

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:) BK No.: 11-49744
HARTFORD COMPUTER HARDWARE,) (Jointly Administered)
INC., et al.) Chapter: 11
)
) Honorable Pamela S. Hollis
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)
)
Debtor(s))

**ORDER CONFIRMING THE DEBTORS' AND THE CREDITORS COMMITTEE'S
JOINT PLAN OF LIQUIDATION**

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), having filed a voluntary petition for relief on December 12, 2011 (the "Petition Date") under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"); and on July 23, 2012, together with the Creditors' Committee appointed in these Cases (unless otherwise specified herein, capitalized terms and phrases used herein shall have the meanings given to them in the Plan. Any term used in the Plan or herein that is not defined in the Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules, has the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable), having filed the Debtors' and Official Committee of Unsecured Creditors' Joint Plan of Liquidation [Doc. No. 399] (the "Plan") and the Amended Disclosure Statement for the Joint Plan of Liquidation of the Debtors and the Creditors Committee [Doc. No. 429] (the "Disclosure Statement") in support thereof; and this Court having entered an order on August 10, 2012 approving the Disclosure Statement and granting the Debtors' Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement, (II) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan, (III) Fixing the Bar Date for Professional Fee Claims, (IV) Fixing the Date, Time and Place for Confirmation Hearing, and (V) Establishing Procedures for Rejection Claims [Docket No. 434] (the "Solicitation Procedures Order") [Doc. No. 434] by which this Court, among other things, approved the Disclosure Statement, established procedures for the solicitation and tabulation of votes to accept or reject the Plan and scheduled a hearing pursuant to sections 1128 and 1129 of the Bankruptcy Code and Bankruptcy Rule 3017(c) to consider confirmation of the Plan (the "Confirmation Hearing"); and this Court having considered any objections to confirmation of the Plan and any responses thereto; and the affidavit of service of solicitation packages and notices ("Affidavit of Service") having been filed with the Court; and due notice of the Confirmation Hearing having been given to holders of Claims against and Interests in the Debtors and to other parties in interest, all in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the Northern District of Illinois (the "Local Rules") and the Solicitation Procedures Order, and it appearing that no other or further notice need be given; and the Declaration of Kurtzman Carson Consultants LLC Regarding Tabulation of Votes in Connection with Debtors' and Official Committee of Unsecured Creditors' Joint Plan of Liquidation (the "Voting Certification") on September 17, 2012 pursuant to which the Balloting Agent declared that the Debtors received 1 acceptances out of 1 total votes in favor of the Plan from holders of Claims under Class I (Secured Claims) and 79 acceptances out of 82 total votes in favor of the Plan from holders of Claims under Class III (Allowed General Unsecured Claims) having been filed with the Court; and based upon the record of, and all proceedings had before the Court, the Plan, the Affidavit of Service, the Voting Affidavit, and all the other papers filed in support of, or against, the Plan and after due deliberation and sufficient cause therefore;



NOW, THEREFORE, it appearing to this Court that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation have been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and the legal and factual bases set forth in the documents filed in support of Confirmation establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefore;

IT IS HEREBY FOUND THAT:

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052. To the extent any findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such.

2. Venue in this Court was proper as of the Petition Date pursuant to 28 U.S.C. §§ 1408 and 1409 and continues to be proper during these chapter 11 cases (the "Chapter 11 Cases"). Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2). This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

A. Commencement and Joint Administration of the Chapter 11 Cases.

3. On the Petition Date, each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code. The Debtors operated their businesses and managed their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in the Chapter 11 Cases.

4. On the Petition Date, the Debtors filed a Motion Pursuant to 11 U.S.C. §§ 105(a), 363, 365 and Fed. R. Bankr. P. 2002, 6004, 6006 for (I) Entry of an Order (A) Approving Bidding Procedures; (B) Granting Certain Bid Protections; (C) Approving Form and Manner of Sale Notices; (D) Setting Sale Hearing Date in Connection With Sale of Substantially All of Debtors' Assets; and (II) Entry of an Order (A) Approving the Sale of Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption And Assignment of Certain Executory Contracts and Unexpired Leases; (C) the Assumption of Certain Liabilities; and (D) Granting Certain Related Relief [Doc. No. 33]. This Court, among other things, approved certain bidding procedures [Doc. No. 128] and entered an order on February 28, 2012 approving the sale of the assets and the assignment of certain leases and contracts to the Buyers [Doc. No. 208].

B. Judicial Notice.

5. This Court takes judicial notice of the docket of the Chapter 11 Cases and all related adversary proceedings maintained by the Clerk and/or its duly appointed agent, including without limitation, all pleadings and other documents filed, all proceedings during the Chapter 11 Cases, and all orders entered during the pendency of the Chapter 11 Cases.

6. Prior to the Petition Date, certain shareholders of the Debtors commenced the Shareholder Suit. Pursuant to the minute order entered by Hon. Suzanne B. Conlon, U.S.D.J. for the United States District Court for the Northern District of Illinois, entered in Case No. 12 C 5718 (N.D.Ill.) on August 9, 2012, the Shareholder Suit is in the process of being transferred to this Court. The claims asserted in the Shareholder Suit are derivative claims which, pursuant to § 541(a)(1) of the Bankruptcy Code are

property of the Debtors' estates. Pursuant to this Court's Final Order (I) Authorizing the Debtors to Obtain Post-Petition Financing Pursuant to 11 U.S.C. § 364, (II) Authorizing the Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (III) Granting Adequate Protection to the Pre-Petition Secured Lender Pursuant to 11 U.S.C. § 361 and 363 . . . entered on January 26, 2012 (the "Final DIP Order"), the Committee was granted standing to pursue the claims asserted in the Shareholder Suit or otherwise to assert a "Challenge" (as defined in the Final DIP Order) against Delaware Street and certain other parties, and all other parties in interest were granted until (as later modified) June 11, 2012 (the "Challenge Deadline") to file a Challenge. No party in interest filed a Challenge by the Challenge Deadline. As a consequence, all parties in interest, except the Committee which has reserved the right to assert a Challenge by agreement with the Debtors and Delaware Street, have waived the right to assert a Challenge. The Plan, of which the Committee is a co-proponent, contemplates the full and final settlement of all claims of the Debtors against Delaware Street.

C. Notice

7. The Disclosure Statement, the Plan, the Ballots, and notice of the Confirmation Hearing (the "Confirmation Notice") were transmitted and served in compliance with the Bankruptcy Rules, the Local Rules and the Solicitation Procedures Order. The transmittal and service of the Plan materials was adequate and sufficient under the circumstances of the Case. All parties required to be given notice of the Confirmation Hearing (including notice of the deadline for filing and serving objections to confirmation of the Plan) have been given due, proper, timely, and adequate notice in accordance with the Bankruptcy Rules, the Local Rules and the Disclosure Statement and Solicitation Procedures Order, and have had an ample opportunity to appear and be heard with respect thereto. No other or further notice is required.

D. Solicitation.

8. Votes for acceptance and rejection of the Plan were solicited in good faith and in compliance with Bankruptcy Code sections 1125 and 1126, Bankruptcy Rules 3017 and 3018, the Disclosure Statement, the Solicitation Procedures Order, all other applicable provisions of the Bankruptcy Code and all other applicable rules, laws, and regulations. Specifically, the solicitation materials approved by the Bankruptcy Court in the Solicitation Procedures Order (including the Disclosure Statement, Plan, Ballots, and Solicitation Procedures Order) were transmitted to and served on all holders of Claims or Interests in Classes that were entitled to vote to accept or reject the Plan, as well as to other parties in interest in the Chapter 11 Cases, in compliance with Bankruptcy Code section 1125, the Solicitation Procedures Order, and the Bankruptcy Rules. Such transmittal and service were adequate and sufficient, and no further notice is or shall be required. All procedures used to distribute solicitation materials to holders of Claims and Interests were fair, and conducted in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and all other applicable rules, laws, and regulations.

E. Voting Certification.

9. Prior to the Confirmation Hearing, the Debtors filed the Voting Certification. All procedures used to tabulate the Ballots were fair and conducted in accordance with the Solicitation Procedures Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and all other applicable rules, laws, and regulations.

10. As evidenced by the Voting Certification, Creditors in Class I (Secured Claims – Delaware

Street) and Class III (Allowed General Unsecured Claims) voted to accept the Plan (each, an “Accepting Class”). Creditors in Class II (Subordinated Secured Claims) and Class IV (Equity Interests) are Impaired and deemed to reject the Plan, and therefore, are not entitled to vote to accept or reject the Plan.

F. Bankruptcy Rule 3016.

11. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Clerk of the Bankruptcy Court satisfied Bankruptcy Rule 3016(b).

G. Compliance with the Requirements of Bankruptcy Code Section 1129.

12. The Plan complies with all applicable provisions of Bankruptcy Code section 1129 as follows:

(a) Section 1129(a)(1)—Compliance of the Plan with Applicable Provisions of the Bankruptcy Code.

13. The Plan complies with all applicable provisions of the Bankruptcy Code as required by Bankruptcy Code section 1129(a)(1), including Bankruptcy Code sections 1122 and 1123.

14. Sections 1122 and 1123(a)(1) – Proper Classification. The classification of Claims and Interests under the Plan is proper under the Bankruptcy Code. Pursuant to Bankruptcy Code sections 1122(a) and 1123(a)(1), Article III of the Plan provides for the separate classification of Claims and Interests into four Classes, based on differences in the legal nature or priority of such Claims and Interests. Administrative Claims, Priority Tax Claims and Priority Wage Claims, which are also addressed in Article III of the Plan, are not required to be designated as separate Classes pursuant to Bankruptcy Code section 1123(a)(1). Valid business, factual, and legal reasons exist for the separate classification of the various Classes of Claims and Interests created under the Plan, the classifications were not done for any improper purpose, and the creation of such Classes does not unfairly discriminate between or among holders of Claims or Interests.

15. On September 12, 2012, a group of the Debtors’ shareholders – ARG Investments, Enable Systems, Inc., MRR Venture LLC, SKM Equity Fund II, L.P., and SKM Investment Fund II (collectively, the “Subordinated Lenders and Shareholders”) – filed an objection to the Plan [Docket no. 475] (the Objection”). The Objection asserted, among other things, that the claims of MRR Venture LLC and HCG Financial Services, Inc. (a party that has neither objected to the Plan nor joined in the Objection) should be classified as Class III General Unsecured Claims because the provisions of certain subordination agreements those parties executed that permitted payment on account of their claims only upon the full and indefeasible payment of Delaware Street’s claims (the “Subordination Agreements”) should be deemed unenforceable.

16. The Objection lacks merit and should be overruled. The Subordinated Lenders and Shareholders have waived their arguments by failing to bring a “Challenge” (as that term is defined in the DIP Order) within the time periods established in the DIP Order. Moreover, even if the arguments had not been waived, the Court finds that the Subordinated Lenders and Shareholders have failed to adduce any evidence sufficient to warrant disregarding the Subordination Agreements to which they have agreed to be bound.

17. As a result of the foregoing, the requirements of Bankruptcy Code sections 1122(a), 1122(b), and

1123(a)(1) have been satisfied.

18. Section 1123(a)(2) – Specification of Unimpaired Classes. Article III of the Plan specifies that Administrative Claims, Priority Tax Claims and Priority Wage Claims are Unimpaired under the Plan. As a result thereof, the requirements of Bankruptcy Code section 1123(a)(2) have been satisfied.

19. Section 1123(a)(3) – Specification of Treatment of Impaired Classes. Article III of the Plan specifies the treatment of each Class of Claims and Interests that is Impaired under the Plan. The Plan designates Classes I through IV as Impaired. As a result thereof, the requirements of Bankruptcy Code section 1123(a)(3) have been satisfied.

20. Section 1123(a)(4) – No Discrimination. Pursuant to Bankruptcy Code section 1123(a)(4), Article III of the Plan uniformly provides for the same treatment of each Claim or Interest in a particular Class, as the case may be, unless the holder of a particular Claim or Interest has agreed to a less favorable treatment with respect to such Claim or Interest. As a result thereof, the requirements of Bankruptcy Code section 1123(a)(4) have been satisfied.

21. Section 1123(a)(5) – Implementation of the Plan. Pursuant to Bankruptcy Code section 1123(a)(5), Article II and various other provisions of the Plan specifically provide in detail adequate and proper means for the Plan's implementation, including: (a) the Delaware Street settlement; (b) the establishment of the Hartford Liquidating Trust; (c) the appointment of the Hartford Liquidation Trustee; (d) the liquidation of assets; (e); and the dissolution of the Debtors. Moreover, the Debtors will have, immediately upon the Effective Date, sufficient Cash to make all payments required to be made on the Effective Date pursuant to the terms of the Plan. As a result thereof, the requirements of Bankruptcy Code section 1123(a)(5) have been satisfied.

22. Section 1123(a)(6) – Voting Power of Equity Securities. Section 1123(a)(6) of the Bankruptcy Code requires that a plan provide for the inclusion in a corporate debtor's charter provisions prohibiting the issuance of nonvoting equity securities, and providing for an "appropriate distribution" of voting power among those securities possessing voting power. In these liquidating cases, the Debtors will cease to exist and will have no constituent documents or equity securities. As a result, the requirements of section 1123(a)(6) do not apply.

23. Section 1123(a)(7) – Selection of Officers and Directors. Article 2.2.4 of the Plan provides that, on the later of the Effective Date or the Outside Date, all of the directors and officers of the Debtors shall be deemed to have resigned, and shall be fully discharged from their responsibilities and duties as officers and directors of the Debtors. The Plan's provisions for the selection and appointment of the Hartford Liquidating Trustee are consistent with the interests of creditors and equity security holders and with public policy. The Plan satisfies section 1123(a)(7) of the Bankruptcy Code.

24. Section 1123(b) – Discretionary Contents of the Plan. The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code, including, without limitation, provisions for (i) the impairment of classes of Claims and Interests; (ii) the rejection of certain executory contracts and unexpired leases to which the Debtors were parties; (iii) the settlement and adjustment of Delaware Street's claims; (iv) the provisions regarding the means for implementation of the Plan and governing distributions on account of Allowed Claims; and (v) certain releases, injunctions and exculpations, and the retention of jurisdiction by the Bankruptcy Court over certain matters after the Effective Date.

(b) Section 1129(a)(2)—Compliance of the Debtors With the Applicable Provisions of the Bankruptcy Code.

25. The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code as required by Bankruptcy Code section 1129(a)(2), including Bankruptcy Code sections 1123, 1125 and 1126 and Bankruptcy Rules 3017, 3018 and 3019.

26. The Debtors have fully complied with all post-petition disclosure and solicitation requirements set forth in section 1125 of the Bankruptcy Code. The Debtors distributed the Solicitation Materials, Ballots, and all required documents under Bankruptcy Code section 1125(a) to all parties entitled to the receipt thereof.

27. The Debtors and their respective representatives, officers, directors, employees, advisors, attorneys, and agents have solicited and tabulated votes on the Plan and have participated in the activities described in Bankruptcy Code section 1125 fairly, in good faith within the meaning of Bankruptcy Code section 1125(e), and in a manner consistent with the applicable provisions of the Solicitation Procedures Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations, and are entitled to the protections afforded by Bankruptcy Code section 1125(e).

28. The Debtors and their respective officers, directors, employees, advisors, attorneys, and agents have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the offering, issuance, and distribution of recoveries under the Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

(c) Section 1129(a)(3)—Proposal of Plan in Good Faith.

29. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Bankruptcy Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan itself, and the process leading to its formulation. The Debtors' good faith is evident from the facts and records of the Chapter 11 Cases, the Disclosure Statement and the hearing thereon, and the record of the Confirmation Hearing and other proceedings held in the Chapter 11 Cases. The Debtors and their respective officers, directors, employees, advisors, attorneys, and agents have acted in good faith in connection with the proposal of the Plan, and thus section 1129(a)(3) is satisfied.

(d) Section 1129(a)(4)—Bankruptcy Court Approval of Certain Payments as Reasonable.

30. The procedures set forth in the Plan for the Bankruptcy Court's review and ultimate determination of the fees and expenses to be paid by the Debtors in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, satisfy the objectives of and are in compliance with Bankruptcy Code section 1129(a)(4).

(e) Section 1129(a)(5)—Directors, Officers and Insiders.

31. The Debtors have complied with the requirements of Bankruptcy Code section 1129(a)(5) because the Plan provides for: (i) the resignation and discharge of all of the Debtors' officers; (ii) the

only remaining representative of the Debtors to be the Hartford Liquidating Trustee; and (iii) the disclosure of the identity of the Hartford Liquidating Trustee, Peter Kravitz. Accordingly, the Plan satisfies section 1129(a)(5) of the Bankruptcy Code.

(f) Section 1129(a)(6)—No Rate Changes.

32. Section 1129(a)(6) of the Bankruptcy Code is inapplicable because the Debtors' business will cease and will not involve rates established or approved by, or otherwise subject to, any governmental regulatory commission.

(g) Section 1129(a)(7)—Best Interests of Holders of Claims and Interests.

33. The Liquidation Analysis and the other evidence related thereto that was proffered or adduced at or prior to, or in affidavits in connection with, the Confirmation Hearing: (a) are reasonable, persuasive, and credible; (b) utilize reasonable and appropriate methodologies and assumptions; (c) have not been controverted by other evidence; and (d) establish that, with respect to each Impaired Class, each holder of an Allowed Claim or Interest in such Class has voted to accept the Plan or will receive under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount such holder would receive if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. Thus, the Plan satisfies the "best interests of creditors test" set forth in Bankruptcy Code section 1129(a)(7).

(h) Section 1129(a)(8)—Acceptance or Rejection by Certain Classes.

34. Holders of Class I (Secured Claims – Delaware Street) and Class III (Allowed General Unsecured Claims) have accepted the Plan. Holders of Class II (Subordinate Secured Claims) and Class IV (Equity Interests) are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. The Plan, therefore, does not satisfy section 1129(a)(8) of the Bankruptcy Code. Notwithstanding the lack of compliance with section 1129(a)(8) of the Bankruptcy Code with respect to Class II and Class IV, the Plan is confirmable because it satisfies section 1129(b)(1) of the Bankruptcy Code as set forth below.

(i) Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Bankruptcy Code Section 507(a).

35. The treatment of Administrative Claims, Priority Tax Claims and Priority Wage Claims under Article III of the Plan satisfies the requirements of and complies in all respects with Bankruptcy Code section 1129(a)(9).

(j) Section 1129(a)(10)—Acceptance By At Least One Impaired Class.

36. As set forth in the Voting Certification, Class I and Class III has voted to accept the Plan. Both Class I and Class II are Impaired under the Plan. As such, there is at least one Class of Claims that is Impaired under the Plan that has accepted the Plan, determined without including any acceptance of the Plan by any insider, thus satisfying Bankruptcy Code section 1129(a)(10) in all respects.

(k) Section 1129(a)(11)—Feasibility of the Plan.

37. Section 1129(a)(11) of the Bankruptcy Code is satisfied because confirmation of the Plan is not

likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, other than the liquidation contemplated by the Plan.

(l) Section 1129(a)(12)—Payment of Bankruptcy Fees.

38. Section 1129(a)(12) of the Bankruptcy Code is satisfied because all fees payable pursuant to 28 U.S.C. § 1930 have been paid or, pursuant to the Plan, will be paid on the Effective Date of the Plan, or will be paid by the Liquidating Trustee.

39. Intentionally Omitted.

(m) Section 1129(a)(13)—Retiree Benefits.

40. Section 1129(a)(13) of the Bankruptcy Code requires a plan to provide for retiree benefits at levels established pursuant to section 1114 of the Bankruptcy Code. The Debtors do not have any obligations on account of retiree benefits (as such term is used in section 1114 of the Bankruptcy Code) and, therefore, section 1129(a)(13) of the Bankruptcy Code is inapplicable to these chapter 11 cases. As a result, the requirements of section 1129(a)(13) of the Bankruptcy Code have been satisfied.

(n) Sections 1129(a)(14), (15) and (16) – Domestic Support Obligations; Unsecured Claims Against Individual Debtors; Transfers by Nonprofit Organizations

41. None of the Debtors has domestic support obligations, is an individual or is a nonprofit organization. Therefore, sections 1129(a)(14), (15) and (16) of the Bankruptcy Code do not apply to these Chapter 11 Cases.

(o) Section 1129(b)—No Unfair Discrimination, Fair and Equitable.

42. The Plan may be confirmed notwithstanding the fact that Class II (Subordinated Secured Claims) and Class IV (Equity Interests) are impaired under the Plan and are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. The Plan complies with section 1129(b) by satisfying the requirements of section 1129(b)(1) and 1129(b)(2) of the Bankruptcy Code, as the Plan does not unfairly discriminate with respect to the Impaired Classes that have been deemed to reject the Plan and the Plan is fair and equitable in that, among other things, it satisfies the absolute priority rule.

(p) Section 1129(c)—Only One Plan.

43. Other than the Plan (including previous versions thereof), no other plan has been filed in the Chapter 11 Cases. Accordingly, the requirements of Bankruptcy Code section 1129(c) have been satisfied.

(q) Section 1129(d)—Principal Purpose of the Plan Is Not Avoidance of Taxes.

44. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (15 U.S.C. § 77e).

H. Satisfaction of Confirmation Requirements.

45. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in

Bankruptcy Code section 1129.

I. Satisfaction of Bankruptcy Rule 9019 Requirements.

46. Based upon the record of these cases, and the evidence adduced at the Confirmation Hearing, the settlement with Delaware Street embodied in the Plan is well within the range of possible litigated outcomes, and is fair and reasonable and in the best interests of the Debtors and their estates. It therefore satisfies the requirements for approval under Bankruptcy Rule 9019.

J. Retention of Jurisdiction.

47. This Court may retain jurisdiction over the matters set forth in Article 6.4 of the Plan.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

48. Confirmation of the Plan. The Plan and all related documents, including the Schedules, and form of the Hartford Liquidating Trust Agreement are CONFIRMED in each and every respect, pursuant to section 1129 of the Bankruptcy Code. The terms of the Plan, including all Schedules thereto, are incorporated by reference into, and are a part of, this Confirmation Order. The terms of the Plan and all other relevant and necessary documents, shall be effective and binding as of the Effective Date of the Plan.

49. Objections. To the extent that any objections, reservations of rights, statements, or joinders to Confirmation have not been withdrawn, waived, or settled prior to entry of the Confirmation Order or otherwise resolved as provided in this Order or as stated on the record of the Confirmation Hearing, they are hereby overruled.

50. Plan Classification Controlling. The terms of the Plan shall solely govern the classification of Claims and Interests for purpose of the distributions to be made thereunder. The classifications set forth in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes, (c) may not be relied upon by any creditor as representing the actual classification of such claims under the Plan for distribution purposes, and (d) shall not bind the Debtors and the Hartford Liquidating Trust.

51. Approval of Delaware Street Settlement. The settlement with Delaware Street embodied in the Plan is hereby approved on the terms and conditions set forth in the Plan. Without limiting the generality of the foregoing, and as provided in § 6.13.12 of the Plan, (a) all claims asserted in the Shareholder Suit, all of which are derivative claims belonging to the Debtors, are hereby settled and released, and the Shareholder Suit shall be dismissed with prejudice on the Effective Date, and (b) each of (i) the Debtors, on behalf of themselves and their respective estates and their respective affiliates, members, officers, directors, and employees, and any person claiming by or through them, (ii) the Creditors' Committee, on behalf of itself and its affiliates, members, officers, directors, and employees, and (iii) any other third party shall be deemed to completely and forever release, waive, disclaim and discharge Delaware Street, its affiliates, members, officers, directors, employees and representatives, of and from any and all claims, counterclaims, actions, causes of action, lawsuits, proceedings, adjustments, offsets, contracts, obligations, liabilities, controversies, costs, expenses, attorneys' fees and losses whatsoever, whether in law, in admiralty, in bankruptcy, or in equity, and whether based on any federal law, state law, foreign law, common law or otherwise, foreseen or unforeseen, matured or

unmatured, known or unknown, accrued or not accrued based upon any acts, omissions, conduct or other matters occurring prior to the Effective Date and in any way related to the Debtors.

52. Injunction Against Pursuit of Released Claims. From and after the Effective Date, except as otherwise expressly provided in the Plan or this Order, all Persons shall be and are permanently enjoined from, and restrained against, commencing or continuing in any court, proceeding or other tribunal of any kind, any suit, action, or other proceeding, or otherwise asserting any Claim, Interest, or Cause of Action, which has been released pursuant to §§ 6.13.1 and 6.13.2 of the Plan, or from seeking to hold any released Person liable in any such suit, action or proceeding or for any such Claim, Interest, or Cause of Action for any matter that has been released pursuant to §§ 6.13.1 or 6.13.2 of the Plan. For avoidance of doubt, this injunction shall enjoin further prosecution of any portion of the Shareholder Suit.

53. Immediate Effectiveness of Confirmation, Successor and Assigns. Notwithstanding Bankruptcy Rules 3020(e), 6004(g), 7062, 8001, 8002 or otherwise, immediately upon the entry of this Confirmation Order, the terms of the Plan and the Confirmation Order shall be, and hereby are, immediately effective and enforceable and deemed binding upon (a) the Debtors, (b) the Hartford Liquidating Trust, (c) the Hartford Liquidating Trustee, (d) any and all holders of Claims against or Interests in the Debtors (irrespective of whether such Claims or Interests are Impaired under the Plan or whether the holders of such Claims or Interests accepted, were deemed to have accepted, rejected or were deemed to have rejected the Plan), (e) any other party in interest and (f) any and all Persons who are subject to the settlements, compromises, releases, waivers, discharges, and injunctions described herein or in the Plan and their respective heirs, executors, administrators, successors or assigns, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any, of any of the foregoing.

54. Establishment of Hartford Liquidating Trust. In accordance with Article 2.2 of the Plan, the Debtors are hereby authorized to: (a) execute the Hartford Liquidating Trust Agreement; and (b) take any and all other actions necessary or appropriate to establish the Hartford Liquidating Trust, including transferring all of the Hartford Trust Assets to the Hartford Liquidating Trust.

55. Appointment of the Hartford Liquidating Trustee. The appointment of Peter Kravitz as the Hartford Liquidating Trustee is hereby authorized and approved.

56. Resolution of Sony Electronics Inc.'s Objection. Notwithstanding any contradictory provisions in this Order and/or the Plan: (a) Sony Electronics Inc. ("Sony") may file any applications for allowance of administrative expenses it deems appropriate and in good faith, subject to the ability of any party in interest to object (except for objections asserting that administrative claims that arose after the general proof of claim bar date are barred and/or not timely), and (b) any defenses, including the defenses of setoff and recoupment, Sony may have, including any Causes of Action against Sony transferred to the Hartford Liquidating Trust, are preserved; provided, however, that the provisions of both (a) and (b) of this paragraph shall be subject to provisions of any settlement agreement reached by and between the Debtors and/or the Hartford Liquidating Trustee on the one hand, and Sony on the other, that is approved by this Court and that is not breached by the Debtors and/or the Hartford Liquidating Trustee. Nothing in this paragraph, this Order, or the Plan, shall be deemed or construed to mean that any funds held in accounts to collateralize letters of credit issued to Sony or the proceeds of any such letters of credit are Hartford Trust Assets and all such funds, to the extent not due to Sony, shall be treated as deposit, bank, reserve, or escrow accounts distributable to Delaware Street under § 3.1 of the Plan.

57. Dissolution of the Debtors. On later of the Effective Date or the Outside Date, or as soon thereafter

as is reasonably practicable, the Debtors shall be authorized to take all actions necessary, including retain and pay counsel, to effect the dissolution of any of the Debtors as corporate entities without the need for any further action or approval; provided, however, that the entry of the Final Decree in these Cases shall effect such dissolution of all remaining Debtors to the extent permissible under applicable law.

58. Terms of Injunctions or Stays. Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Bankruptcy Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

59. Preservation of Causes of Action. Any and all Causes of Action accruing to the Debtors, including but not limited to Avoidance Actions, but specifically excluding the DSC Assigned Causes of Action and Causes of Action released pursuant to the Plan, shall be preserved for, transferred to, and retained by the Hartford Liquidating Trust and the Hartford Liquidating Trustee, who shall have the exclusive right to prosecute and enforce any such Causes of Action. The Hartford Liquidating Trustee may pursue, abandon, settle or release any or all such rights of action in accordance with Section 2.2.5 of the Plan and the Hartford Liquidating Trust Agreement. Exhibit B to the Plan contains a list of potential defendants to such Causes of Action and the nature of such action(s) that may be asserted against such Persons.

60. The Exculpation Provisions under the Plan. The releases, injunctions, exculpations, and related provisions set forth in §§ 6.13 and 6.15 of the Plan are hereby approved and authorized in their entirety.

61. Assignment of Earnout and DSC Assigned Causes of Action. As of the Effective Date, the Debtors' rights to pursue collection of the Earnout, and to pursue recoveries on the DSC Assigned Causes of Action, shall be preserved for, and assigned to, Delaware Street (in the case of the Earnout, subject to its obligation to pay the Settlement Sum to the Hartford Liquidating Trust). Delaware Street shall have the right to sue for, prosecute and enforce such rights and claims, and to recover amounts due in connection therewith for its own account. The Buyers, and the subjects of the DSC Assigned Causes of Action, shall be absolved from any liability to the Debtors if and to the extent that they satisfy any obligations to the Debtors by making payment to Delaware Street, and the Debtors shall not pursue any claim to the Earnout or the DSC Assigned Causes of Action except upon the request of Delaware Street.

62. Plan Controls. In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, or any other agreement to be executed by any Person pursuant to the Plan, the provisions of the Plan shall control and take precedence. In the event of any inconsistency between any provision of any of the foregoing documents, and any provision of the Confirmation Order, the Confirmation Order shall control and take precedence.

63. Statutory Fees. All fees payable pursuant to 28 U.S.C. § 1930 shall be paid on the earlier of when due or the Effective Date, or as soon thereafter as practicable. From and after the Effective Date, the Hartford Liquidating Trustee shall be liable for and shall pay the fees under 28 U.S.C. § 1930 assessed against the Debtors' estate under 28 U.S.C. § 1930 until entry of a final decree closing the Case. In addition, the Hartford Liquidating Trustee shall file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformity with the U.S. Trustee guidelines, until entry of an order closing or converting the case. The U.S. Trustee shall

not be required to file a request for payment of its quarterly fees, which shall be deemed an administrative claim against the Debtors and their estates.

64. References to Plan Provisions. The failure specifically to include or refer to any particular article, section, or provision of the Plan or any related document in the Confirmation order shall not diminish or impair the effectiveness of such article, section, or provision, it being the intent of the Bankruptcy Court that the Plan and any related documents be confirmed in their entirety.

65. Authorization to Consummate. The Debtors are authorized to consummate the Plan at any time after the entry of the Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to the Effective Date set forth in Article V of the Plan.

66. Final Confirmation Order. This Confirmation Order is a final order which shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rules 3020(e), 6004(h), 6006(d), 7062 or otherwise.

Enter:

Dated: SEP 25 2012


United States Bankruptcy Judge

Prepared by:

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