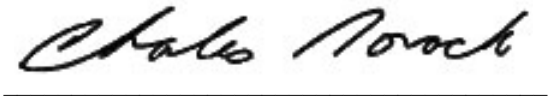
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NORTHERN DISTRICT OF CALIFORNIA
Docket #4225 Date Filed: 04/23/2026

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The following constitutes the order of the Court.
Signed: April 23, 2026



Charles Novack
U.S. Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re:

LEFEVER MATTSON,

Consolidated Debtor.

Case No. 24-10545 (CN)

(Substantively Consolidated)

Chapter 11

ORDER CONFIRMING THIRD AMENDED CHAPTER 11 PLAN, AS MODIFIED, OF CONSOLIDATED DEBTOR LEFEVER MATTSON

Confirmation Hearing:

Date: April 14, 2026
Time: 10:00 a.m. (Pacific Time)
Place: United States Bankruptcy Court
1300 Clay Street, Courtroom 215
Oakland, CA 94612
Judge: Honorable Charles Novack

On April 14, 2026, the Bankruptcy Court held a hearing (the "Confirmation Hearing") on confirmation of the *Third Amended Chapter 11 Plan of Liquidation, As Modified* [Docket No. 4151] (as amended or modified, the "Plan") by plan proponents (the "Plan Proponents") LeFever Mattson ("LFM" or the "Consolidated Debtor") and the Official Committee of Unsecured Creditors (the "Committee") appointed in the above-captioned chapter 11 case (the "Chapter 11 Case"). The Consolidated Debtor, prior to the Substantive Consolidation Order (defined herein), was the legally separate Debtors and KSMP Investment Entities.

The Bankruptcy Court, having considered the Plan, all declarations, pleadings, and evidence submitted in support of the Plan; all other relevant facts, pleadings, and evidence of record in the Chapter 11 Case; and the arguments of counsel at the Confirmation Hearing, issued findings of fact and conclusions of law on the record at the Confirmation Hearing, which constitute the Bankruptcy Court's findings of fact and conclusions of law for the purposes of Federal Rule of Bankruptcy Procedure 7052, as made applicable to this contested matter by Federal Rule of Bankruptcy Procedure 9014, and which findings of fact and conclusions of law are incorporated herein by this reference. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such. A capitalized term used but not otherwise defined herein shall have the meaning ascribed to it in the Plan.

For the reasons stated by the Bankruptcy Court on the record at the Confirmation Hearing, and for good cause appearing therefor,

IT HAS BEEN DETERMINED BY THE COURT THAT:

A. Jurisdiction and Venue. The Bankruptcy Court has jurisdiction to confirm the Plan pursuant to 28 U.S.C. §§ 1334 and 157. The Confirmation Hearing is a core proceeding under 28 U.S.C. § 157(b)(2)(L) and venue of the Chapter 11 Case in the Northern District of California is proper under 28 U.S.C. § 1408.

B. Chapter 11 Petitions. On August 6, 2024, Debtor Windscape Apartments, LLC filed a voluntary chapter 11 petition. On September 12, 2024, 58 affiliated LFM Debtors, including LFM, filed voluntary chapter 11 petitions. On October 2, 2024, Debtors Pinewood

Condominiums, LP and Ponderosa Pines, LP filed voluntary chapter 11 petitions. On November 22, 2024, an involuntary chapter 11 petition was filed against KSMP. On June 9, 2025, an order for relief was entered against KSMP [Case No. 24-10715, Docket No. 131]. The Consolidated Debtor and the Debtors are proper debtors under section 109 of the Bankruptcy Code and the Plan Proponents are proper proponents of the Plan under section 1121(a) of the Bankruptcy Code. The Consolidated Debtor continues to operate its business and manage its property as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this Chapter 11 Case.

C. Substantive Consolidation. On March 6, 2026, the Bankruptcy Court entered its *Order Substantively Consolidating Debtor Lefever Mattson and KS Mattson Partners, LP and Granting Related Relief* [Docket No. 3914] (the "Substantive Consolidation Order"). Pursuant to the Substantive Consolidation Order, the Debtors and the KSMP Investment Entities and their estates were substantively consolidated for all purposes (including for purposes of distribution under a plan) into the single Consolidated Debtor.

D. Plan Supplement. The Plan Supplement complies with the terms of the Plan, and the filing and notice of the Plan Supplement were appropriate and complied with the requirements of the Solicitation Procedures Order, the Bankruptcy Code, and the Bankruptcy Rules, and no other or further notice is or shall be required. The Consolidated Debtor is authorized to modify the Plan Supplement documents following entry of this Confirmation Order in a manner consistent with the Plan, this Confirmation Order, or applicable law.

E. Notice of Confirmation Hearing. Due and sufficient notice of the Confirmation Hearing has been provided under the circumstances and under applicable rules and consistent with the requirements imposed by the Bankruptcy Court in its *Order (I) Approving the Plan Summary and Approving Disclosure Statement; (II) Scheduling Status Conference on Confirmation of Plan and Approving the Form and Manner of Service of the Confirmation Notice; (III) Establishing Procedures for the Solicitation and Tabulation of Votes on Plan; (IV) Estimating Investor Claims and Interests Solely For Voting Purposes; and (V) Approving Related Matters* [Docket No. 3105] entered on December 10, 2025 (the "Solicitation Procedures Order").

F. Voting on Plan. The Solicitation Procedures Order fixed January 21, 2026, at 11:59 p.m. (Pacific Time) as the deadline to submit ballots to accept or reject the Plan. The Plan Proponents have tabulated the ballots received, as evidenced by the declaration of Andres A. Estrada filed on April 7, 2026 [Docket No. 4162] (the "Voting Declaration") and the Tabulation Results attached as Exhibit A thereto (the "Tabulation Results"). As set forth in the Voting Declaration, all classes entitled to vote on the Plan – Class 3 (Secured Lender Claims), Class 4 (Trade Claims), and Class 5 (Investor Claims) – voted to accept the Plan in accordance with section 1126 of the Bankruptcy Code. The procedures by which the ballots for acceptance or rejection of the Plan and for making related elections were distributed and tabulated were fair, properly conducted, and complied with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, applicable non-bankruptcy law, and the Solicitation Procedures Order.

G. Bankruptcy Rule 3016. In accordance with Bankruptcy Rule 3016(a), the Plan is dated and identifies the Consolidated Debtor and the Committee as the plan proponents. The filing of the Disclosure Statement with the clerk of the Bankruptcy Court satisfied Bankruptcy Rule 3016(b). The Plan and Disclosure Statement describe in specific and conspicuous language all acts and actions to be enjoined and identify the Persons and Entities that would be subject to injunctions. Bankruptcy Rule 3016(c) is therefore satisfied.

H. Modifications to the Plan Approved. After service of the Solicitation Packages pursuant to the Solicitation Procedures Order, the Debtors made certain modifications to the Plan. All modifications to the Plan since the entry of the Solicitation Procedures Order as reflected in the Plan (the "Plan Modifications") are consistent with the provisions of the Bankruptcy Code, including sections 1122, 1123, 1125, and 1127, are incorporated by reference herein and are approved. None of the Plan Modifications materially and adversely affect the treatment of any holder of a Claim or Equity Interest under the Plan. Accordingly, pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of the modifications require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code. The Plan as modified shall constitute the Plan submitted for Confirmation.

I. Objections. Objections to the Plan were filed by Deutsche Bank Trust Company Americas as Trustee [Docket No. 3386], the Tillman Investor Group [Docket No. 3409], Duggan's Mission Chapel, Inc. and Amanda Henry as Trustee [Docket No. 3412], the Bank of New York Mellon as Trustee [Docket No. 3419], Nationstar Mortgage LLC [Docket No. 3420], and JPMorgan Chase Bank, N.A. [Docket No. 3421] (collectively, the "Objections"). The Objections have been either withdrawn, overruled, or otherwise consensually resolved by the parties and, if applicable, any related modifications to the Plan are reflected in the Plan.

J. Compliance with Confirmation Requirements of Bankruptcy Code. The Plan, as modified by this Order (the "Confirmation Order"), complies with the applicable requirements of sections 1123 and 1129 of the Bankruptcy Code, which set forth the conditions necessary for confirmation. In particular, the Plan is fair and equitable pursuant to section 1129(b) of the Bankruptcy Code.

K. Settlement of Claims and Controversies. Pursuant to sections 1123(a)(5), 1123(b)(3), and 1123(b)(6) of the Bankruptcy Code, as well as Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all claims and controversies relating to the rights that a Holder of a Claim or an Equity Interest may have against the Consolidated Debtor with respect to any Claim, Equity Interest, or any Distribution on account thereof, as well as of all Causes of Action against the Consolidated Debtor. The compromise and settlement of all such claims or controversies are (i) in the best interest of the Consolidated Debtor, the Debtors, the Estates, and their respective property and stakeholders; and (ii) fair, equitable, and reasonable.

L. Ponzi Findings and Conclusions. As evidenced by the Joint Investigation Report [Docket No. 2568] and other evidence proffered by the Plan Proponents prior to or at the Confirmation Hearing, the Debtors and the KSMP Investment Entities were operated as a Ponzi scheme from at least September 12, 2017. During this period, Kenneth W. Mattson ("Mattson") controlled the Debtors and the KSMP Investment Entities as a single enterprise – disregarding their separate corporate forms – and caused them to engage in fraudulent activities and transactions (collectively, the "Mattson Transactions"). The Mattson Transactions took many

forms, including the sale of fictitious interests in many of the Debtors and the KSMP Investment Entities; the transfer of vast sums of money between and among LFM, KSMP, other Debtors, and the KSMP Investment Entities; and the transfer among the Debtors of properties encumbered with high-interest loans often not disclosed to the affected investors in those properties. The Mattson Transactions amounted to a Ponzi scheme – a form of investment fraud characterized by the perpetrator's payment of old investors with money invested by new ones. Mattson effected this Ponzi scheme, in large part, through a bank account (the "1059 Account") that he controlled and that he maintained separately from LFM's accounting system. From September 2017 until his removal as an officer of LFM, Mattson induced Investors to deposit over $104 million into the 1059 Account. Rather than allocate those funds to the specific Debtors and the KSMP Investment Entities in which the Investors believed they were investing, Mattson commingled the 1059 Account funds and used them in improper ways, including by making over $70 million in payments to Investors. Mattson's misuse of the 1059 Account and similar misuse of KSMP's 1380 Account (as defined in the Joint Investigation Report) further supports the Ponzi findings herein.

On May 13, 2025, Mattson was indicted in the case captioned *United States of America v. Kenneth W. Mattson*, Case No. CR25-00126-CRB (N.D. Cal.) (the "Indictment"). Among other things, the Indictment alleges that Mattson ran a Ponzi scheme.

Based upon the record of the Confirmation Hearing, all the proceedings held before this Bankruptcy Court in this Chapter 11 Case, and the foregoing findings of fact and conclusions of law,

IT IS HEREBY ORDERED THAT:

A. Confirmation of the Plan

1. The Plan and each of its provisions (whether or not specifically approved herein) is hereby **APPROVED** and **CONFIRMED** in all respects, as modified herein; *provided*, *however*, that if there is any direct conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this Confirmation Order shall control. All objections and responses to, and statements regarding, the Plan, to the extent that they have not been withdrawn, waived, or settled

prior to the entry of this Confirmation Order or are not cured by the relief granted herein, are hereby expressly overruled.

2. The Plan Modifications are approved pursuant to sections 1122, 1123, 1125, and 1127 of the Bankruptcy Code, and pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of the Plan Modifications require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code.

3. Notwithstanding anything to the contrary contained in this Confirmation Order or the Plan, Allowed Class 2 Claims shall be reinstated and the Consolidated Debtor's obligations shall be unaffected by the Chapter 11 Case, leaving unaltered the legal, equitable, and contractual rights to which such Claim entitles the Holder.

B. Conditions Precedent

4. The Effective Date shall not occur, and the Plan shall not be consummated unless, and until each of the conditions set forth in Section 9.1 of the Plan have been satisfied or duly waived pursuant to Section 9.2 of the Plan.

5. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or 9014 to the extent applicable, this Confirmation Order is not subject to any stay, and the Plan shall become effective at the option of the Plan Proponents at any time in their sole discretion following (i) entry of this Confirmation Order and (ii) satisfaction of the requirements set forth in the preceding paragraph 3 of this Confirmation Order.

C. Successors and Assigns

6. The terms of this Confirmation Order are binding on the Consolidated Debtor, the Debtors, any and all Holders of Claims and Equity Interests (irrespective of whether such Claims or Equity Interests are impaired under the Plan or whether the Holders of such Claims or Equity Interests accepted, rejected, or are deemed to have accepted or rejected, the Plan), any and all non-debtor parties to executory contracts and unexpired leases with the Consolidated Debtor and the Debtors and any and all entities who are parties to or are subject to the settlements, compromises,

releases, discharges, and injunctions set forth in the Plan and the respective heirs, executors, administrators, successors or assigns, if any, of any of the foregoing.

D. Vesting of Assets

7. As provided in Section 5.3.3 of the Plan, on the Effective Date, the Plan Recovery Trust Assets shall automatically vest in the Plan Recovery Trust.

8. Retained Real Property. Upon the Effective Date, and as provided in Section 5.3.3 of the Plan, legal title to any Real Property and any associated personal property not sold, transferred, or disposed of by the Consolidated Debtor prior to the Effective Date shall remain with the Consolidated Estate, and such legal title shall not be transferred to any other entity, including the Plan Recovery Trust, but such Real Property shall continue to be marketed for sale pursuant to the Plan. Upon the consummation of the sale of the applicable Retained Real Property, the resulting Real Property Sale Proceeds will automatically and immediately vest in the Plan Recovery Trust, to be administered and distributed by the Plan Recovery Trustee in accordance with the Plan and the Plan Recovery Trust Agreement.

9. Non-Debtor Subsidiaries. Upon the Effective Date, and as provided in Section 5.3.3 of the Plan, any ownership interests in non-debtor Entities not sold, transferred, or disposed of by the Consolidated Debtor prior to the Effective Date shall remain property of the Consolidated Estate, and shall not vest in any other entity, including the Plan Recovery Trust, and instead such ownership interests shall expressly remain property of the Consolidated Estate and shall be administered by the Consolidated Debtor. Notwithstanding the foregoing, any economic interest of the Consolidated Debtor in a non-debtor Entity shall vest in the Plan Recovery Trust upon the Effective Date.

E. Executory Contracts and Unexpired Leases

10. On and as of the Effective Date, and as provided in Section 6.1 of the Plan, the Consolidated Debtor (and any applicable Debtor) shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements (including as amended by the *Notice of Amended Exhibits to Supplement to Third Amended Joint Plan of Liquidation* [Docket No. 4163]) and shall assign such contracts and leases to the Consolidated Estate or its

designee. The Plan Proponents reserve the right to amend the Schedule of Assumed Agreements at any time prior to the Effective Date (i) to delete any executory contract or unexpired lease and provide for its rejection under the Plan or otherwise, or (ii) to add any executory contract or unexpired lease and provide for its assumption and assignment under the Plan. Prior to or on the Effective Date, the Plan Proponents will serve notice of any amendment(s) to the Schedule of Assumed Agreements to the party or parties to those agreements affected by such amendment (the "Counterparties"). Any Counterparties with an objection (an "Assumption Objection") to the assumption, assumption and assignment, rejection, and/or other disposition of the Counterparty's agreement and the proposed cure amount (if applicable) must file with the Bankruptcy Court and serve on counsel to the Plan Proponents or the Plan Recovery Trustee (as applicable) such Assumption Objection within fourteen (14) calendar days after the Effective Date. In the event that the parties cannot reach a consensual resolution of the Assumption Objection, a hearing (to be scheduled) will be held on the matter by the Bankruptcy Court.

11. On and as of the Effective Date, and as provided in Section 6.2 of the Plan, all executory contracts and unexpired leases of the Consolidated Debtor (and any applicable Debtor) shall be rejected except for (i) executory contracts and unexpired leases that have been previously assumed or rejected by the Debtors, (ii) all executory contracts and unexpired leases specified as to be assumed in Section 6.1 of the Plan (including all contracts and leases set forth in the Schedule of Assumed Agreements, as may be amended), and (iii) any agreement, obligation, security interest, transaction, or similar undertaking that the Consolidated Debtor believes is not executory or a lease, but that is later determined by the Bankruptcy Court to be an executory contract or unexpired lease that is subject to assumption or rejection under section 365 of the Bankruptcy Code. Executory contracts and unexpired leases that have been previously assumed, or assumed and assigned, pursuant to an order of the Bankruptcy Court, shall not be affected by the Plan.

12. Any Rejection Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served no later than the Rejection Claims Bar Date. Any such Rejection Claim that is not timely Filed and served will be

forever disallowed, barred, and unenforceable, and the Holder of such Claim will not receive, and be barred from receiving, any Distributions on account of such untimely Claim. The Plan Recovery Trustee may object to any Rejection Claim by the Claim Objection Deadline. The Rejection Claims Bar Date established by the Plan does not alter any rejection claims bar date established by an order of the Bankruptcy Court with respect to any executory contract or unexpired lease that was previously rejected in the Chapter 11 Case.

F. Preservation of Causes of Action

13. Except as otherwise provided in the Plan or herein, from and after the Effective Date, the Plan Recovery Trust will retain all rights to institute, commence, file, pursue, prosecute, enforce, abandon, settle, compromise, release, waive, dismiss, or withdraw, as appropriate, any and all of the Causes of Action, including Avoidance Actions and Causes of Action that are Contributed Claims (whether existing as of the Petition Date or thereafter arising), in each case in any court or other tribunal, including in an adversary proceeding Filed in the Chapter 11 Case, subject to the requirements set forth in the Plan and the Plan Recovery Trust Agreement. The Plan Recovery Trust shall have the exclusive right, power, and interest on behalf of itself, the Consolidated Debtor, the Debtors, the Estates, the KSMP Investment Entities, and the Contributing Claimants to enforce, sue on, settle, compromise, transfer, or assign (or decline to do any of the foregoing) any or all of the Plan Recovery Trust Actions without notice to or approval from the Bankruptcy Court, subject to the Plan Recovery Trust Agreement. In accordance with the Plan, and pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, from and after the Effective Date, the Plan Recovery Trust may compromise and settle Plan Recovery Trust Actions, subject to the Plan Recovery Trust Agreement. The Consolidated Debtor, the Debtors, the Estates, the KSMP Investment Entities, and the Plan Recovery Trustee shall be entitled to the tolling and extension of time periods provided under section 108 of the Bankruptcy Code for any and all Causes of Action retained under the Plan.

14. Upon the Effective Date, the Plan Recovery Trustee shall be automatically substituted for the Debtors, the Consolidated Debtor, the Estates, and the KSMP Investment

Entities, as the real party in interest in any and all pending actions or proceedings, including any pending claim objections in the Chapter 11 Case, without the need for further notice to or order of the Bankruptcy Court. All such substitutions shall be deemed effective by operation of the Plan, and the Plan Recovery Trustee shall have the authority to continue, prosecute, or otherwise resolve such actions in accordance with the Plan and the Plan Recovery Trust Agreement.

15. The failure to specifically identify in the Disclosure Statement (including the exhibits and schedules thereto) or the Plan any potential or existing Avoidance Action or Cause of Action as a Plan Recovery Trust Action is not intended to and shall not limit the rights of the Plan Recovery Trust to pursue any such Avoidance Action or Cause of Action. Unless a Plan Recovery Trust Action is expressly waived, relinquished, released, compromised, or settled in the Plan or any Final Order (including the Confirmation Order), the Consolidated Debtor and Debtors expressly reserve such Plan Recovery Trust Action for later resolution by the Plan Recovery Trustee (including any Avoidance Action or Cause of Action not specifically identified or of which the Consolidated Debtor and Debtors may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to the Consolidated Debtor and Debtors at this time or facts or circumstances that may change or be different from those the Consolidated Debtor and Debtors now believe to exist). As such, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable, or otherwise), or laches will apply to any such Avoidance Action or Cause of Action upon or after Confirmation of the Plan based on the Disclosure Statement, the Plan, or this Confirmation Order, except when such Avoidance Action or Cause of Action has been expressly released. In addition, the right to pursue or adopt any claims alleged in any lawsuit in which any Debtor or the Plan Recovery Trust is a plaintiff, defendant, or interested party is fully reserved as against any Person or Entity, including the plaintiffs or co-defendants in such lawsuits.

16. Freddie Mac and California Bank of Commerce Resolution. Notwithstanding any other provision of this Confirmation Order or the Plan, any finding of fact or conclusion of law by this Bankruptcy Court, or any appellate court, in connection with the confirmation of the Plan relating to any Ponzi Finding (as defined in the Plan Summary) shall have no preclusive effect on

either Federal Home Loan Mortgage Corporation ("Freddie Mac") or California Bank of Commerce ("CBC") in any litigation or proceeding by or against Freddie Mac or CBC in any tribunal. Neither the Consolidated Debtor, the Committee, nor the Plan Recovery Trustee (or any estate representative or other successor) may seek to enforce any such findings against Freddie Mac or CBC or contend that Freddie Mac or CBC are bound by any such findings. Any and all rights and defenses of Freddie Mac and CBC to defend the claims and causes of action against them are preserved, including the right to contest whether their respective borrower-Debtor participated in any alleged Ponzi scheme.

17. Timothy J. LeFever and LeFever-Related Parties Resolution. Notwithstanding anything to the contrary contained in this Confirmation Order, any findings of fact or conclusions of law contained in this Confirmation Order, or the Plan, relating to any Ponzi findings or conclusions or similar findings and conclusions shall not be binding on Timothy J. LeFever or any other LeFever-Related Party (as defined in that certain *Settlement Agreement With Mutual General Releases* dated as of January 29, 2026 at Docket No. 3876 (the "LeFever Settlement Agreement")), in connection with any third party litigation or proceedings of any nature, and shall not have any collateral estoppel, issue preclusion, res judicata, or similar effect as to Timothy J. LeFever or any other LeFever-Related Party in connection with any third party litigation or proceedings of any nature.

18. Notwithstanding any other provision in the Plan or this Confirmation Order, the Plan Recovery Trust, Plan Recovery Trustee, and any subsequent chapter 7 trustee who may be appointed in this bankruptcy case shall be bound by the terms of the LeFever Settlement Agreement and the *Order Approving Entry Into and Performance Under the Settlement Agreement With Timothy J. LeFever and Certain of His Affiliates* [Docket No. 3876].

G. Actions in Furtherance of the Plan

19. The Plan Proponents and the Plan Recovery Trustee are authorized to: (a) take any and all such actions as may be necessary or appropriate to implement, effectuate, and consummate the Plan in accordance with its terms, subject to this Confirmation Order; and (b) execute any and all such documents and instruments as may be required to effectuate the Plan.

H. Releases

20. Any releases contained in the Plan, including, without limitation, Sections 11.2 and 11.3 of the Plan, are approved in all respects. The commencement or prosecution by any entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities released pursuant to the Plan are permanently enjoined.

I. Non-Discharge of the Debtors; Property Free and Clear

21. In accordance with section 1141(d)(3)(A) of the Bankruptcy Code, the Plan does not discharge the Consolidated Debtor and Debtors. Section 1141(c) of the Bankruptcy Code nevertheless provides, among other things, that the property dealt with by the Plan, including, without limitation, the Retained Real Properties, is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the Debtors. As of the Effective Date, all Entities are precluded and barred from asserting against any property to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, Equity Interests, or other action or remedy based on any act, omission, transaction, or other activity that occurred before the Effective Date, except as expressly provided in the Plan, this Confirmation Order, or any Orders approving settlement agreements entered in the Chapter 11 Case.

J. Injunctions

22. As of the Effective Date, all Persons and Entities are permanently enjoined from: commencing or prosecuting, whether directly, derivatively, or otherwise, any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released or exculpated pursuant to the Plan. Prior to commencing an action against an Exculpated Party in any way related to or connected with the Chapter 11 Case, any Person or Entity must first seek a determination that the claims asserted in such action are excluded from the exculpation provisions in the Plan and permission from the Bankruptcy Court to prosecute such action. The Bankruptcy Court shall retain exclusive jurisdiction to determine the scope and effect of any release or exculpation provided in the Plan.

23. Unless otherwise provided in the Plan, all injunctions or stays in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant as of the Confirmation Hearing (excluding any injunctions or stays contained in or arising from the Plan or the Confirmation Order), shall remain in full force and effect through the Effective Date.

K. Prior Settlement Agreements

24. Nothing in this Confirmation Order modifies the terms of any Orders approving settlement agreements previously entered in the Chapter 11 Case.

L. Sales of Retained Real Property

25. The Consolidated Estate may continue to sell Retained Real Property, including any Retained Real Property for which a sale contract has been entered into but such sale has not closed as of the Effective Date (each, a "Pending Sale" governed by a "Pending Sale Contract"). Any order or notice required by the (i) *Order Establishing Omnibus Procedures for Real Property Sales* [Docket No. 971], (ii) *Order Establishing Omnibus Procedures for Real Property Sales (Socotra Collateral)* [Docket No. 1381], or (iii) *Order Granting Motion of Debtor KSMP to Establish Procedures for Real Property Sales* [Docket No. 2694] shall not be required to close a Pending Sale or any other sale of Retained Real Property on or after the Effective Date.

26. If an order approving the sale of a Retained Real Property is entered by this Bankruptcy Court prior to the Effective Date but such sale provided for therein has not closed prior to the Effective Date (a "Pending Sale Order"), the closing deadline of such sale shall remain as stated in the Pending Sale Contract. For a Pending Sale where no Pending Sale Order was entered prior to the Effective Date, the following closing periods shall apply:

a. The closing deadline for a Pending Sale where contingencies have been waived by the parties to the Pending Sale Contract prior to the Effective Date shall be the later of (i) fourteen (14) calendar days from the Effective Date or (ii) the closing deadline stated in the Pending Sale Contract. The closing deadline may be extended by agreement of the parties to the Pending Sale Contract.

b. The closing deadline for a Pending Sale where contingencies have not been waived by the parties to the Pending Sale Contract prior to the Effective Date shall be the later of (i) fourteen (14) calendar days from the date on the which contingencies are waived or (ii) the closing deadline stated in the Pending Sale Contract. The closing deadline may be extended by agreement of the parties to the Pending Sale Contract.

27. Socotra Retained Property Sale Procedures. With respect to each Retained Property (as defined in the Settlement Agreement at Docket No. 2852-1) (the "Socotra Settlement Agreement") that has not been sold prior to the Effective Date: (i) the Consolidated Debtor shall, prior to entering into a sale contract with a proposed purchaser of each Retained Property, provide to Socotra Capital, Inc. ("Socotra") (a) a summary of the proposed purchase offer and (b) a reasonable opportunity to submit a competing offer and otherwise participate in the sale process as a potential purchaser, and (ii) no sale of a Retained Property shall close, absent a further order of the Bankruptcy Court after three (3) business days' notice to Socotra and a hearing, unless Socotra has approved in writing (via email) the purchase price and closing statement.

28. This Confirmation Order shall be deemed to amend, with no further action, the Pending Sale Contracts to comply with the provisions found herein. Further, any changes to a Pending Sale Contract caused by this Confirmation Order shall not constitute a breach of such contract.

29. Notwithstanding anything to the contrary in the Bankruptcy Code, Bankruptcy Rules, this Confirmation Order, the Plan, or the Plan Recovery Trust Agreement, the Consolidated Estate and the Plan Recovery Trustee shall retain the right, after the Effective Date, to obtain relief under section 363(h) of the Bankruptcy Code as may be necessary or appropriate in connection with the liquidation of the Retained Real Properties.

M. Insurance Policies

30. Notwithstanding anything to the contrary contained in this Confirmation Order, the Plan, or the Plan Recovery Trust Agreement, the Plan shall not discharge, impair, or otherwise modify any obligations of the non-Debtor parties to all insurance policies of any kind, whether

current or historical, issued at any time to or for the benefit of the Consolidated Debtor, the Debtors, or the KSMP Investment Entities, including but not limited to director and officer liability policies, casualty insurance, property insurance, malpractice insurance, errors and omissions insurance, and any similar or related insurance policies, together with all rights, claims, and proceeds arising therefrom ("Insurance Polices"), owed to the Consolidated Debtor, Debtors, the KSMP Investment Entities, or any other Estate Parties or any other parties including any additional insureds. Nothing herein and in the Plan shall cause the rejection, breach, or termination of any Insurance Policies. For the avoidance of doubt, the Estate Parties reserve all of their rights, claims, offsets, setoffs, defenses, counterclaims, and all other interests relating to any and all Insurance Policies.

31. To the extent one or more of the Insurance Policies provide potential coverage related to one or more Causes of Action the Estate Parties hold or may hold against any Person or Entity, the Consolidated Debtor shall, to the extent permissible, assign all rights thereunder with respect to such Causes of Action to the Plan Recovery Trustee. All net proceeds of Insurance Policies received by the Plan Recovery Trustee shall be treated as proceeds of such Causes of Action for all purposes under the Plan. Nothing in this Confirmation Order or in the Plan shall diminish or impair the enforceability by the Estate Parties of the Insurance Policies and related agreements that may cover claims and causes of action against the Consolidated Debtor, any other Estate Parties, or any other Entity.

N. Section 1146(a) Exemption

32. To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any and all transfers (whether from a Debtor or Estate to the Plan Recovery Trust, the Consolidated Debtor, another Debtor, a non-Debtor affiliate, or any other Person or Entity) of any property under or pursuant to the Plan or pursuant to (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in or of the Debtors, the Consolidated Debtor, or the Plan Recovery Trust; (b) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (c) the making, assignment, or recording of any lease or

sublease; and/or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan including in relation to the Real Properties, *shall not* be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, personal property transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment. Upon entry of this Confirmation Order, the appropriate state or local government officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

33. All filing or recording officers (or any other Person or Entity with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

34. Notwithstanding anything to the contrary in the Plan, this Confirmation Order, the Bankruptcy Code, or the Bankruptcy Rules, the Plan Recovery Trustee shall have the independent right and authority to request a determination of any unpaid liability of the Consolidated Estate or Estates pursuant to, and in accordance with, section 505(b) of the Bankruptcy Code.

O. Disclosure of Tax Treatment

35. For purposes of United States federal income tax, the intended tax consequences described in Section 5.3.2 of the Plan supersede the description in Article VII of the Disclosure Statement to the extent of any inconsistency.

P. Examinations

36. Upon the Effective Date, the Plan Recovery Trustee shall have the independent right and authority to conduct examinations pursuant to Bankruptcy Rule 2004, including but not

limited to issuing notices and conducting examinations of any party in interest, without the need for further order of the Bankruptcy Court, in connection with the administration of the Plan, the Plan Recovery Trust Agreement, and investigation or prosecution of any Causes of Action.

Q. Final Decree Closing Certain Chapter 11 Cases

37. Within seven (7) calendar days after the Effective Date, the Plan Recovery Trust shall file a request for entry of a final decree and closure of the Chapter 11 Cases of the Debtors, other than the Consolidated Debtor (the "Final Decree Request"). The Final Decree Request shall be supported by a declaration that the Effective Date has occurred.

R. Payment of Statutory Fees

38. All fees pursuant to 28 U.S.C. § 1930, due and payable before the Effective Date, shall be paid by the Consolidated Debtor on or before the Effective Date. All such fees that arise after the Effective Date shall be paid by the Plan Recovery Trustee from Plan Recovery Trust Assets.

S. Reference to and Validity and Enforceability of the Plan Provisions

39. The failure to reference any particular provision in the Plan in this Confirmation Order shall have no effect on the binding effect, enforceability, or legality of such provision and such provision shall have the same binding effect, enforceability, or legality as every other provision of the Plan. Each term and provision of the Plan, as modified or interpreted by the Bankruptcy Court, is valid and enforceable pursuant to its terms.

T. Notice of Entry of Confirmation Order

40. Pursuant to Bankruptcy Rules 2002 and 3020(c)(2), the Consolidated Debtor is hereby directed to serve a notice of the entry of this Confirmation Order, and if it has occurred, the Effective Date, on all parties that received notice of the Confirmation Hearing, no later than twenty-one (21) calendar days after the date of this Confirmation Order; *provided*, *however*, that the Consolidated Debtor shall be obligated to serve such notice only on the record holders of Claims and Interests.

U. Retention of Jurisdiction

41. This Bankruptcy Court shall retain jurisdiction to the fullest extent permitted by the Plan and applicable law to enforce, implement, interpret and resolve issues and disputes with respect to the Plan and all matters related to the Plan.

****END OF ORDER****

COURT SERVICE LIST

All ECF Participants