied in full.[12]
TOTAL	**$2,049,977.49 (est.)**	

5. Office of the United States Trustee Fees.

All fees payable pursuant to Section 1930 of Title 28 of the United States Code and any applicable interest thereon pursuant to Section 3717 of Title 31 of the United States Code that are due and payable as of the Effective Date shall be paid on the Effective Date. All such fees and any applicable interest thereon that become due and payable after the Effective Date shall be paid by the Liquidating Trustee with funds from the Liquidating Trust Assets when such fees become due and payable, and shall continue to be paid until the entry of a final decree closing the Chapter 11 Case or conversion or dismissal of the Chapter 11 Case, whichever is earlier.

C. Treatment of Classified Claims and Interests.

1. Class 1 – Priority Non-Tax Claims

Description. Certain priority claims that are referred to in Bankruptcy Code Sections 507(a)(3), (4), (5), (6), and (7) are required to be placed in a class or classes. These types of claims are entitled to priority treatment as follows: each holder of such a claim receives cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims.

433] (the "Sale Order"). Pursuant to the Sale Order and the Sale Stipulation, the claim of Department of Revenue & Taxation of the Commonwealth shall be deemed as $0 after its receipt of $5,000,000.00 from the sale proceeds. Upon the closing of the sale, $5,000,000.00 was distributed to the Department of Revenue & Taxation of the Commonwealth.

[12] On July 24, 2024, the Court granted a certain *Stipulation Pursuant to 11 U.S.C. § 362 Consenting to Relief from Stay with Respect to Acting Secretary of Labor, Julie Su* [Dkt. Nos. 175 and 176], which permitted the United States Department of Labor to sell the non-estate property, the "Lot 463 Parcels" owned by Debtor's affiliate Green Estate Holdings (CNMI) to satisfy this claim.

Treatment. Each holder of an Allowed Priority Non-Tax Claim shall receive Cash equal to the Allowed amount of such Claim on the Effective Date, or as soon as practicable thereafter, unless the holder agrees to other treatment.

Class 1 is unimpaired under the Plan. Holders of Claims in Class 1 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. <u>Class 2(A) – Secured Claim of CNMI Department of Finance, Division of Revenue and Taxation (Notice Only)</u>.

Description. Class 2(A) consists of the secured Claim of CNMI Department of Finance, Division of Revenue and Taxation ("DRT"). According to Proof of Claim No. 26 in the claims register maintained by the Debtor's claims agent, Kurtzman Carson Consultants, LLC dba Verita Global (the "Claims Register"), DRT is a holder of a Claim secured by substantially all of the assets of the Debtor in the amount of $7,709,454.64 (the "DRT Claim"). The purported basis of the DRT Claim is a tax lien recorded, respectively, on August 20, 2020, October 27, 2020, March 4, 2021, and December 12, 2023 under CNMI Tax Law for taxes, penalties, and interest.

As set forth in the *Stipulation Resolving Section 363 Objections to Sale Motion* [Dkt. No. 428] (the "Sale Stipulation"), DRT shall amend the DRT Claim to the amount of $0 within fourteen (14) days of receipt of no less than $5,000,000.00 from the Sale Proceeds; provided that in the event DRT fails to file an amended proof of claim, the DRT Claim shall nevertheless be deemed amended.

As authorized by the *Order Granting Joint Motion of Debtor and Official Committee of General Unsecured Creditors for Order (I)* Approving *the Sale of Substantially all of the Debtor's Assets Free and Clear of All Liens, Claims, and Encumbrances Pursuant to 11 U.S.C. § 363, Subject to Overbids; and (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Cure Amounts Associated Therewith* [Dkt. No. 433] (the "Sale Order"), upon the closing of the sale on August 20, 2025, DRT was paid $5,000,000.00 through escrow, which represents a full satisfaction of the DRT Claim.

Treatment. The Claim by DRT has been satisfied in full and DRT is listed in Class 2(A) for noticing purposes only.

Class 2(A) is unimpaired and is not entitled to vote on the Plan.

3. <u>Class 2(B) – Secured Claims of Joshua Gray, U.S.A. Fanter Corporation, Ltd., and the Law Office of Michael W. Dotts (Notice Only).</u>

Description. Class 2(B) consists of the secured Claims of Joshua Gray ("Gray"), U.S.A. Fanter Corporation, Ltd. ("Fanter"), and the Law Office of Michael W. Dotts ("Dotts"). According to Proof of Claim No. 18 in the Claims Register, Dotts is the holder of a Claim secured in second position against substantially all of the Debtor's assets in the amount of $247,973.70 as of the Petition Date (the "Dotts Claim"). The purported basis of the Dotts Claim is a court granted lien on a default judgment dated December 20, 2021. According to Proof of Claim No. 19 in the Claims Register, Gray is the holder of a Claim secured in junior position against certain personal property of the Debtor in the amount of $5,467,083.29 as of the Petition Date (the "Gray Claim"). The purported basis of the Gray Claim is a recorded Judgment in a Civil Action in the Commonwealth Recorder's Office dated June 6, 2023 and a Writ of Execution issued by the United States District Court for the Northern Mariana Islands on August 16, 2023 and executed by the U.S. Marshal on August 21, 2023. According to Proof of Claim Nos. 39 and 76 in the Claims Register, Fanter is the holder of two Claims secured in junior position against certain personal property of the Debtor in the total amount of $425,408.08 ($219,160.20 for Proof of Claim No. 39 and $506,247.88 for Proof of Claim No. 76) as of the Petition Date (the "Fanter Claims"). The purported basis of the Fanter Claims is Writs of Execution issued by the United States District Court for the Northern Mariana Islands, respectively, on June 20, 2023 and January 22, 2024, and executed by the U.S. Marshal on July 18, 2023 and January 25, 2024.

As set forth in the Sale Stipulation, Gray, Dotts, and Fanter shall amend their respective Claims to assert general unsecured claims only which shall be deemed allowed for all purposes in this Chapter 11 Case within fourteen (14) days of receipt of no less than $1,500,000.00 in aggregate from the Sale Proceeds. As authorized by the Sale Order, upon closing of the Sale on August 20, 2025, Gray, Dotts, and Fanter were paid $1,500,000.00 through escrow which represents a full satisfaction of their Secured Claims.

Treatment. The Claims by Gray, Dotts, and Fanter have been satisfied in full and DRT is listed in Class 2(B) for noticing purposes only.

4. <u>Class 2(C) – Other Secured Claims.</u>

Description. Class 2(C) consists of any secured Claims against the Debtor other than the DRT Claim, the Gray Claim, the Dotts Claim, and the Fanter Claims.

Treatment. After the Effective Date, all rights of the Debtor and the Estate to dispute, object to, and litigate any Other Secured Claims shall be transferred to the Liquidating Trust to be pursued by the Liquidating Trustee under the terms of this Plan and the Liquidating Trust Agreement. Each holder of an Allowed Other Secured Claim shall receive, in full and final satisfaction of such Claim, payment in full in Cash of such holder's Allowed Other Secured Claim, unless the holder agrees to other treatment. The treatment provided herein shall be in full satisfaction of the holders of Allowed Claims in Class 2(C).

Class 2(C) is impaired and is entitled to vote on the Plan.

5. <u>Class 3(A) – General Unsecured Claim of Commonwealth Casino Commission.</u>

Description. Class 3 consists of a General Unsecured Claim held by Commonwealth Casino Commission ("CCC"). According to Proof of Claim No. 25 in the Claims Register, CCC asserts a General Unsecured Claim in the amount of $17,625,000.00 (the "CCC Claim") for delinquent casino regulatory fees and fines.

Treatment. As set forth in the Sale Stipulation and as authorized by the Sale Order, the CCC Claim shall be entitled to receive a *pro rata* distribution from the Remaining Sale Proceeds and the Excluded Assets; however, it shall not be entitled to receive any distribution from the Casino License Fee. Notwithstanding the foregoing, in the event the buyer Team King Investment (CNMI), LLC, or its successor, designee, or assign (the "Buyer") exercises the Casino License Option and an agreement as to the Casino License is reached, the CCC will waive its right to receive any distributions from the Debtor or the estate and it shall amend the CCC Claim to the amount of $0; provided that in the event the CCC fails to file an amended POC, the CCC Claim shall nevertheless be deemed amended in accordance with this provision. The treatment provided herein shall be in full satisfaction of the holders of Allowed Claims in Class 3(A).

Class 3(A) is impaired and entitled to vote on the Plan.

6. <u>Class 3(B) – General Unsecured Claim of the Commonwealth Treasurer.</u>

Description. Class 3(B) consists of a General Unsecured Claim held by the Commonwealth Treasurer (the "Commonwealth"). According to Proof of Claim No. 27 in the Claims Register, the Commonwealth asserts a General Unsecured Claim in the amount of $77,512,850.00 (the "DRT Unsecured Claim") for delinquent annual casino license fees.

Treatment. As set forth in the Sale Stipulation and as authorized by the Sale Order, 70% of the DRT Unsecured Claim shall be subordinated (the "Subordinated DRT Portion") and 30% of the DRT Unsecured Claim will be entitled to its *pro rata* distribution to general unsecured creditors from the Remaining Sale Proceeds and the Excluded Assets (the "Initial DRT Distribution"). Additionally, in the event the Casino License Option is exercised, the Subordinated DRT Portion shall be paid a catch-up payment from the distribution of the Casino License Fee, which is calculated based on the *pro rata* distribution it would have received on account of the Subordinated DRT Portion (the "DRT Catchup Payment"), and the Commonwealth shall be entitled to the full amount of the DRT Unsecured Claim (minus the Initial DRT Distribution and the DRT Catchup Payment) for purposes of receiving its *pro rata* distribution to general unsecured creditors from the Casino License Fee. The treatment provided herein shall be in full satisfaction of the holders of Allowed Claims in Class 3(B).

Class 3(B) is impaired and entitled to vote on the Plan.

7. <u>Class 3(C) – General Unsecured Claims of Joshua Gray, U.S.A. Fanter Corporation, Ltd., and the Law Office of Michael W. Dotts</u>

Description. Class 3(C) consists of the remaining unsecured deficiency portions of the Dotts Claim, the Fanter Claim, and the Gray Claim, as set forth in the Sale Stipulation and the Sale Order. Dotts filed Proof of Claim No. 18 in the Claims Register asserting a secured Claim in the amount of $247,973.70 as of the Petition Date; Gray filed Proof of Claim No. 19 in the Claims Register asserting a secured Claim in the amount of $5,467,083.29 as of the Petition Date; and Fanter filed Proof of Claim Nos. 39 and 76 in the Claims Register asserting two secured claims totaling $425,408.08 ($219,160.20 under Proof of Claim No. 39 and $506,247.88 under Proof of

Claim No. 76) as of the Petition Date. Pursuant to the Sale Stipulation and the Sale Order, Gray, Dotts, and Fanter agreed to accept $1,500,000.00 in the aggregate from the Sale Proceeds in complete satisfaction of any and all secured Claims they have asserted or may assert in the Debtor's Chapter 11 Case, without prejudice to their resulting unsecured deficiency Claims. Upon their receipt of the $1,500,000 on August 20, 2025, the deficiency portions of the Dotts Claim, the Fanter Claim, and the Gray Claim shall be deemed general unsecured Claims for all purposes in the Bankruptcy Case.

Treatment. Except to the extent that a holder of a Class 3(C) Claim has agreed to a less favorable treatment of such Claim, and only to the extent that any such Claim has not been paid in full before the Effective Date, each holder of an Allowed Class 3(C) Claim shall receive, in full and complete satisfaction of such holder's Claim: (1) on a Distribution Date, its *Pro Rata* Share of the Net Available Cash from the Liquidating Trust, after full and final satisfaction of, or release of, all (i) Secured Claims; (ii) Administrative Expense Claims, (iii) Professional Compensation and Reimbursement Claims, (iv) Priority Tax Claims, and (v) Priority Non-Tax Claims, in accordance with the terms of the Plan and the Liquidating Trust Agreement; and (2) the distribution of any proceeds from any pre-Petition sale of the Debtor's assets as provided in the Sale Stipulation and Sale Order, as may be approved by the Bankruptcy Court. The treatment provided herein shall be in full satisfaction of the holders of Allowed Claims in Class 3(C).

Class 3(C) is impaired and entitled to vote on the Plan.

8. <u>Class 3(D) – Other General Unsecured Claims.</u>

Description. Class 3(D) consists of all other Allowed General Unsecured Claims (*i.e.* an Unsecured Claim that is not an Administrative Expense Claim, Professional Compensation and Reimbursement Claim, Priority Tax Claim, Priority Non-Tax Claim, or an Equity Interest) other than the CCC Claim and the DRT Unsecured Claim.

Treatment. Except to the extent that a holder of a Class 3(D) Claim has agreed to a less favorable treatment of such Claim, and only to the extent that any such Claim has not been paid in full before the Effective Date, each holder of an Allowed Class 3(D) Claim shall receive, on a Distribution Date, its Pro Rata Share of the Net Available Cash from the Liquidating Trust, after

full and final satisfaction of, or release of, all (i) Secured Claims; (ii) Administrative Expense Claims, (iii) Professional Compensation and Reimbursement Claims, (iv) Priority Tax Claims, and (v) Priority Non-Tax Claims, in accordance with the terms of the Plan and the Liquidating Trust Agreement, as full and complete satisfaction of such holder's Claims. The treatment provided herein shall be in full satisfaction of the holders of Allowed Claims in Class 3(D).

Class 3(D) is impaired and entitled to vote on the Plan.

9. <u>Class 4 – Equity Interest Holders.</u>

Description. Class 4 consists of parties who hold ownership interest (*i.e.*, equity) in the Debtor.

Treatment. On the Effective Date, all Existing Equity Interests shall be cancelled. As such, Class 4 Holders of Allowed Existing Equity Interests shall receive nothing under the Plan.

Class 4 is impaired. However, because Class 4 will receive nothing under the Plan, Class 4 is not entitled to vote and is deemed to reject the Plan.

IV.

CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF LIQUIDATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The Debtor and the Committee CANNOT and DO NOT represent that the discussion contained below is a complete summary of the law on this topic.

Many requirements must be met before the Court can confirm the Plan. Some of the requirements include that the Plan must be proposed in good faith, acceptance of the Plan, whether the Plan pays creditors at least as much as creditors would receive in a chapter 7 liquidation, and whether the Plan is feasible. These requirements are *not* the only requirements for confirmation.

A. Who May Vote or Object.

1. Who May Object to Confirmation of the Plan.

Any party in interest may object to the confirmation of the Plan, but, as explained below, not everyone is entitled to vote to accept or reject the Plan.

2. Who May Vote to Accept/Reject the Plan.

A creditor or interest holder has a right to vote for or against the Plan if that creditor or interest holder has a Claim or interest which is both (1) allowed or allowed for voting purposes and (2) classified in an impaired class.

a. What Is an Allowed Claim/Interest.

A creditor or interest holder must first have an allowed claim or interest to have the right to vote. Generally, any proof of claim or Interest will be allowed, unless a party in interest brings a motion objecting to the Claim. When an objection to a Claim or Interest is filed, the creditor or interest holder holding the Claim or Interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the Claim or Interest for voting purposes.

The general claims bar date in this Case was December 2, 2024. A creditor or interest holder may have an Allowed Claim or Interest even if a proof of claim or Interest was not timely filed. A claim is deemed Allowed if (1) it is scheduled in the Debtor's Schedules and such Claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has objected to the Claim. An Interest is deemed Allowed if it is scheduled and no party in interest has objected to the Interest. You are advised to consult the Debtor's Schedules to see how the Debtor has characterized your Claim or Interest.

b. What Is an Impaired Claim/Interest.

As noted above, an Allowed Claim or Interest only has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. For example, a class comprised of general unsecured claims is impaired if the Plan fails to pay the members of that class 100% of what they are owed.

Here, the Debtor and the Committee believe that members of Classes 2(C), 3(A), 3(B), 3(C), and 3(D) are impaired and that holders of Claims in those classes are therefore entitled to vote to

accept or reject the Plan. Class 4 is also impaired under the Plan, but because all interests are being cancelled is deemed to reject the Plan. Parties who dispute the characterization of their Claim or Interest as being impaired or unimpaired may file an objection to the Plan contending that the Debtor and the Committee have incorrectly characterized the class.

3. Who is *Not* Entitled to Vote.

The following four types of claims are not entitled to vote: (1) Claims that have been disallowed; (2) Claims in unimpaired classes; (3) Claims entitled to priority pursuant to 11 U.S.C. Section 507(a)(2), (a)(3), and (a)(8); and (4) Claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to 11 U.S.C. Section 507(a)(2), (a)(3), and (a)(8) are not entitled to vote because such Claims are not placed in classes and they are required to receive certain treatment specified by the Bankruptcy Code. Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan. In this Case, the Debtor and the Committee believe that Classes 1, 2(A), 2(B) and 4 are not entitled to vote on the Plan.

4. Who Can Vote in More Than One Class.

A creditor whose claim has been allowed in part as a Secured Claim and in part as an unsecured claim may be entitled to accept or reject the Plan in both capacities by casting one ballot for the secured part of the Claim and another ballot for the unsecured claim.

5. Votes Necessary to Confirm the Plan.

If impaired classes exist, the Court cannot confirm the Plan unless at least one (1) impaired class has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" on non-accepting classes, as discussed in Section IV.A.7.

6. Votes Necessary for a Class to Accept the Plan.

A class of claims is considered to have accepted the Plan when more than one-half (1/2) in number and at least two-thirds (2/3) in dollar amount of the Claims which actually voted, vote in favor of the Plan. A class of interests is considered to have accepted the Plan when at least

two-thirds (2/3) in amount of the interest-holders of such class which actually voted, vote to accept the Plan.

7. Treatment of Nonaccepting Classes.

As noted above, even if all impaired classes do not accept the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner required by the Bankruptcy Code. The process by which non-accepting classes are forced to be bound by the terms of a plan is commonly referred to as "cramdown." The Bankruptcy Code allows the Plan to be "crammed down" on non-accepting classes of claims or interests if it meets all consensual requirements except the voting requirements of 11 U.S.C. § 1129(b) and applicable case law.

8. Request for Confirmation Despite Nonacceptance by Impaired Class(es).

The Debtor and the Committee will ask the Court to confirm the Plan by cramdown on impaired classes if such classes do not vote to accept the Plan.

B. Liquidation Analysis.

Even if a plan is accepted by each class of holders of Claims and Interests, the Bankruptcy Code requires a bankruptcy court to determine that the Plan is in the "best interests" of all holders of Claims and Interests that are impaired by the Plan and that have not accepted the Plan. The "best interests" test, as set forth in Section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that: (i) all members of an impaired class of Claims or Interests have accepted the Plan or (ii) the Plan will provide a member who has not accepted the Plan with a recovery of property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would recover if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. Once the bankruptcy court ascertains the recoveries in liquidation of secured creditors and priority claimants, it must determine the probable distribution to General Unsecured Creditors and equity security holders from the remaining available proceeds in liquidation. If such probable distribution has a value greater than the distributions to be received by such creditors and equity security holders under a debtor's plan, then such plan is not in the best interests of creditors and equity security holders.

In the context of a chapter 7 liquidation case, the cash amount that would be available for satisfaction of Claims and Interests would consist of the proceeds resulting from the disposition of the unencumbered assets and properties of the Debtor, augmented by the unencumbered cash held by the Debtor at the time of the commencement of the liquidation case. Such cash amount would be reduced by the costs and expenses of liquidation and by such additional administrative and priority claims that might result from the termination of the Debtor's business and the use of chapter 7 for the purposes of liquidation. The Debtor's costs of liquidation under chapter 7 would include the fees payable to a trustee in bankruptcy, as well as those fees that might be payable to attorneys and other professionals that such a trustee might engage. In addition, other claims that might arise in a liquidation case or result from the pending Case, including any unpaid expenses incurred by the Debtor during the Case, such as compensation for attorneys, financial advisors and accountants, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay General Unsecured Creditors. If more than one trustee is appointed, the costs of liquidation will be increased as each such trustee will retain its own professionals to assist with the Case.

The Debtor and the Committee have prepared a liquidation analysis and that liquidation analysis is attached hereto as **Exhibit 1**.

After considering the liquidation analysis which includes the effects a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Case, including: the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee the potential for increases in Claims that would be satisfied on a priority basis or on parity with creditors in the Case, the Debtor and the Committee have determined that confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is estimated to be greater than the recovery such holder would receive pursuant to the liquidation of the Debtor under chapter 7.

Although there are inherent difficulties in quantifying with exactitude the potential recoveries that creditors would receive in a chapter 7 liquidation scenario, the Debtor and the Committee believe that the liquidation analysis attached hereto as **Exhibit 1** provides a fair estimate

of the results that would occur in a chapter 7 liquidation.

Based on the foregoing, the Debtor and the Committee believe the Plan satisfies the "best interest test" with respect to any claim holder who may vote against the Plan. Accordingly, the Debtor and the Committee submit that the Plan satisfies the best interest of creditors test 11 U.S.C. Section 1129(a)(7).

C. Feasibility.

Pursuant to Section 1129(a)(11) of the Bankruptcy Code, a debtor must demonstrate that a bankruptcy court's confirmation of a plan is not likely to be followed by the liquidation or need for further financial reorganization of the debtor or its successor under the plan, unless such liquidation or reorganization is proposed under the plan. Pursuant to the Plan, all of assets of the Debtor and its Estate are being transferred to the Liquidating Trust to be liquidated and distributed to the Liquidating Trust's beneficiaries. Therefore, the Plan satisfies the feasibility requirement of Section 1129(a)(11).

V.

MEANS OF EFFECTUATING THE PLAN AND OTHER PROVISIONS

A. The Liquidating Trust and the Liquidating Trustee.

1. Creation of the Liquidating Trust.

On the Effective Date, the Liquidating Trust shall be created pursuant to the Liquidating Trust Agreement, which shall be executed by the Debtor and by the Liquidating Trustee, who shall accept the appointment. The Committee shall designate the Liquidating Trustee no later than seven (7) days before the commencement of the Confirmation Hearing. The designation shall be made with the Debtor's consent, which consent shall not be unreasonably withheld. The Liquidating Trust Agreement shall be in substantially the same form as **Exhibit 2** attached hereto. The Liquidating Trust shall not terminate upon the death or incapacity of the Trustee and shall continue until its termination in accordance with the terms of this Plan and the Liquidating Trust Agreement. The Liquidating Trust Agreement constitutes an integral part of the Plan and is hereby incorporated by reference for all purposes.

2. Effective Date.

On the Effective Date, (i) the authority, power, and incumbency of the persons who are or were acting as directors and officers of the Debtor shall be terminated and such directors and officers shall be deemed to have resigned; (ii) the Liquidating Trustee shall have the powers of an officer of the Debtor; and (iii) the Liquidating Trustee is authorized to wind up the affairs of and dissolve the Debtor.

3. Employment of Liquidating Trustee.

The salient terms of the Liquidating Trustee's employment, including the Liquidating Trustee's duties and compensation, are set forth in the Liquidating Trust Agreement and shall be consistent with that of functionaries in similar types of bankruptcy proceedings.

4. Successor of the Liquidating Trustee.

In the event the Liquidating Trustee resigns or is terminated, a successor shall be designated as set forth in the Liquidating Trust Agreement.

5. Duties of the Liquidating Trustee.

The Liquidating Trustee shall carry out the duties set forth in Section V.B of the Plan and in the Liquidating Trust Agreement. The fees and expenses of the Liquidating Trustee will be paid in accordance with the Liquidating Trust Agreement, and the Liquidating Trustee shall be authorized to retain professionals necessary to carry out its duties and to compensate such professionals in accordance with the Liquidating Trust Agreement.

6. Actions by the Liquidating Trustee to Implement the Plan.

The entry of the Confirmation Order shall constitute all necessary authorization for the Liquidating Trustee to take, or cause to be taken, all actions necessary or appropriate to consummate, implement, or perform all provisions of the Plan on and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act, or action under any applicable law, order, rule, or regulation, including, without limitation, (i) all transfers of assets, including the Excluded Assets, that are to occur pursuant to the Plan; (ii) the cancellation of Interests and the winding up and dissolution of the Debtor; (iii) the performance of the terms of the Plan and the making of all

Distributions required under the Plan; and (iv) subject to the terms of the Plan, entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule, or regulation.

7. Trust Assets.

The Debtor and Estate shall constitute the settlor of the Liquidating Trust. As of the Effective Date, all Assets shall be transferred to the Liquidating Trust, where they will constitute the Trust Assets. The Trust Assets shall encompass all valuable assets held by the Estate as of the Effective Date and shall specifically include without limitation: (i) all Estate Cash, including but not limited to the remaining Sale Proceeds; (ii) the Casino License Fee in the event the Buyer exercises the Casino License Option; (iii) all Estate Claims; (iv) all Estate defenses; and (v) any Executory Contracts assumed by the Estate.

8. Transfer of Assets.

On the Effective Date, the Debtor shall assign and transfer to the Liquidating Trust all assets of the Debtor and the Estate, including, without limitation, Cash, Causes of Action, and Avoidance Actions.

9. Tax Classification of the Liquidating Trust.

For federal income tax purposes, it is intended that the Liquidating Trust be classified as a liquidating trust under Treasury Regulation section 301.7701-4 and that such trust be owned by its beneficiaries. Accordingly, for federal income tax purposes, it is intended that the beneficiaries be treated as if they had received a distribution of an undivided interest in the Liquidating Trust Assets and then contributed such interests to the Liquidating Trust. The Liquidating Trust Agreement shall (i) state that the primary purpose of the Liquidating Trust is to liquidate the Liquidating Trust Assets with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, its liquidating purpose and (ii) contain a fixed or determinable termination date that is not more than five (5) years from the date of creation of the Liquidating Trust, which termination date may be extended for one or more finite terms subject to the approval of the Bankruptcy Court upon a finding that the extension is necessary to its liquidating

purpose. Each such extension must be approved by the Bankruptcy Court within six (6) months of the beginning of the extended term.

10. Filing Tax Returns.

The Liquidating Trustee shall be responsible for filing all federal, state and local tax returns for the Liquidating Trust. The Liquidating Trustee shall file all federal tax returns for the Liquidating Trust as a grantor trust under Treasury Regulation section 1.671-4 unless otherwise required by applicable law. The Liquidating Trustee also will annually send to each Liquidating Trust beneficiary a separate statement regarding the receipts and expenditures of the Liquidating Trust as relevant for U.S. federal income tax purposes and will instruct all such holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns. The Liquidating Trustee shall also file (or cause to be filed) any other statement, return or disclosure relating to the Liquidating Trust that is required by any Governmental Unit.

11. Estimating Fair Market Value of Assets.

As soon as practical after the Effective Date and to the extent reasonably possible, the Liquidating Trustee shall estimate the fair market value, as of the Effective Date, of all other Liquidating Trust Assets, and shall make all such values available from time to time, to the extent relevant, and such values shall be used consistently by all parties to the Liquidating Trust (including, without limitation, the Debtor, the Liquidating Trustee, and Liquidating Trust beneficiaries) for all United States federal income tax purposes.

12. Allocations of Taxable Income.

Allocations of Liquidating Trust taxable income among the Liquidating Trust beneficiaries shall be determined by reference to the manner in which an amount of cash representing such taxable income would be distributed (were such cash permitted to be distributed at such time) if, immediately before such deemed distribution, the Liquidating Trust had distributed all its assets (valued at their tax book value) to the holders of the Liquidating Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from

the Liquidating Trust. Similarly, taxable loss of the Liquidating Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution of the remaining Liquidating Trust Assets. The tax book value of the Liquidating Trust Assets for purpose of this paragraph shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Tax Code, the applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

13. Non-Transferability of Interests.

Interests in the Liquidating Trust shall be non-transferable and any such transfer shall be disregarded by the Liquidating Trustee, except with respect to a transfer by will or under laws of descent and distribution; provided, however, such transfer will not be effective until and unless the Liquidating Trustee receives written notice of such transfer under the law of descent and distribution.

B. Duties and Powers of the Liquidating Trustee.

1. General Authority.

The Liquidating Trustee, together with its representatives and professionals, shall administer the Plan. The Liquidating Trustee shall constitute a representative of the Estate pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code and shall be accorded all powers, rights, duties, and responsibilities pursuant to this Plan, the Confirmation Order, and the Liquidating Trust Agreement. In such capacity, the powers, rights, duties, responsibilities, and compensation of the Liquidating Trustee, set forth more fully in the Liquidating Trust Agreement, shall include any and all powers necessary to implement the Plan and to administer and distribute the assets and wind up the business and affairs of the Debtor, including, without limitation: (i) overseeing the Claims resolution and distribution process (including, without limitation, the ability to object to, seek to subordinate, compromise, or settle any or all Claims against the Debtor or the Estate, other than Claims that are Allowed under the Plan); (ii) evaluating and, if appropriate, commencing, prosecuting, and continuing to pursue on behalf of the Debtor's Estate the Avoidance Actions and other Causes of Action; (iii) winding down the affairs of the Debtor, including through the sale or

abandonment of the Estate's remaining assets which shall be transferred to the Liquidating Trust; (iv) dissolving the Debtor at the appropriate time post-confirmation; (v) maintaining books and records; (vi) investing and managing Cash of the Liquidating Trust; (vii) filing post confirmation operating reports; (viii) paying United States Trustee Fees;; and (ix)filing a final report.

C. <u>All Distributions by Liquidating Trustee as Disbursing Agent.</u>

All distributions under the Plan shall be made by the Liquidating Trustee as the Disbursing Agent from the Net Available Cash in the Liquidating Trust as provided for herein and in the Liquidating Trust Agreement. The Liquidating Trustee shall be deemed to hold all property to be distributed hereunder in trust for the beneficiaries of the Liquidating Trust entitled to receive same. The Liquidating Trustee shall not hold an economic or beneficial interest in such property.

D. <u>Distributions on Allowed General Unsecured Claims.</u>

All Allowed General Unsecured Claims in a single Class held by a single creditor shall be aggregated and treated as a single Claim. At the written request of the Disbursing Agent, any creditor holding multiple Claims shall provide the Liquidating Trustee, as the case may be, a single address to which any distributions shall be sent.

E. <u>Method of Distributions Under the Plan.</u>

All distributions to holders of Allowed Claims shall be made by the Liquidating Trustee in accordance with the terms of the Plan and the Liquidating Trust Agreement.

As Claims become Allowed and to the extent of Available Cash, the Liquidating Trustee shall pay the holders of such Allowed Claims in Cash as provided hereunder.

At reasonable periodic intervals determined by the Liquidating Trustee, in his or her sole discretion, the Liquidating Trustee shall make payments to holders of Allowed Claims in accordance with the Plan. The Liquidating Trustee shall maintain Net Available Cash sufficient to pay holders of Class 3 Claims in the amount such holders would be entitled to receive under the Plan if such Claims were to become Allowed General Unsecured Claims. Upon completion of all duties of the Liquidating Trustee, and after the satisfaction of all outstanding obligations of the Liquidating Trust, all Net Available Cash at such time, if any, shall be distributed in accordance with the Plan.

Notwithstanding anything in this Plan or the Disclosure Statement to the contrary, the Liquidating Trustee shall have the authority to object to the allowance or payment of any Disputed Claims on any grounds in accordance with the procedures set forth herein; provided, however, that the Liquidating Trustee shall make distributions in accordance with the Plan with respect to the undisputed portion of any Allowed Claim.

F. Date of Plan Distributions.

Except as otherwise provided herein, any distributions and deliveries to be made under the Plan shall be made on the Effective Date or as soon thereafter as is reasonably practicable. Whenever any distribution to be made under this Plan shall be due on a day other than a Business Day, such distribution shall instead be made, without interest, on the immediately succeeding Business Day and shall be deemed to have been made on the date due.

G. Delivery of Distributions

1. Last Known Address.

Subject to the provisions of Bankruptcy Rule 9010, distributions and deliveries to holders of Allowed Claims or Existing Equity Interests shall be made at the address of such holders as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address set forth on proofs of claim filed by such holders, or at the last known address of such holders if no proof of claim is filed or if the Debtor or the Liquidating Trustee have been notified in writing of a change of address.

2. Undeliverable Distributions.

In the event that any distribution to any holder of a Claim or Existing Equity Interest is returned to the Liquidating Trustee as undeliverable, no further distributions shall be made to such holder unless and until the Liquidating Trustee is notified, in writing, of such holder's then-current address. Undeliverable distributions shall remain in the possession of the Liquidating Trustee until such time as a distribution becomes deliverable; provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of ninety (90) days after Distribution. After such date, all unclaimed property or interest in property shall become Net Available Cash for distribution under the terms of the Plan, and the Claim of any other

holder to such property or interest in property shall be discharged and forever barred, notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary. All Entities ultimately receiving undeliverable Cash shall not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan shall require the Liquidating Trustee to attempt to locate any holder of an Allowed Claim. After such date, all unclaimed property or interest in property shall revert to the Liquidating Trust to be distributed in accordance with the terms of the Plan and the Liquidating Trust Agreement, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred.

H. <u>Reserves.</u>

The Liquidating Trustee may estimate and create and set aside Reserves as may be necessary or appropriate, including but not limited to a Reserve on account of Disputed Claims ("Claim Reserve"). The Liquidating Trustee may, but shall not be required to, move the Bankruptcy Court to approve: (a) the amount of, and terms on which, such Reserves shall be held, maintained, and disbursed; or (b) the amount and timing of any proposed Distribution to holders of Allowed Claims. Once appropriate Reserves have been established for potential Claims having a higher priority for receiving Distributions under this Plan, the Liquidating Trustee may make Distributions to holders of Allowed Claims pursuant to the terms of the Liquidating Trust Agreement and this Plan. Except as otherwise expressly provided herein, the Liquidating Trustee, in the exercise of his or her good faith business judgment, may transfer funds out of any of the Reserves as necessary or appropriate. However, the Liquidating Trustee shall not be required to create separate accounts for such Reserves which may be created and memorialized by entries or other accounting methodologies, which may be revised from time to time, to enable the Liquidating Trustee to determine the amount of Cash available for Distribution to beneficiaries of the Liquidating Trust.

I. <u>Time Bar to Cash Payments; Unclaimed Distributions.</u>

Checks issued by the Liquidating Trust on account of Allowed Claims shall be null and void if not negotiated within one hundred and eighty (180) days from and after the date of issuance thereof. Requests for re-issuance of any check shall be made directly to the Liquidating Trustee by the holder of the Allowed Claim with respect to which such check originally was issued. All

distributions under the Plan that are unclaimed for a period of twelve (12) months after distribution thereof shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and any entitlement of any holder of any Claims to such distributions shall be extinguished and forever barred. Subject to the conditions set forth in the Plan, any distributions that remain unclaimed after the expiration of the twelve (12) month period set forth in the immediately preceding sentence shall be redistributed to holders of Claims or Interests under the terms of the Plan.

J. Distribution Record Date.

With respect to holders of all Claims, on the Distribution Record Date, the Claims register shall be closed and any transfer of any Claim thereafter shall be prohibited. The Debtor or the Liquidating Trustee, as applicable, shall have no obligation to recognize any transfer of any such Claims occurring after the close of business after such date.

K. Distributions After Effective Date.

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

L. Setoffs and Recoupment.

Other than with respect to Claims allowed hereunder, the Debtor may, but shall not be required to, setoff against or recoup from any Claim and the payments to be made under the Plan in respect of such Claim, or any Claims of any nature whatsoever that the Debtor may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such Claim it may have against such claimant.

M. Allocation of Plan Distributions to Principal, then Interest.

To the extent that any Allowed Claim under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

N. Tax Obligations.

The Liquidating Trustee shall be further authorized to: (i) administer and pay any taxes, including filing tax returns for the Debtor and the Liquidating Trust, as applicable; (ii) request an expedited determination of any unpaid tax liability of the Debtor or the Estate under Section 505 of the Bankruptcy Code for all taxable periods of the Debtor through the liquidation of the Debtor as determined under applicable tax law; and (iii) represent the interest and account of the Debtor or the Estate before any taxing authority in all matters including, without limitation, any action, suit, proceeding, or audit.

O. Withholding Taxes.

The Liquidating Trustee shall be entitled to deduct any federal, state or local withholding taxes from any payments made under this Plan. As a condition to make any such payment, the Liquidating Trustee may require that the holder of an Allowed Claim provide his Taxpayer Identification Number and such other information and certification as may be deemed necessary for the Liquidating Trustee to comply with applicable tax reporting and withholding laws. If any Holder of an Allowed Claim fails to provide such number, information or certification within sixty (60) days from the date of first notification to the Holder of the need for such information, such Holder's distribution will be treated as unclaimed property in accordance with Section IV.G.2 herein or the amount required to be withheld may be so withheld and turned over to the applicable authority.

P. Dissolution of the Debtor after the Effective Date.

The Debtor shall be dissolved as soon as practicable after the Effective Date, as to be determined by the Liquidating Trustee in his or her sole discretion; whereupon, Liquidating Trustee shall cause to be filed with the Commonwealth of Northern Mariana Islands and any other governmental authority such certificate of dissolution or cancellation and other certificates or documents as may be or become necessary to terminate the legal existence of the Debtor after the Effective Date.

Q. Closing of the Debtor's Chapter 11 Case.

After all Disputed Claims have become Allowed Claims or have been disallowed by Final Order, the Liquidating Trustee may seek to obtain a final decree from the Bankruptcy Court closing this Case in accordance with the Bankruptcy Code and the Bankruptcy Rules. However, the Liquidating Trustee in his or her business judgment may choose to keep this Case open for any reason.

R. Cancellation of Existing Agreements.

Except (a) as otherwise expressly provided in this Plan; (b) with respect to executory contracts or unexpired leases that have been assumed and assigned by the Debtor; (c) for purposes of evidencing a right to distributions under the Plan; or (d) with respect to any Claim that is reinstated and rendered unimpaired under the Plan (if any), on the date of closing of the Chapter 11 Case in accordance with the Plan, all instruments evidencing any Claims against the Debtor, including, without limitation, existing agreements and other contracts, shall be deemed automatically cancelled without further act or action under any applicable agreement, contract, law, regulation, order, or rule, and the obligations of the Debtor thereunder shall be satisfied under the Plan.

S. Cancellation of Liens.

Except as otherwise provided for pursuant to this Plan, upon the occurrence of the Effective Date, any Lien securing any Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any Collateral or other property of the Debtor (including any cash Collateral) held by such holder and to take such actions as may be requested by the Debtor or the Liquidating Trustee to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases.

VI.

PROVISION FOR TREATMENT OF DISPUTED CLAIMS UNDER THE PLAN

A. Objections to Claims; Filing of Late Claims; Disallowed Claims.

As of the Effective Date, objections to, and requests for estimation of, Claims against the Debtor may be interposed and prosecuted only by the Liquidating Trustee. The Liquidating Trustee

may review all Claims filed or deemed filed and may object to, move to estimate, or seek subordination of any Claim filed or scheduled in this Case. The Claims Objection Deadline shall be one hundred and eighty (180) days after the Effective Date. The Court shall retain jurisdiction over the Case to resolve such objections to claims following the confirmation of the Plan. Nothing contained in the Plan shall constitute a waiver or release of any rights of setoff or recoupment with respect to any claim.

Any Claim which is listed in the Schedules as unliquidated, contingent, or disputed, and for which no proof of claim has been timely filed, shall be deemed Disallowed as of the Effective Date without the necessity of any further action by the Liquidating Trustee or further order of the Bankruptcy Court other than the Entry of the Confirmation Order.

B. <u>No Distributions Pending Allowance.</u>

Notwithstanding any other provision hereof, if any portion of a Claim is Disputed, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes Allowed.

C. <u>Distributions After Allowance.</u>

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions, if any, shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court Allowing any Disputed Claim becomes a Final Order (which date may be, at the option of the Liquidating Trustee, the next Distribution Date to holders of Allowed General Unsecured Claims), the Liquidating Trustee will provide to the holder of such Allowed Claim the distribution to which such holder is entitled under the Plan.

D. <u>Resolution of Claims.</u>

On and after the Effective Date, the Liquidating Trustee shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Claims and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court.

E. Estimation of Claims.

The Liquidating Trustee may at any time request that the Bankruptcy Court estimate any Claim under section 502(c) of the Bankruptcy Code regardless of whether the Debtor or the Liquidating Trustee previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection (for the avoidance of doubt, however, to the extent a Claim has been Allowed by a Bankruptcy Court order, such Claim is no longer subject to estimation), and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidating Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

F. Claims Paid or Reduced Prior to the Effective Date.

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated, and not contingent shall be reduced by the amount, if any, that was paid by the Debtor prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Liquidating Trustee from paying Claims that the Debtor was authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Effective Date.

G. Postpetition Interest on Claims.

Except as may be otherwise expressly provided in the Plan, postpetition interest shall not accrue or be paid on any Claims against the Debtor, and no Holder of any such Claim against the

Debtor shall be entitled to payment or Distributions on account of interest accruing on or after the Petition Date.

H. Fractional Dollars, *De Minimis* Distributions.

Notwithstanding anything contained herein to the contrary, payments of fractions of dollars will not be made. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest dollar (up or down) with half dollars being rounded down. The Liquidating Trustee shall have the discretion not to make payments of less than twenty-five dollars ($25) on account of any Allowed Claim, unless a specific request is made in writing to the Liquidating Trustee or before ninety (90) days after allowance of such claim.

VII.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Any Remaining Executory Contracts and Unexpired Leases Other than the Casino License.

Any executory contracts or unexpired leases, other than the Casino License, (i) which have not expired by their own terms on or prior to the Effective Date, or (ii) which have not been assumed or assigned or rejected with the approval of the Court or pursuant to procedure established by order of the Court shall be deemed rejected by the Estate on the Effective Date. The entry of the Confirmation Order by the Court shall constitute approval of such rejection pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

B. Approval of Rejection of Executory Contracts and Unexpired Leases.

Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute the approval by the Bankruptcy Court, under Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or rejection of the executory contracts and unexpired leases as of the Effective Date that are assumed or rejected under Section VII.D of the Plan.

C. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Under the Plan.

The bar date for filing a proof of claim based on a claim arising from the rejection of an unexpired lease or executory contract which is rejected on the Effective Date under Section VII.D will be fourteen (14) calendar days after the date of entry of the Confirmation Order. Any Claim based on the rejection of an unexpired lease or executory contract will be barred if a proof of claim is not timely filed, unless the Court orders otherwise. To the extent any claims are filed based on rejection of executory contracts or unexpired leases, such claims shall be treated as Class 3 General Unsecured Claims. All such Claims not filed within such time will be forever barred from assertion against the Debtor, the Estate, and the Liquidating Trust.

D. Casino License.

Pursuant to the Sale Order, the Buyer has an exclusive option to acquire the Casino License (the "Casino License Option") for a period of nine (9) months after the Closing Date of August __, 2025 (the "Option Period"). If the Casino License has not been acquired or assumed and assigned by the Buyer within the Option Period, the Casino License shall be deemed rejected by the Estate.

E. Insurance Policies.

Unless specifically assumed or rejected by order of the Bankruptcy Court, or unless listed in the Liquidating Trust Agreement, all of the Debtor's insurance policies and any agreements, documents, or instruments relating thereto, are treated as executory contracts under the Plan and shall be rejected in accordance with Section VII.D of the Plan. Nothing contained in this section shall constitute or be deemed a waiver of the right to assert and collect on claims relating to the period before the Effective Date or any Cause of Action that the Debtor may hold against any Entity, including, without limitation, the insurer, under any of the Debtor's policies of insurance, and all such rights and Causes of Action shall be assigned and shall vest in the Liquidating Trust on the Effective Date. For the avoidance of any doubt, nothing herein shall affect the rights or ability of the Debtor and its Estate, or the Liquidating Trustee, as successor in interest of the Debtor and its Estate, to assert, prosecute, or settle, by litigation or otherwise, any Causes of Action of the Debtor and its Estate covered, or the availability of coverage, under of the Debtor's insurance policies, and

any agreements, documents, or instruments relating thereto, and all rights under the Debtor's insurance policies, and any agreements, documents, or instruments relating thereto shall be preserved and shall vest with the Liquidating Trust and shall remain in full force and effect after the Effective Date for the term thereof. Further, for the avoidance of any doubt, the Liquidating Trustee may assert, prosecute, or settle Causes of Action under any of the Debtor's director and officer liability, employment practices, liability, or fiduciary liability insurance policies, as an insolvency trustee, receiver, examiner, liquidator, or similar official, as those terms are used in the policies.

VIII.

CONDITIONS PRECEDENT TO EFFECTIVE DATE

A. Conditions Precedent to Effective Date.

The occurrence of the Effective Date and the substantial consummation of the Plan are subject to satisfaction of the following conditions precedent:

1. Entry of the Confirmation Order.

The Clerk of the Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Plan Proponent, the effectiveness of which shall not have been stayed within fourteen (14) days following the entry thereof, and the Confirmation Order shall be a Final Order.

2. Consents Obtained.

The Debtor shall have received all authorizations, consents, rulings, letters, opinions, or documents that are necessary to implement and consummate the Plan and that are required by law, regulation, or order.

3. Satisfaction of Conditions in Plan.

The Debtor shall have satisfied all other conditions set forth in the Plan.

4. Transfer of Liquidating Trust Assets.

The Liquidating Trust Assets shall have been transferred to the Liquidating Trust under the Plan and the Liquidating Trust Agreement; and

5. Execution of Documents; Other Actions.

All other actions and documents necessary to implement the Plan shall have been effected or executed.

B. Waiver of Conditions.

The Debtor and the Committee may, to the extent not prohibited by applicable law, waive one or more of the conditions precedent to the Effective Date set forth in Section VIII.A of the Plan without notice to any party in interest or the Bankruptcy Court and without a hearing.

C. Satisfaction of Conditions.

Except as expressly provided or permitted in the Plan, 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 before the taking of any other such action. If one or more of the conditions specified in Section VIII.A of the Plan have not occurred or otherwise been waived under Section VIII.B. of the Plan within one hundred and twenty (120) days after the Effective Date, which period may be extended by the Debtor and the Committee, then (a) the Confirmation Order shall be vacated; (b) no distributions under the Plan shall be made; (c) the Debtor and all holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the Effective Date as though the Effective Date never occurred; and (d) the Debtor's obligations with respect to Claims and Interests shall remain unchanged and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any Entity in any further proceedings involving the Debtor.

IX.

EFFECT OF CONFIRMATION

A. Vesting of Assets.

On the Effective Date, under Sections 1141(b) and (c) of the Bankruptcy Code, all Liquidating Trust Assets shall vest in the Liquidating Trust, subject to the rights and interest of the Liquidating Trust's beneficiaries, and the Debtor's and its Estate's assets, properties, and interests shall be released from the custody and jurisdiction of the Bankruptcy Court, and all such assets,

properties, and interests shall vest in the Liquidating Trust free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as provided under the Plan.

B. <u>Binding Effect.</u>

Subject to the occurrence of the Effective Date, on and after the Effective Date, the provisions of the Plan shall bind any present and former holder of a Claim against, or Interest in, the Debtor and its Estate and such holder's respective related Entities, successors and assigns, whether or not such holder's Claim or Interest is impaired under the Plan, whether or not such holder has voted or failed to vote to accept or reject the Plan, and whether or not such holder is entitled to receive any distribution under the Plan.

C. <u>Satisfaction of Claims and Termination of Interests.</u>

The rights afforded in this Plan and the payments and distributions to be made hereunder shall be in exchange for and in complete satisfaction of all existing debts, liabilities, and Claims, and shall terminate all Interests, of any kind, nature, or description whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtor and its Estate, or any of its assets or properties, regardless of whether any property shall have been distributed or retained under this Plan on account of such Claims and 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. Except as otherwise provided herein, on the Effective Date, all existing Claims against the Debtor and Interests in the Debtor, shall be, and shall be deemed to be satisfied and all holders of Claims and Interests shall be precluded and enjoined from asserting against the Liquidating Trust or any of its respective assets or properties, any other or further Claim or Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred before the Effective Date, whether or not such holder has filed a proof of Claim or proof of Interest. The Confirmation Order shall be a judicial determination of the satisfaction of all Claims and termination of all Interests subject to the Effective Date occurring, except as otherwise specifically provided in this Plan or the Confirmation Order.

D. Injunction.

Except as otherwise expressly provided in this Plan, the Confirmation Order, or such other order of the Bankruptcy Court that may be applicable, all Entities who have held, hold, or may hold Claims or other debt or Interests or other right of equity interest in the Debtor or the Estate are permanently enjoined, from and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or other debt or liability or Interest or other right of equity interest that is terminated or cancelled under the Plan against the Debtor, the Debtor's Estate, properties or interests in properties of the Debtor, or the Liquidating Trust, (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation; and (v) commencing or continuing any action in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

By accepting distributions pursuant to the Plan, each holder of an Allowed Claim receiving distributions pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in this section.

E. Injunction on Causes of Action.

Except as provided in the Plan, as of the Effective Date, all non-Debtor entities are permanently enjoined from commencing or continuing in any manner, any Causes of Action, whether directly, derivatively, on account of or respecting any debt or Cause of Action of the Debtor which the Liquidating Trustee retains sole and exclusive authority to pursue in accordance with the Plan and the Liquidating Trust Agreement or which have been released under the Plan.

F. Terms of Existing Injunctions or Stays.

Except as otherwise provided in this Plan, to the extent permitted by applicable law and subject to the Bankruptcy Court's post-confirmation jurisdiction to modify the injunctions and stays under this Plan, (a) all injunctions with respect to or stays against an action against property of the Debtor's Estate arising under or entered during the Chapter 11 Case under Sections 105 or 362 of

the Bankruptcy Code, and in existence on the Effective Date, shall remain in full force and effect until such property is no longer property of the Debtor's Estate; and (b) all other injunctions and stays arising under or entered during the Chapter 11 Case under Sections 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earlier of (i) the date that the Chapter 11 Case is closed pursuant to a Final Order of the Bankruptcy Court or (ii) the date that the Chapter 11 Case is dismissed pursuant to a Final Order of the Bankruptcy Court.

G. <u>Preservation of Causes of Action / Reservation of Rights.</u>

1. <u>Retention of Claims and Defenses.</u>

Unless otherwise expressly set forth in this Plan or the Confirmation Order, pursuant to Section 1123(b)(3)(B), all Causes of Action, claims and defenses of any kind or nature whatsoever against third parties arising before the Effective Date and belonging to the Debtor or the Estate shall vest in the Liquidating Trust on the Effective Date, and the Liquidating Trustee shall have the discretion to assert any such Causes of Action under any provision of the Bankruptcy Code or any applicable non-bankruptcy law. Notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, analyze or refer to any such retained claims and defenses in the Plan, the Disclosure Statement, the Liquidating Trust Agreement, or any other document filed with the Bankruptcy Court will in no manner waive, eliminate, modify, release, or alter the right of the Liquidating Trustee to commence, prosecute, defend against, settle, and realize upon any retained claims and defenses that the Debtor or the Estate have or may have as of the Effective Date. Retained claims and defenses shall include, without limitation (the "**Retained Claims and Defenses**"):

- All claims and defenses pursuant to applicable non-bankruptcy law and Sections 502, 506, 524 and 553 of the Bankruptcy Code against any Creditor regarding the amount of such holder's Allowed Claim (whether prepetition or postpetition), to enforce the discharge of any Secured Creditors' Claims;
- All claims and defenses pursuant to applicable non-bankruptcy law and Sections 502, 506, 510, 524, 542 and 553 of the Bankruptcy Code including, without limitation, claims and defenses based on any Creditors' assertion of unreasonable professionals' fees, costs, charges and penalties (whether disguised as interest, or otherwise);

- All avoidance causes of action and objections to Claims under Sections 105, 502, 506, 510, 542 through 551 and 553 of the Bankruptcy Code that belong to the Debtor or to the Estate.
- All claims and defenses related to the recovery of professionals' fees and expenses by the Debtor from Creditors;
- All causes of action, including, but not limited to, claims against the Debtor's insiders, employees, and/or agents relating to pre-confirmation and/or pre-petition conduct, including without limitation, claims for fraud, breach of fiduciary duty or negligence.

Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any of the Debtor's rights with respect to the Retained Claims and Defenses and the Liquidating Trustee shall be entitled to assert fully all Retained Rights and Defenses.

2. <u>Unknown Retained Claims and Defenses / No Preclusion.</u>

Unless otherwise expressly set forth in the Plan, the Confirmation Order, or the Liquidating Trust Agreement, the reservation of rights and the retained claims and defenses set forth above shall include, without limitation, any retained claims and defenses of which the Debtor may presently be unaware, or which may arise or exist by reason of additional facts or circumstances unknown to the Debtor at this time or facts or circumstances that may change or be different from those the Debtor now believes to exist including, without limitation, claims based on theories of construction defect, breach of warranty, negligence, indemnification and contribution. Therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, waiver, estoppel (judicial, equitable or otherwise), or laches will apply to the Liquidating Trustee with respect to the retained claims and defenses upon or after the Confirmation of the Plan based on this Plan, the Disclosure Statement or the Confirmation Order.

H. <u>Releases.</u>

1. <u>Releases by the Estate.</u>

For good and valuable consideration, on and after the Effective Date, the Released Parties shall be deemed to be conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtor, the Estate, and any Person seeking to exercise the rights of the foregoing, from any and all claims, obligations, rights, suits, judgments, damages, demands, debts, rights, causes of action, remedies, losses, and liabilities whatsoever, including any derivative

claims, asserted or assertable on behalf of the Debtor or the Estate, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that the Debtor, the Estate, or their affiliates 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 Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the formation, operation, and conduct of the Debtor's business, the Case, the negotiation, formulation, or preparation thereof, the solicitation of votes on the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; provided that nothing in this release shall be construed to release any post-Effective Date obligations of any Person under the Plan or release any Person from any Retained Claims and Defense.

2. <u>Exculpation</u>.

Except as otherwise specifically provided in the Plan, effective as of the Effective Date, the Exculpated Parties shall not have nor incur any liability to any holder of a Claim or Interest or any of their related persons for any postpetition, and pre-Effective Date, act or omission in connection with, related to, or arising out of the Chapter 11 Case, the Plan, the solicitation of votes on the Plan, the confirmation and the consummation of the Plan, the administration of the Plan, the property to be liquidated and/or distributed under the Plan, or any postpetition, but pre-Effective Date, act taken or omitted to be taken in connection with or in contemplation of the liquidation of the Debtor, including specifically the pursuit and entry of the sale order, except for their fraud, willful misconduct, or gross negligence as subsequently determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

The foregoing paragraph shall apply to attorneys and lawyers to the greatest extent permissible under applicable bar rules and case law but shall not be deemed to release, affect, or limit any of the rights and obligations of the Exculpated Parties from, or exculpate the Exculpated

Parties with respect to, any of the exculpated parties' obligations or covenants arising pursuant to this Plan.

3. <u>Compromise Under Fed. R. Bankr. P. 9019.</u>

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the compromises memorialized in the releases set forth herein, and shall constitute the Bankruptcy Court's finding that the releases set forth in the Plan are: (a) essential to the confirmation of the Plan; (b) consensual; (c) given in exchange for good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating and implementing the Plan; (d) a good faith settlement and compromise of the Claims released; (e) in the best interests of the Debtor and the Estate; (f) fair, equitable, and reasonable; and (g) given and made after due notice and opportunity for hearing.

I. <u>Retention of Jurisdiction.</u>

The Bankruptcy Court shall retain and have exclusive jurisdiction over any matter arising under the Bankruptcy Code, arising in or related to the Chapter 11 Case or the Plan, or that relates to the following purposes:

- to resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- to 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 created in connection with the Plan;
- to determine any and all adversary proceedings, contested matters, applications, motions (including motions under Bankruptcy Rule 2004), or litigation matters that may be pending on the Effective Date or that, under the Plan, may be commenced by the Liquidating Trustee after the Effective Date (which jurisdiction shall be non-exclusive as to any non-core matters);

- to ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- to hear and determine any timely objections to Claims and Interests, including any objections to the classification of any Claim or Interest, and to allow, disallow, subordinate, recharacterize, determine, liquidate, classify, estimate, compromise, settle, or establish the priority, or secured or unsecured status, of any Claim, including Disputed Claims, in whole or in part;
- to resolve any Disputed Claims;
- to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;
- to hear and determine any matters or disputes arising under or in connection with the Liquidating Trust Agreement;
- to issue such orders in aid of consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;
- to consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred before or after the Effective Date under sections 330, 331, and 503(b) of the Bankruptcy Code;
- to hear and determine all requests for payment of Administrative Expense Claims;
- to hear and determine any disputes over matters relating to the indemnification of the Liquidating Trustee and any professionals retained by the Liquidating Trustee under the Liquidating Trust Agreement;
- to hear and determine and adjudicate any litigation involving Causes of Action, Avoidance Actions, or any other Liquidating Trust Assets;

- to hear and determine disputes arising in connection with or relating to the Plan or the interpretation, implementation, or enforcement of the Plan or the extent of any Entity's obligations incurred in connection with or released under the Plan;
- to issue restraining orders or injunctions and to enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;
- to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, agreement, or document created in connection with the Plan, the Disclosure Statement, or the Liquidating Trust Agreement;
- to hear and determine any actions to recover assets of the Debtor and property of the Debtor's Estate, wherever located;
- to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);
- to hear and determine any other matters related hereto for any purpose that is not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and to enter a final decree closing the Chapter 11 Case.

X.

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification of the Plan.

The Plan Proponent reserves its right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan, or any exhibits to the Plan at any time before entry of the Confirmation Order. Upon entry of the Confirmation Order, the Plan Proponent may, upon order of the Bankruptcy Court, jointly 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. A

holder of a Claim that has adopted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

B. Revocation or Withdrawal of the Plan.

The Plan may be revoked or withdrawn by the Plan Proponent before the Effective Date. If the Plan is revoked or withdrawn before the Effective Date, the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by the Debtor or any other Entity or to prejudice in any manner the rights of the Debtor or any other Entity in any further proceedings involving the Debtor.

XI.

MISCELLANEOUS PROVISIONS

A. Effectuating Documents and Further Transactions.

On or before the Effective Date, and without the need for any further order or authority, the Debtor shall file with the Bankruptcy Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtor is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

B. Withholding and Reporting Requirements.

In connection with the consummation of the Plan and all instruments issued in connection herewith and distributed hereunder, any party issuing any instrument or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Existing Equity Interest that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any Governmental Unit, including income, withholding, and other tax obligations, on account of such distribution. Any party issuing any instrument or making any

distribution under the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

C. Post-Confirmation Status Report.

Within 120 days of the entry of the Confirmation Order, the Liquidating Trustee shall file a status report with the Court explaining what progress has been made toward consummation of the confirmed Plan. The status report shall be served on the United States Trustee and those parties who have requested special notice. Further status reports shall be filed every 120 days and served on the same parties.

D. United States Trustee Fees and Reports.

After the Effective Date and until the Chapter 11 Case is closed, all fees incurred under 28 U.S.C. Section 1930(a)(6) by reason of disbursements made by the Liquidating Trust shall be paid by the Liquidating Trustee. After the Effective Date, the Liquidating Trustee shall prepare, file, and serve on the United States Trustee such quarterly disbursement reports for the Liquidating Trust as required by the Office of the United States Trustee for as long as the Chapter 11 Case remains open as required by the guidelines.

E. Expedited Tax Determination.

The Liquidating Trustee may request an expedited determination of taxes under Section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, such Debtor for all taxable periods through the Effective Date.

F. Exemption from Transfer Taxes.

Under Section 1146(a) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

G. Substantial Consummation.

On the Effective Date, the Plan shall be deemed to be substantially consummated under Sections 1101 and 1127(b) of the Bankruptcy Code.

H. Severability of Plan Provisions.

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

I. Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent that an exhibit hereto provides otherwise, the rights, duties, and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the Commonwealth of Northern Mariana Islands, without regard to any conflicts of law provisions that would require the application of the law of any other jurisdiction.

J. Time.

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

K. Solicitation of the Plan.

As of and subject to the occurrence of the Effective Date, the Plan Proponent shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including without limitation, section 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation.

L. Exhibits/Schedules.

All exhibits and schedules to the Plan are incorporated into and are a part of the Plan as if set forth in full herein.

M. Notices.

All notices, requests, and demands to or upon the Debtor and the Committee shall, to be effective, be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Debtor:
Choi & Ito
700 Bishop Street
Suite 1107
Honolulu, HI 96813
Attention: Chuck C Choi

To the Committee:
ArentFox Schiff LLP
555 South Flower Street, 43rd Floor
Los Angeles, CA 90071
Attention: Aram Ordubegian

N. Section Headings.

The section headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

O. Inconsistencies.

To the extent of any inconsistencies between the information contained in the Disclosure Statement and the terms and provisions of the Plan, the terms and provisions contained herein shall govern.

XII.

RISKS AND CONSIDERATIONS

A. Bankruptcy Considerations.

Although the Debtor and the Committee believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will confirm the Plan as proposed. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes.

In addition, the occurrence of the Effective Date is conditioned on the satisfaction (or waiver) of the certain conditions set forth in the Plan, and there can be no assurance that such conditions will be satisfied or waived. In the event the conditions precedent described in the Plan have not been satisfied or waived (to the extent possible) by the Debtor and the Committee (as provided for in the Plan) within one hundred twenty (120) days after the Effective Date, which period may be extended by the Debtor and the Committee, then the Confirmation Order will be vacated, no Distributions will be made pursuant to the Plan, and the Debtor and all holders of Claims and Interests will be restored to the *status quo ante* as of the day immediately preceding the Effective Date as though the Effective Date had never occurred.

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 and the Committee believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor and the Committee created the Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Plan provides for no Distribution to Class 4. The Bankruptcy Code conclusively deems this Class to have rejected the Plan. Pursuant to Section 1129(a)(10) of the Bankruptcy Code, notwithstanding the fact that this Class is deemed to have rejected the Plan, the Bankruptcy Court may confirm the Plan if at least one Impaired Class votes to accept the Plan (with such acceptance being determined without including the vote of any "insider" in such class). As to each Impaired Class that has not accepted the Plan, the Plan may be confirmed if the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to these Classes. The Debtor and the Committee believe that the Plan satisfies these requirements.

B. Representations Outside this Disclosure Statement.

This Disclosure Statement contains representations concerning or related to the Debtor and the Plan that are authorized by the Bankruptcy Code and the Bankruptcy Court. Please be advised that any representations or inducements outside this Disclosure Statement and any related documents which are intended to secure your acceptance or rejection of the Plan should not be relied upon by holders of Claims or Interests that are entitled to vote to accept or reject the Plan.

C. No Admission.

The information and representations contained in the Plan shall not be construed to constitute an admission of, or be deemed evidence of, any legal effect of the Plan on the Debtor or holders of Claims and Interests.

XIII.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtor and the Committee believe the Plan is in the best interests of the Estate and its creditors and should accordingly be accepted and confirmed. If the Plan as proposed, however, is not confirmed, the following alternatives may be available to the Debtor: (i) a liquidation of the Debtor's assets pursuant to chapter 7 of the Bankruptcy Code; (ii) an alternative chapter 11 plan may be proposed and confirmed; or (iii) the Debtor's Chapter 11 Case may be dismissed.

A. Chapter 7 Liquidation.

If a plan pursuant to chapter 11 of the Bankruptcy Code is not confirmed by the Bankruptcy Court, the Chapter 11 Case may be converted chapter 7 of the Bankruptcy Code, in which case a

trustee would be elected or appointed pursuant to applicable provisions of chapter 7 of the Bankruptcy Code to liquidate the assets of the Debtor for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effect that a chapter 7 liquidation would have on the recoveries of holders of Claims is set forth in The Liquidation Analysis. The Debtor and the Committee believe that such a liquidation would result in smaller distributions being made to the Debtor's creditors than those provided for in the Plan because (i) the Debtor's litigation claims would be monetized in a less orderly fashion, (ii) additional administrative expenses attendant to the appointment of a chapter 7 trustee and the trustee's employment of attorneys and other professionals, and (iii) additional expenses and Claims, some of which would be may be entitled to priority, which would be generated during the chapter 7.

B. <u>Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code.</u>

If the Plan is not confirmed, the Debtor, or any party in interest (if, pursuant to Section 1121 of the Bankruptcy Code, the Debtor has not filed a plan within the time period prescribed under the Bankruptcy Code) may propose a different plan. Such a plan might involve an alternative means for the liquidation of the Debtor's assets in a chapter 11 bankruptcy proceeding. However, in light of the negotiations with the key parties in this Chapter 11 Case, the Debtor and the Committee believe that the terms of the Plan provide for an orderly and efficient liquidation of the Debtor's assets and will result in the realization of the most value for holders of Claims and Interests against the Debtor's Estate.

C. <u>Dismissal of the Debtor's Chapter 11 Case.</u>

Dismissal of the Debtor's Chapter 11 Case would have the effect of restoring (or attempting to restore) all parties to the *status quo ante*. Upon dismissal of the Debtor's Chapter 11 Case, the Debtor would lose the protection of the Bankruptcy Code, thereby requiring, at the very least, an extensive and time-consuming process of negotiation with the various creditors of the Debtor, and possibly resulting in costly and protracted litigation in various jurisdictions. Dismissal will also permit unpaid unsecured creditors to obtain and enforce judgments against the Debtor. As such, the Debtor and the Committee believe that these actions could lead ultimately to the liquidation of

the Debtor under chapter 7 of the Bankruptcy Code. Therefore, the Debtor and the Committee believe that dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to the Plan.

Dated: October 30, 2025

CHOI & ITO

By: /s/ Chuck C. Choi
Chuck C Choi
Allison A. Ito
Attorneys for the Debtor and Debtor in Possession

Dated: October 30, 2025

ARENTFOX SCHIFF LLP

By: /s/ Christopher K.S. Wong
Aram Ordubegian
Christopher K.S. Wong
General Bankruptcy Attorneys for Official Committee of General Unsecured Creditors

EXHIBIT 1

Liquidation Analysis

(*to be filed*)