

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Debtor.

(Consolidated by Prior Court Order with Case
No. 10-bk-02800-PMG)

**JOINT MOTION OF CHAPTER 11 TRUSTEE AND OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF LYDIA CLADEK, INC. FOR ORDER (I)
CONDITIONALLY APPROVING AND COMBINING HEARING ON DISCLOSURE
STATEMENTS, (II) DETERMINING DATES, PROCEDURES AND FORMS
APPLICABLE TO SOLICITATION PROCESS, (III) ESTABLISHING VOTE
TABULATION PROCEDURES, (IV) ESTABLISHING OBJECTION DEADLINE
AND SCHEDULING HEARING TO CONSIDER CONFIRMATION OF PLANS,
AND (V) EXTENDING DEADLINE TO FILE PROOFS OF CLAIM WITH
RESPECT TO CERTAIN PARTIES IN INTEREST**

Michael Phelan, as the Chapter 11 Trustee (the "Trustee") of the consolidated Chapter 11 cases of Lydia Cladek, Inc. (the "Debtor"), and the Official Committee of Unsecured Creditors of the Debtor (the "Committee"), pursuant to 11 U.S.C. §§ 105(a), 1125(b), and 1126(b) and Rules 2002, 3003, 3017, 3018, and 3020, Federal Rules of Bankruptcy Procedure, hereby file this joint motion (the "Motion") for an order (i) conditionally approving the amended disclosure statements filed by the Trustee and the Committee (collectively, the "Disclosure Statements", and singularly, a "Disclosure Statement") and combining the hearing on the Disclosure Statements with the confirmation hearings on the amended plans filed by the Trustee and the Committee (collectively, the "Plans", and singularly, a "Plan"), (ii) approving the dates, procedures, and forms applicable to solicitation, noticing, and implementation process, (iii) approving vote tabulation procedures, (iv) establishing the deadline for filing objections to the Plans, scheduling the hearing to consider confirmation of the Plans, and approving the form of

the notice of the confirmation hearings, and (v) establishing an extended deadline to file proofs of claim with respect to certain parties in interest, and in support thereof states as follows:

BACKGROUND

1. On April 2, 2010, several petitioning creditors filed an involuntary Chapter 11 petition against the Debtor, case styled as *In re Lydia Cladek, Inc.*, Case No. 10-bk-02800-PMG, in the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division (the "Involuntary Case").

2. Subsequently, on April 5, 2010, the Debtor filed the instant voluntary Chapter 11 petition, case styled as *In re Lydia Cladek, Inc.*, Case No. 10-bk-02805-PMG, in the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division (the "Voluntary Case").

3. On April 5, 2010 and April 12, 2010, the Debtor filed Schedules and Summary of Schedules [Docket Nos. 1 and 39].

4. On April 7, 2010, several creditors filed an Emergency Motion to Consolidate the Involuntary and Voluntary Chapter 11 cases of Lydia Cladek, Inc. [Docket No. 13], and an Emergency Motion to Appoint a Trustee [Docket No. 11].

5. On April 12, 2010, the Court entered its Order Granting Motion to Consolidate, consolidating the Voluntary and Involuntary Chapter 11 cases of the Debtor, and providing that the Voluntary Case, Case No. 10-02805, shall be the lead case [Docket No. 32].

6. On April 12, 2010, the Court entered its Order Granting Motion to Appoint Trustee. [Docket No. 31], and on April 13, 2010, the United States Trustee filed its Appointment of Trustee and Setting Bond, and its Application for Approval to Appoint Michael Phelan as Trustee [Docket Nos. 44 and 46].

7. On June 1, 2010, the Court entered a Notice of Appointment of an Unsecured Creditors' Committee of Lydia Cladek, Inc. [Docket No. 111].

8. On July 30 2010, the Trustee filed Amended Schedules, including an Amended Schedule F ("Schedule F") [Docket No. 200] (collectively, the "Schedules"). Schedule F listed most of the claims of unsecured creditors as not contingent, liquidated and undisputed.

9. On October 28, 2010, the Committee filed a Disclosure Statement and Plan of Reorganization [Docket Nos. 294 – 295]. In addition, on October 28, 2010, the Committee filed a Motion to Combine Disclosure Statement and Confirmation Hearing [Docket No. 296] (the "Motion to Combine").

10. On November 8, 2010, the Trustee filed a Response in Opposition to Motion of the Committee to Combine Disclosure Statement and Confirmation Hearing [Docket No. 315] (the "Opposition").

11. On November 19, 2010, the Committee filed its Response to Trustee's Response in Opposition to Motion of Official Committee of Unsecured Creditors to Combine Statement and Confirmation Hearing [Docket No. 336].

12. A preliminary hearing on the Motion to Combine and Opposition was held on November 10, 2010. On November 12, 2010, the Court entered an Order Scheduling Final Evidentiary Hearing on Motion to Combine Disclosure Statement and Confirmation on December 6, 2010, at 3:00 p.m. [Docket No. 322] (the "Hearing").

13. On November 23, 2010, the Trustee filed a Chapter 11 Plan of Liquidation and Disclosure Statement in Support of Plan of Liquidation [Docket Nos. 347-348].

14. On December 2, 2010, the Committee filed its Amended Disclosure Statement and Amended Plan [Docket Nos. 354 and 356].

15. On December 3, 2010, the Trustee filed its Amended Disclosure Statement and Amended Plan [Docket Nos. 361 and 362].

16. On December 3, 2010, the Trustee filed an Amendment to Schedule F (the "Amendment"), scheduling each claim as disputed, unliquidated, and contingent.

17. The vast majority of holders of unsecured claims have filed proofs of claim in this case. Based on the Trustee's review of the claim register, there are only eighty-seven (87) unsecured creditors whose claims were scheduled on Schedule F that did not file a proof of claim (the "Amended Scheduled Claimants").¹

RELIEF REQUESTED

A. Extended Deadline to File Proofs of Claim for Certain Parties in Interest

18. In light of the Trustee's Amendment to Schedule F, the Trustee and the Committee propose that the Court extend the proof of claim deadline to allow the Amended Scheduled Claimants an opportunity to file a proof of claim. As all other creditors have already filed a proof of claim, the designation of their respective proofs of claims as disputed, unliquidated and/or contingent will not adversely affect their rights, including their ability to vote or participate in a distribution.

19. Upon entry an order granting the Motion, the Trustee and the Committee will provide a joint notice to the Amended Scheduled Claimants informing them of the Amendment and the extended deadline for the Amended Scheduled Claimants to file a proof of claim. A copy of the proposed joint notice is attached hereto as Exhibit A (the "Notice of Extended Bar Date").

¹ The total number of creditors that did not file a proof of claim is actually eighty-three (83), but there are four (4) creditors which have filed a claim but did not identify an amount in such claim. Therefore, the Trustee and the Committee propose to afford these parties additional time to file an amended proof of claim as a result of the Amendment as well.

B. Approval of Disclosure Statements and Combining Final Hearing on Disclosure Statements with Hearing on Confirmation of Plans

20. The Trustee and the Committee request that the Disclosure Statements be conditionally approved simultaneously at the Hearing and that the final hearing on the Disclosure Statements be held at the same time as the confirmation hearings on the Plans.

C. Approval of Dates, Procedures, and Forms Applicable to Solicitation Process, Voting Record Date, and Voting Deadline

21. Bankruptcy Rule 3017(d) provides that the record date for determining which creditors are entitled to receive the materials specified in Bankruptcy Rule 3017(d), including ballots, is the "date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." The Trustee and the Committee request that the Court designate December 6, 2010 as the record date (the "Voting Record Date") for determining the holders of claims and interests that are entitled to receive solicitation packages and/or notices, as more particularly described below.

1. Voting Deadline

22. Pursuant to Bankruptcy Rule 3017(d), at the time of or before the approval of the Disclosure Statements, "the court shall fix a time within which the holders of claims and interests may accept or reject the plan..." The Trustee and the Committee request that the Court establish **Monday, January 17, 2011, at 4:00 p.m. (Eastern Time)** (the "Voting Deadline"), as the deadline by which all ballots must be received by the Clerk of the U.S. Bankruptcy Court for the Middle District of Florida, Jacksonville Division (the "Clerk"). The Trustee and the Committee also request that they be permitted (subject to agreement among the Trustee and the Committee) to extend the Voting Deadline as facts and circumstances may require. The Trustee and the Committee propose to implement any such extension by filing a joint notice of the extension with the Court and by serving a copy of such notice upon the Official Service List, as amended (the

"Official Service List"), in accordance with the Order Limiting Notice and Establishing Notice Procedures dated June 15, 2010 [Docket No. 127], and any other person or entity as to which the Voting Deadline extension may apply.

2. Ballots

23. Bankruptcy Rule 3017(d) provides that ballots for accepting or rejecting the Plans should conform substantially to Official Form No. 14. The form of the ballot attached as Exhibit B is derived from Official Form No. 14, but includes modifications necessary for voting on competing Plans. The Trustee and the Committee request that the Court approve the attached form of ballot for use with respect to the solicitation of votes on the Plans.

24. The proposed form of ballot will be preprinted to include the amount counted for voting purposes, which shall be: (i) the amount on a proof of claim, (ii) the amount on a court order, or (iii) if no proof of claim has been filed the amount set forth in the Amendment to the Schedules.

D. Solicitation of Votes

25. Bankruptcy Rule 3017(d) specifies the materials to be distributed to holders of claims and/or interests upon approval of a disclosure statement. Unless otherwise ordered, such materials would typically include the Plans, the court-approved Disclosure Statements, notice of the voting deadline, the ballot, and other information as the Court may direct.

26. In accordance with Bankruptcy Rule 3017(d), by a date to be established by the Court that is no later than December 18, 2010 (the "Solicitation Commencement Date"), unless extended by agreement of the parties, the Trustee and the Committee propose to transmit by first class mail, to each creditor and party in interest listed on the official mailing matrix a solicitation package containing :

- (a) notice of the confirmation hearings and objection deadline with respect to the Plans;

- (b) the Ballot;
- (c) a CD containing the Plans and Disclosure Statements in PDF format; and
- (d) a pre-addressed envelope(s) (collectively, the "Solicitation Materials").

27. The Plans and Disclosure Statements shall be provided to each creditor and party in interest listed on the official mailing matrix by CD, and shall also be available for review on the Trustee's website, at <http://www.cladektrustee.com/>, and the Committee's website, at <http://www.burr.com/clients/cladek/>. Further, the Plans and Disclosure Statements shall be made available by hard copy upon request by contacting counsel for the Trustee, Steven R. Wirth, Esq. at Akerman Senterfitt at (904) 598-8636, steven.wirth@akerman.com, or counsel for the Committee, Jon E. Kane, Esq., at Burr Forman at (866) 443-1597, jkane@burr.com.²

28. The Trustee and the Committee may include in the Solicitation Materials the parties' respective solicitation letters provided that the form of the letters is agreed upon by the Trustee and the Committee prior to the Solicitation Commencement Date. If the parties do not agree on the forms of the solicitation letters, neither the Trustee nor the Committee may include a solicitation letter in the Solicitation Materials. If the parties' solicitation letters are not included in the Solicitation Materials, the letters shall be sent to creditors after the delivery of the Solicitation Materials.

29. The Trustee and the Committee propose that only the following claim holders should be permitted to vote on the Plans:

- (i) Claimants who have filed timely proofs of claim or untimely proofs of claim that have been allowed as timely by the Court on or before the Voting Record Date), in the amounts asserted in such proofs of claim, provided that such proofs of claim

² The Trustee and the Committee believe that it may be in the best interest of the estate to retain a disinterested, third-party claims agent to handle the solicitation, mailing, vote tabulation, and other related processes, and hereby request this Court's authority (to the extent necessary) to seek the expedited approval of such retention by separate motion.

(1) have not been disallowed by an order of the Court entered on or before the Voting Record Date, (2) are not the subject of an objection to the entirety of the claim pending as of the Voting Record Date (with voting permitted only with respect to the amount thereof that is not subject to objection), (3) are not based on a pending lawsuit as to which no judgment has been rendered; or (4) have been determined by order of the Court, if applicable; and

(ii) The Amended Scheduled Claimants in the amounts set forth in the Amendment to the schedules, provided that such claim is not otherwise objectionable, pursuant to subparagraph (i) hereof.

30. The Trustee and the Committee propose that only one set of the Solicitation Materials be mailed to claimants holding multiple claims, though separate ballots for each claim held by such claimants shall be included with the mailing.

31. To avoid duplication and reduce expenses, the Trustee and the Committee propose that voting creditors who have filed amended claims should be entitled to receive only one Solicitation Package and one ballot for voting their claims with respect to that class and with information from the last in time of the filed amended claims.

32. The Committee and the Trustee request that the order approving this Motion also provide that the Committee and the Trustee (and their respective counsel) are not prohibited from contacting creditors or their counsel, by phone, email or other correspondence with respect to solicitation of votes after transmittal of the Solicitation Package to the creditors.

E. Treatment of Contingent, Unliquidated or Disputed Claims

33. Pursuant to 11 U.S.C § 1126(a), only holders of allowed claims or interests are entitled to vote to accept or reject a plan. Pursuant to Bankruptcy Rule 3018(a), the Court may, after notice and hearing, temporarily allow a claim or interest for voting purposes.

34. The Trustee and the Committee propose that, except with respect to the Amended Scheduled Claimants, any claim holder whose claim (a) has not been filed by the Voting Record Date, (b) is asserted in an untimely proof of claim (unless allowed as timely prior to the Voting Record Date), (c) is based upon a pending lawsuit as to which no judgment has been rendered, or (d) is asserted in a proof of claim as to which an objection is pending as of the Voting Record Date (collectively, the "Disputed Claimants") shall not be permitted to vote on the Plans except as provided in this Motion. As noted above, the Amended Scheduled Claimants shall be entitled to vote on the Plans in the amounts set forth in the Amendment to the Schedules, unless the claim is otherwise objectionable or such creditor successfully requests temporary allowance of a greater claim amount pursuant to Bankruptcy Rule 3018(a).

35. The notice of confirmation hearing will inform the Disputed Claimants that absent having filed a motion seeking to be allowed to vote on the Plan pursuant to Bankruptcy Rule 3018(a) (a "Rule 3018 Motion"), in the manner and by the deadline described below, they are precluded from submitting a vote with respect to their contingent, unliquidated or disputed claim. Such claimants will be instructed in the notice to contact counsel for the Trustee and the Committee to receive a ballot for any such claim if a Rule 3018 Motion is timely filed.

36. The Trustee and the Committee request that the Court fix the date that is seven (7) days prior to the Voting Deadline, at 4:00 p.m. (Eastern Time) on such date, as the deadline for Rule 3018 Motions to be filed with the Court and served upon the Trustee's counsel and the Creditors' Committee's counsel (the "Rule 3018 Motion Deadline"). Any party timely filing and serving a Rule 3018 Motion will be permitted to cast a provisional vote to accept one of the two Plans or reject both Plans. If, and to the extent that the Trustee, the Committee and such party are unable to resolve the issues raised by the Rule 3018 motion prior to the Voting Deadline, then at the confirmation hearing, the Trustee and/or the Committee will request that the Court determine

whether the provisional ballot(s) should be counted as a vote as an acceptance of the Trustee's Plan or the Committee's Plan or rejection of such Plans. Such a procedure will help ensure an efficient tabulation of ballots to be completed accurately by the confirmation hearing. Moreover, setting the date of the confirmation hearing as the date for hearing Rule 3018 Motions also will permit the Court to avoid holding separate hearings on such motions.

37. Nothing in these procedures is intended to affect the right of the Trustee or the Committee (or the right of any other party, if applicable) to object to any proof of claim after the Voting Record Date. With respect to any such objection, the Trustee and the Committee reserve the right to request, on notice, that any vote cast by the holder of the Disputed Claim be disallowed and not counted in determining whether the requirements of section 1126(c) of the Bankruptcy Code have been met. In the absence of any such request, the holder of a Disputed Claim will be entitled to vote in accordance with its proof of claim.

F. Approval of Vote Tabulation Procedures

38. To avoid uncertainty the potential for inconsistent results, the Trustee and the Committee request that the Court, pursuant to 11 U.S.C § 105(a), establish the guidelines set forth below, and as set forth in the proposed Solicitation Order, for tabulating the votes to accept or reject the Plans.

39. Votes Counted. The Trustee and the Committee propose that any ballot that is timely received, that contains sufficient information to permit the identification of the claimant and that is cast as an acceptance of the Trustee's Plan or the Committee's Plan will be counted and will be deemed to be cast as an acceptance of such Plan, provided that such ballot is not otherwise challenged or objectionable as provided for herein.

40. Except as set forth in paragraph 41 below, ballots timely received that are cast in any manner other than clearly accepting only one Plan will be deemed as a rejection of both Plans.

41. Votes Not Counted. The Trustee and the Committee further propose that the following ballots not be counted or considered for any purpose in determining whether a Plan has been accepted or rejected:

- (i) any ballot received after the Voting Deadline unless the Trustee and the Committee have granted an extension of the Voting Deadline with respect to such ballot;
- (ii) any ballot that is illegible, unsigned or otherwise contains insufficient information to permit the identification of the claimant;
- (iii) any ballot cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject a Plan; or
- (iv) any unsigned ballot or any ballot that has a non-original signature.

42. Changing Votes. Notwithstanding Bankruptcy Rule 3018(a), whenever two or more ballots are cast voting the same claim prior to the Voting Deadline, the last ballot received prior to the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior ballots, without prejudice to the rights of the Trustee or the Committee (or the right of any other party, if applicable) to object to the validity of the second ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if the objection is sustained, to count the first ballot for all purposes. The Trustee and the Committee believe that this procedure of counting the last ballot is consistent with practice under state and federal corporate and securities laws.

43. No Vote Splitting; Effect. The Trustee and the Committee propose that the Court clarify that claim splitting is not permitted and order that creditors who vote must vote all of their claims within a particular class to either accept or reject one of the two Plans or reject both Plans.

44. Withdrawal of Ballots. The Trustee and the Committee propose to permit any claimant who has delivered a valid ballot for the acceptance or rejection of a Plan to withdraw such acceptance or rejection by delivering a written notice of withdrawal to counsel to the Trustee and the Committee at any time prior to the Voting Deadline. A notice of withdrawal, to be valid, should (a) contain the description of the claim to which it relates and the aggregate principal amount represented by such claim, (b) be signed by the withdrawing party in the same manner as the ballot being withdrawn, (c) contain a certification that the withdrawing party owns the claim and possesses the right to withdraw the vote or election sought to be withdrawn, and (d) be received by counsel for the Trustee and the Committee prior to the Voting Deadline.

45. No Voting by Facsimile or E-Mail. The Trustee and the Committee propose that the Court require that original executed ballots be returned to the Clerk and that the Clerk be authorized to reject any ballot that is sent via facsimile or electronic mail transmission.

G. Establishing and Noticing of Plan Confirmation Hearing and Objection Deadline

46. Bankruptcy Rule 2002(b) requires at least 28 days notice by mail to all creditors of the time fixed for filing objections to and the hearing to consider confirmation of chapter 11 plans. Similarly, Bankruptcy Rule 2002(d) requires notice by mail to equity security holders, unless the Court orders otherwise.

47. The Trustee and the Committee request that the Court schedule the hearing to consider confirmation of the Plans simultaneously (the "Confirmation Hearing"), on a date that will allow sufficient notice in accordance with Bankruptcy Rule 2002(b), during the week of January 24, 2011 should the Court's calendar permit. The Trustee and the Committee also request that the Court establish a deadline for filing objections to the Plans (the "Plan Objection Deadline") that is ten (10) days before the Confirmation Hearing, at 4:00 p.m. (Eastern Time) on such date.

48. Attached as Exhibit C is a proposed form of notice of the Confirmation Hearing and Plan Objection Deadline (the "Confirmation Hearing Notice"). The Confirmation Hearing Notice provides (a) notice of the filing of the Plans, (b) notice of the approval of the Disclosure Statements, (c) information regarding the Confirmation Hearing and, (d) directions for filing objections to confirmation of the Plans by the Plan Objection Deadline.

49. By this Motion, the Trustee and the Committee seek approval of the Confirmation Hearing Notice.

H. Notice

50. Notice of this Motion has been provided to counsel to the U.S. Trustee and the other parties in interest named on the Official Service List. The Trustee and the Committee submit that no other or further notice need be given.

CONCLUSION

WHEREFORE, the Trustee and the Committee respectfully request that the Court (i) enter an order substantially in the form attached as Exhibit D: (a) conditionally approving the Disclosure Statements and combining the final hearing on the Disclosure Statements with the Confirmation Hearing on the Plans; (b) approving the dates, procedures and forms applicable to solicitation, noticing, and implementation process; (c) approving vote tabulation procedures; (d) establishing the deadline for filing objections to the Plans, scheduling the Confirmation Hearing, and approving the form of the Confirmation Hearing Notice; (e) establishing an extended deadline to file proofs of claim with respect to certain parties in interest; and (f) approving the form of Notice of Extended Bar Date; and (ii) granting such other and further relief as is just and proper.

[remainder left blank intentionally]

Respectfully submitted,

AKERMAN SENTERFITT

BURR & FORMAN, LLP

By: /s/ Steven R. Wirth

Jacob A. Brown
Florida Bar Number: 0170038
Email: jacob.brown@akerman.com
Steven R. Wirth
Florida Bar Number: 170380
Email: steven.wirth@akerman.com
50 North Laura St., Suite 2500
Jacksonville, FL 32202
Telephone: (904) 798-3700
Facsimile: (904) 798-3730

By: /s/ Jon E. Kane*

Jon E. Kane
Florida Bar Number: 814202
Email: jkane@burr.com
450 S. Orange Avenue, Suite 200
Orlando, FL 32801
Telephone: (407) 244-0888
Facsimile: (407) 244-0889

Attorneys for the Official Committee of
Unsecured Creditors

Attorneys for the Trustee

*Counsel has authorized his electronic
signature being affixed to this Joint Motion.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished either by electronic notification or U.S. mail, this 3rd day of December, 2010 to all parties on the attached Amended Official Service list.

/s/ Steven R. Wirth

Attorney

Lydia Cladek, Inc.
Case No.: 3:10-bk-2805-PMG
AMENDED OFFICIAL SERVICE LIST
(amended as of October 20, 2010)

Michael Phelan
Chapter 11 Trustee
3613 North 29th Ave.
Hollywood, FL 33020

Jacob A. Brown, Esq.
Akerman Senterfitt
50 North Laura Street, Suite 2500
Jacksonville, FL 32202

Lydia Cladek, Inc.
108 Seagrove Main Street
St. Augustine, FL 32080

Lawrence Lilly, Esq.
336 Redwing Lane
St. Augustine, FL 32080-7979

Lydia I. Cladek
189 Sea Colony Parkway
St. Augustine, FL 32080

Lydia I. Cladek
1001 Lindgren Blvd.
Sanibel, FL 33957

Elena L. Escamilla, Esq.
United States Trustee
135 W. Central Blvd., Suite 620
Orlando, FL 32801

Mac D. Heavener, III, Esq.
Bonnie A. Glober, Esq.
United States Attorney's Office
300 North Hogan Street, Suite 700
Jacksonville, FL 32202

Jon E. Kane, Esq.
Burr & Forman, LLP
450 S. Orange Avenue, Suite 200
Orlando, FL 32801

Gary L. Alligood
115 Sunset Harbor Way #202
St. Augustine, FL 32080

Rudolph J. Danowski
127 Hogsback Road
Oxford, CT 06478

David J. Rees
4219 Bunker Dr.
Quincy, IL 62305

Robert F. Helfferich
21409-60th Street
Bristol, WI 53104-9732

Bennett Yell Agency, Inc.
c/o Bennett Yell
9075 June Lane
St. Augustine, FL 32080

Andrea Levinson &
Michael Egelman
c/o Michael Egelman
127 Bonita Road
St. Augustine, FL 32086

RAD Management Company
c/o Donald R. Radbill
221 N. Forest Dune Dr.
St. Augustine, FL 32080

Internal Revenue Service
Centralized Insolvency Operations
PO Box 21126
Philadelphia, PA 19114-0326

Internal Revenue Service
Special Procedures – Stop 5720
400 W Bay Street Suite 35045
Jacksonville, FL 32202

Alan M. Weiss, Esq.
50 North Laura Street, Suite 3900
Jacksonville, FL 32202

Wm. Patrick Fulford, Esq.
505 Maitland Avenue, Suite 100
Altamonte Springs, FL 32701

Florida Department of Revenue
5050 W. Tennessee Street
Tallahassee, FL 32399-0145

U.S. Securities & Exchange
Commission
Reorganization Branch, Atlanta
3475 Lenox Rd., NE, Ste. 1000
Atlanta, GA 30326-3235

Charles B. Jimerson, Esq.
2124 Park Street
Jacksonville, FL 32204

John R. Stiefel, Jr., Esq.
One Independent Drive, Suite 2301
Jacksonville, FL 32202

Undine C. Pawlowski, Esq.
4075 A1A S., Ste. 200D
St. Augustine, FL 32080

R. Carter Burgess, Esq.
McGlinchey Stafford, PLLC
10752 Deerwood Park Blvd.
Suite 100
Jacksonville, FL 32256

Tennessee Department of Revenue
c/o Tennessee Attorney General's Office
Bankruptcy Division
P.O. Box 20207
Nashville, TN 37202-0207

David W. Barrett, Esq.
Fowler White Boggs P.A.
50 N. Laura Street, Suite 2800
Jacksonville, FL 32202

Bernard Reller
4728 NW 38th Street
Gainesville, FL 32608

Marshall B. Hall
3123 S. Ponte Vedra Blvd.
Ponte Vedra, FL 32082-4535

Carolyn S. Fortner, Trustee
George W. Fortner Credit Trust
3123 S. Ponte Vedra Blvd.
Ponte Vedra, FL 32082

Thomas W. Herren
12815 Huntley Manor Dr.
Jacksonville, FL 32224

Cynthia Bailey Pyle
1112 Southeast 22nd Avenue
Ocala, FL 34471

Sidney Abelski, Esq.
Abelski & Associates, Ltd.
180 N. Michigan Ave., Suite 1800
Chicago, IL 60601

Peter G. Henry
111 Cardiff Place
Chapel Hill, NC 27516

Polly Anne Cox
Betty T. Crisco
c/o Robbin C. Vernon
2608 Stratford Drive
Greensboro, NC 27408

Thomas D. Summerhays
3615 Pearl Ln
Waterloo, IA 50702-5507

Alma Obinger
29 Bayberry Court
Deptford, NJ 08096

Gregory G. Cook, D.P.M.
1543 Lakeland Hills Blvd., Suite B
Lakeland, FL 33805-3246

A. Girouard
225 North Forest Dune
St. Augustine, FL 32080

George O. Kelbert
9134 June Lane
St. Augustine, FL 32080

Yvonne Rodriguez
3424 Serendipity Drive
Raleigh, NC 27616

Ben Bolling
1921 Fleetwood Drive
Kingsport, TN 37660

Thomas and Marianne Gilligan
546 Race Place
Oakdale, NY 11769

Barbara L. Volkmann
P.O. Box 23914
San Diego, CA 92193

Robert L. and H. Joyce MacFie
148 Spartina Avenue
St. Augustine, FL 32080

Brigitte and Steven Neiswender
14 King Eider Way
Taylors, SC 29687

Kenneth and Marcia Cerotzke
4010 Grand Vista Blvd., Unit 132
St. Augustine, FL 32084

Glenn A. Lanzer Jr.
1710 Timber Ridge Circle
Corinth, TX 76210

Harold W. Thompson
Irene E. Thompson
12 King Eider Way
Taylors, SC 29687

Michael A. Tapio
112 Lex Ct.
Greer, SC 29651

Thomas H. Grimm
Carolyn R. Grimm
5605 Elwood Circle
Flowery Branch, GA 30542

Robert D. Wilcox, Esq.
800 W. Monroe Street
Jacksonville, FL 32202

John E. Bonjean and
Joyce A. Bonjean
1182 Melagano St.
Deltona, FL 32725

Debbie Cisar
4204 Wetzel Avenue
Cleveland, OH 44109

Nina M. LaFleur, Esq.
LaFleur Law Firm
Post Office Box 861128
St. Augustine, FL 32086

Stuart Wilson-Patton, Esq.
PO Box 20207
Nashville, TN 37202-0207

Allen and Wendy Harralson
1571 Doyle Road
Deltona, FL 32725

Kenneth Hollingsworth
c/o Laura Beth Faragasso, Esq.
P.O. Box 14079
Tallahassee, FL 32317-4079

Michael J. McCabe, Esq.
Eric S. Vaughn, Esq.
1400 Prudential Drive, Suite 5
Jacksonville, FL 32207

Don-Fran Page
3316 Parkridge Rd. #137
Waterloo, IA 50701

Exhibit A

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Debtor.

(Consolidated by Prior Court Order with Case
No. 10-bk-02800-PMG)

**JOINT NOTICE OF CHAPTER 11 TRUSTEE AND OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF LYDIA CLADEK, INC. OF ENTRY
OF ORDER EXTENDING DEADLINE TO FILE PROOFS OF CLAIM
WITH RESPECT TO CERTAIN PARTIES IN INTEREST**

Michael Phelan, as the Chapter 11 Trustee (the "Trustee") of the consolidated Chapter 11 cases of Lydia Cladek, Inc. (the "Debtor"), and the Official Committee of Unsecured Creditors of the Debtor (the "Committee"), hereby file this joint notice (the "Notice") of entry of the Order dated December ___, 2010 Granting Joint Motion of Chapter 11 Trustee and Official Committee of Unsecured Creditors of Lydia Cladek, Inc. [Doc. No. ___], *inter alia*, Extending the Deadline to File Proofs of Claim With Respect to Certain Parties of Interest through and including _____, 2010 at 4 p.m. (E.T) (the "Bar Date")

PLEASE TAKE NOTICE THAT the Trustee filed an Amended Schedule F on December 3, 2010 [Doc. No. 360], wherein your claim was designated as contingent, unliquidated and disputed. Since the Bankruptcy Court's records indicate that you have not filed a Proof of Claim, you should file a Proof of Claim no later than the Bar Date of _____, **2010 at 4 p.m.** (E.T) or you may not receive any distribution in the Debtor's bankruptcy case.

A proof of claim form is attached hereto as Exhibit A. You should mail your completed proof(s) of claim to the Clerk, U.S. Bankruptcy Court, 300 North Hogan Street, Suite 3-350, Jacksonville, Florida 32202. To receive an acknowledgment of the filing of your proof(s) of

claim, enclose a stamped, self-addressed envelope and a duplicate copy of your proof(s) of claim.

If you have internet access, please visit the Trustee's website at www.cladektrustee.com or the Committee's website at <http://www.burr.com/clients/cladek> for additional information and case filings. The website for the U.S. Bankruptcy Court is <http://www.flmb.uscourts.gov/>.

AKERMAN SENTERFITT

BURR & FORMAN, LLP

By: /s/ Jacob A. Brown

Jacob A. Brown
Florida Bar Number: 0170038
Email: jacob.brown@akerman.com
Steven R. Wirth
Florida Bar Number: 170380
Email: steven.wirth@akerman.com
50 North Laura St., Suite 2500
Jacksonville, FL 32202
Telephone: (904) 798-3700
Facsimile: (904) 798-3730

Attorneys for the Trustee

By: /s/ Jon E. Kane*

Jon E. Kane
Florida Bar Number: 814202
Email: jkane@burr.com
450 S. Orange Avenue, Suite 200
Orlando, FL 32801
Telephone: (407) 244-0888
Facsimile: (407) 244-0889

Attorneys for the Official Committee of
Unsecured Creditors

*Counsel has authorized his electronic
signature being affixed to this Joint Notice.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished either by electronic notification or U.S. mail, this _ day of December, 2010 to all parties on the attached Exhibit A.

/s/ Jacob A. Brown
Attorney

Exhibit B

PLEASE COMPLETE AND SIGN THIS BALLOT AND RETURN IT BY MAIL, HAND DELIVERY, OR OVERNIGHT COURIER TO: *THE CLERK, U.S. BANKRUPTCY COURT 300 NORTH HOGAN STREET, SUITE 3-350 JACKSONVILLE, FL 32202* SO THAT IT IS RECEIVED BY THE U.S. BANKRUPTCY COURT BY 4:00 P.M. (EASTERN TIME), ON _____, 2010. A COPY OF THE SIGNED BALLOT TO BE FORWARDED TO JON E. KANE, ESQ., 450 SOUTH ORANGE AVENUE, SUITE 200, ORLANDO, FL 32801 AND JACOB BROWN, ESQ., 50 NORTH LAURA STREET, SUITE 2500, JACKSONVILLE, FL 32202

BALLOTS CAST BY FACSIMILE OR ELECTRONIC EMAIL TRANSMISSION WILL NOT BE COUNTED

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

(Consolidated by Prior Court Order with Case No. 10-bk-02800-PMG)

Debtor.

_____ /

**BALLOT FOR ACCEPTING OR REJECTING
PLAN OF LIQUIDATION OR PLAN OF REORGANIZATION**

Michael Phelan, as Chapter 11 Trustee of the consolidated bankruptcy estates of Lydia Cladek, Inc. (the "Trustee") and the Official Committee of Unsecured Creditors of Lydia Cladek, Inc. (the "Committee") are soliciting your vote with respect to the Amended Plan of Liquidation filed by the Trustee (the "Trustee's Plan") and related Amended Disclosure Statement (the "Trustee's Disclosure Statement"), or the Amended Plan of Reorganization filed by the Committee (the "Committee's Plan") and related Amended Disclosure Statement (the "Committee's Disclosure Statement"). The disclosure statements provide information to assist you in deciding how to vote your ballot(s). If you have any questions about how to properly complete this Ballot or need copies of the above referenced disclosure statements or plans, please call counsel for the Committee, Jon E. Kane, Esq., at Burr Forman, LLP at 1-(866) 443-1597 or counsel for the Trustee, Steven R. Wirth, Esq. at Akerman Senterfitt at (904) 598-8636. You should review the disclosure statements and the plans before you vote. You may wish to seek legal advice concerning the plans and your classification and treatment under the plans. If you hold claims or equity interests in more than one class, you may submit a ballot for each class in which you are entitled to vote. If your ballot is not received on or before January 17, 2011, and such deadline is not extended by mutual agreement of the Committee and the Trustee or order of the Court, your vote will not count as either an acceptance or rejection of the plans. To have your vote count, you must complete and return this ballot.

The undersigned, a CLASS _____ CREDITOR of the above-named debtor in the unpaid principal amount of \$ _____, (Check one box)

ACCEPTS (vote FOR) the Trustee's Plan (Proposed Liquidation)

ACCEPTS (vote FOR) the Committee's Plan (Proposed Reorganization)

REJECTS (vote AGAINST) both Plans.

Signature: _____

Name of Claimant (print/type): _____

Name and title of signatory: _____

If signed by authorized agent, name and title of agent: _____

Telephone Number: _____

Dated: _____

Exhibit C

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Debtor.

**NOTICE OF (I) FINAL HEARING ON DISCLOSURE
STATEMENTS, (II) CONFIRMATION OF PLANS,
AND (III) DEADLINE FOR OBJECTING TO PLANS**

PLEASE TAKE NOTICE THAT:

1. On December 6, 2010, the United States Bankruptcy Court for the Middle District of Florida, Jacksonville Division (the "Bankruptcy Court") conditionally approved the amended disclosure statements filed by Michael Phelan, as Chapter 11 Trustee of the consolidated bankruptcy estates of Lydia Cladek, Inc. (the "Trustee") and the Official Committee of Unsecured Creditors of the Debtor (the "Committee") (collectively, the "Disclosure Statements", and singularly, a "Disclosure Statement"), and combined the final hearing on the Disclosure Statements with the confirmation hearings on the plans filed by the Trustee and the Committee (collectively, the "Plans", and singularly, a "Plan").

2. In conjunction with conditionally approving the Disclosure Statements, the Bankruptcy Court entered an order approving, among other things, (i) the dates, procedures, and forms applicable to Plan solicitation, noticing, and implementation process, (ii) vote tabulation procedures, (iii) the deadline for filing objections to the Plans, scheduling the hearing to consider confirmation of the Plans, and the form of the notice of the confirmation hearings, and (v) an extended deadline to file proofs of claim with respect to certain parties in interest (the "Solicitation Order").

3. A hearing to consider confirmation of the Plans will be held on January __, 2011, at __: __ m. (Eastern Time), before the Honorable Paul M. Glenn, Judge of the Bankruptcy Court, in Courtroom 4-A of the United States Courthouse, 300 North Hogan Street, Jacksonville, Florida 32202. The hearing may be adjourned from time to time by announcement in open court.

4. No later than _____, 2011, at 4:00 p.m. (Eastern Time), all objections to confirmation of the Plans must be (a) filed with the Clerk of the Bankruptcy Court via the Bankruptcy Court's electronic filing procedures, and (b) received by (i) Steven R. Wirth, Esq. at Akerman Senterfitt at fax number (904) 798-3730, steven.wirth@akerman.com and (ii) Jon E. Kane, Esq., at Burr Forman at fax number (407) 386-3228, jkane@burr.com. The objections

must be in writing, must state the name and address of the objecting party, the Plan to which the objection is addressed, and the nature of the claim or interest of such party, and must state with particularity the basis and nature of any objection to or proposed modification of such Plan. Objections not timely filed and served in the manner set forth above shall not be considered and will be deemed overruled.

5. The Plans and Disclosure Statements are available for review on the Trustee's website at <http://www.cladektrustee.com/> and the Committee's website at <http://www.burr.com/clients/cladek/>. The Plans and Disclosure Statements are also available by hard copy upon request by contacting counsel for the Trustee, Steven R. Wirth, Esq. at Akerman Senterfitt at (904) 598-8636, steven.wirth@akerman.com, or counsel for the Committee, Jon E. Kane, Esq., at Burr Forman at (866) 443-1597, jkane@burr.com.

6. Disputed claimants shall be permitted to vote on the Plans only by filing a motion pursuant to Bankruptcy Rule 3018(a) seeking to have their claims temporarily allowed for voting purposes (a "Rule 3018 Motion"). Any such Rule 3018 Motion must be filed with the Court and served upon counsel for the Trustee and the Committee no later than Monday, January 3, 2010, at 4:00 p.m. (Eastern Time). Any party timely filing and serving a Rule 3018 Motion shall be provided a ballot and be permitted to cast a provisional vote to accept one of the two Plans or reject both Plans. If and to the extent that the Trustee and the Committee and such party are unable to resolve the issues raised by the Rule 3018 Motion prior to the Voting Deadline, then at the Confirmation Hearing the Court shall determine whether the provisional ballot should be counted as an acceptance of the Trustee's Plan or the Committee's Plan or rejection of such Plans

Dated: _____

AKERMAN SENTERFITT

BURR & FORMAN, LLP

By: /s/ Jacob A. Brown

By: /s/ Jon E. Kane*

Jacob A. Brown
Florida Bar Number: 0170038
Email: jacob.brown@akerman.com
Steven R. Wirth
Florida Bar Number: 170380
Email: steven.wirth@akerman.com
50 North Laura St., Suite 2500
Jacksonville, FL 32202
Telephone: (904) 798-3700
Facsimile: (904) 798-3730

Jon E. Kane
Florida Bar Number: 814202
Email: jkane@burr.com
450 S. Orange Avenue, Suite 200
Orlando, FL 32801
Telephone: (407) 244-0888
Facsimile: (407) 244-0889

Attorneys for the Official Committee of
Unsecured Creditors

Attorneys for the Trustee

*Counsel has authorized his electronic
signature being affixed to this Joint Motion.

Exhibit D

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Debtor.

(Consolidated by Prior Court Order with Case
No. 10-bk-02800-PMG)

**ORDER GRANTING JOINT MOTION OF CHAPTER 11 TRUSTEE AND OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF LYDIA CLADEK, INC. FOR
ORDER (I) CONDITIONALLY APPROVING AND COMBINING HEARING ON
AMENDED DISCLOSURE STATEMENTS, (II) DETERMINING DATES,
PROCEDURES AND FORMS APPLICABLE TO SOLICITATION PROCESS, (III)
ESTABLISHING VOTE TABULATION PROCEDURES, (IV) ESTABLISHING
OBJECTION DEADLINE AND SCHEDULING HEARING TO CONSIDER
CONFIRMATION OF PLANS, AND (V) EXTENDING DEADLINE TO FILE PROOFS
OF CLAIM WITH RESPECT TO CERTAIN PARTIES IN INTEREST**

This Chapter 11 case came before the Court on December 6, 2010 (the "Hearing"), upon the joint motion (the "Motion") of Michael Phelan, as the Chapter 11 Trustee (the "Trustee") of the consolidated Chapter 11 cases of Lydia Cladek, Inc. (the "Debtor"), and the Official Committee of Unsecured Creditors of the Debtor (the "Committee") for entry of an order (i) conditionally approving the amended disclosure statements filed by the Trustee and the Committee (collectively, the "Disclosure Statements", and singularly, a "Disclosure Statement") and combining the hearing on the Disclosure Statements with the confirmation hearings on the plans filed by the Trustee and the Committee (collectively, the "Plans", and singularly, a "Plan"), (ii) approving the dates, procedures, and forms applicable to Plan solicitation, noticing, and implementation process, (iii) approving vote tabulation procedures, (iv) establishing the deadline for filing objections to the Plans, scheduling the hearing to consider confirmation of the Plans, and approving the form of the notice of the confirmation hearings, and (v) establishing an

extended deadline to file proofs of claim with respect to certain parties in interest; and the Court having reviewed the Motion and considered the representations of counsel; and the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) notice of the Motion and the Hearing was sufficient under the circumstances and no other or further notice need be given; and (iv) the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein, and the objections, if any, to the relief requested in the Motion having been overruled;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Disclosure Statements are conditionally approved, and a final hearing on the Disclosure Statements shall be held at the same time as the confirmation hearing of the Plans.
3. The record date for determining the holders of claims and interests entitled to receive solicitation and noticing materials as provided for in this Order shall be December 6, 2010 (the "Voting Record Date").
4. The date by which all ballots cast to accept or reject a Plan must be received by the Clerk is Monday, January 17, 2011, at 4:00 p.m. (Eastern Time) (the "Voting Deadline"). The Trustee and the Committee may extend the Voting Deadline in favor of any voter, any class of voters, or all voters by filing a joint notice of extension(s) with the Court. Ballots not received by the Voting Deadline, or by any extended voting deadline as provided for in this Order, shall not be counted.
5. The form of the proposed ballot (the "Ballot") presented at the Hearing, and attached hereto as Exhibit A, is approved, subject to the right of the Trustee and the Committee

to make additional corrections, conforming and formatting changes to the Ballot, upon agreement of the parties.

6. The Trustee and the Committee shall transmit by first class mail, to each creditor and party in interest listed on the official mailing matrix a solicitation package containing the following:

- (a) notice of the confirmation hearings and objection deadline with respect to the Plans;
- (b) the Ballot;
- (c) a CD containing the Plans and Disclosure Statements in PDF format; and
- (d) a pre-addressed envelope (collectively, the "Solicitation Materials").

7. The Plans and Disclosure Statements shall be provided to each creditor and party in interest listed on the official mailing matrix by CD, and shall also be available for review on the Trustee's website, at <http://www.cladektrustee.com/>, and the Committee's website, at <http://www.burr.com/clients/cladek/>. Further, the Plans and Disclosure Statements shall be made available by hard copy upon request by contacting counsel for the Trustee, Steven R. Wirth, Esq. at Akerman Senterfitt at (904) 598-8636, steven.wirth@akerman.com, or counsel for the Committee, Jon E. Kane, Esq., at Burr Forman at (866) 443-1597, jkane@burr.com.

8. As soon as practicable but in no event later than December 18, 2010 (the "Solicitation Commencement Date"), unless otherwise agreed to by the parties, the Trustee and the Committee shall to transmit by first class mail, to each creditor and party in interest listed on the official mailing matrix the Solicitation Materials. Only one set of the Solicitation Materials shall be mailed to claimants holding multiple claims, though separate ballots for each claim held by such claimants shall be included with the mailing.

9. The Trustee and the Committee may include in the Solicitation Materials the parties' respective solicitation letters provided that the form of the letters is agreed upon by the Trustee and the Committee prior to the Solicitation Commencement Date. If the parties do not agree on the forms of the solicitation letters, neither the Trustee nor the Committee may include a solicitation letter in the Solicitation Materials. If the parties' solicitation letters are not included in the Solicitation Materials, the letters shall be sent to creditors after the delivery of the Solicitation Materials.

10. The Trustee and/or the Committee are authorized to seek the expedited retention of a disinterested, third-party claims agent to handle the solicitation, mailing, vote tabulation, and other related processes.

11. Only the following claim holders shall be permitted to vote on the Plans:

(i) Claimants who have filed timely proofs of claim, or untimely proofs of claim that have been allowed as timely by the Court on or before the Voting Record Date), in the amounts asserted in such proofs of claim, provided that such proofs of claim (1) have not been disallowed by an order of the Court entered on or before the Voting Record Date, (2) are not the subject of an objection to the entirety of the claim pending as of the Voting Record Date (with voting permitted only with respect to the amount thereof that is not subject to objection), (3) are not based on a pending lawsuit as to which no judgment has been rendered; or (4) have been determined by order of the Court, if applicable; and

(ii) The Amended Scheduled Claimants¹ in the amounts set forth in the Amendment to the schedules, provided that such claim is not otherwise objectionable pursuant to subparagraph 10(i) hereof.

12. Voting creditors who have filed amended claims shall be entitled to receive only one set of the Solicitation Materials and one ballot for voting their amended claims with respect to that class.

13. Except with respect to the Amended Scheduled Claimants, any claim holder whose claim (a) has not been filed by the Voting Record Date, (b) is asserted in an untimely proof of claim (unless allowed as timely prior to the Voting Record Date), (c) is based upon a pending lawsuit as to which no judgment has been rendered, or (d) is asserted in a proof of claim as to which an objection is pending as of the Voting Record Date (collectively, the "Disputed Claimants") shall not be permitted to vote on the Plans, provided that the Amended Scheduled Claimants shall be entitled to vote on the Plans in the amounts set forth in the Amendment to the schedules, unless the claim is otherwise objectionable pursuant to paragraph 10(i) hereof, or such creditor successfully requests temporary allowance of a greater claim amount pursuant to Bankruptcy Rule 3018(a).

14. The notice of confirmation hearing shall inform the Disputed Claimants that absent having filed a motion seeking to be allowed to vote on the Plan pursuant to Bankruptcy Rule 3018(a) (a "Rule 3018 Motion"), in the manner and by the deadline described below, they are precluded from submitting a vote with respect to their contingent, unliquidated or disputed claims.

¹ Capitalized terms used but not specifically defined herein shall have the respective meanings ascribed to them in the Motion.

15. Disputed Claimants shall be permitted to vote only by filing a motion pursuant to Bankruptcy Rule 3018(a) seeking to have their claims temporarily allowed for voting purposes (a "Rule 3018 Motion"). Any such Rule 3018 Motion must be filed with the Court and served upon counsel for the Trustee and the Committee no later than Monday, January 3, 2010, at 4:00 p.m. (Eastern Time), seven (7) days before the Voting Deadline (the "Rule 3018 Motion Deadline"). Any party timely filing and serving a Rule 3018 Motion shall be provided a ballot and be permitted to cast a provisional vote to accept one of the two Plans or reject both Plans. If and to the extent that the Trustee and the Committee and such party are unable to resolve the issues raised by the Rule 3018 Motion prior to the Voting Deadline, then at the Confirmation Hearing the Court shall determine whether the provisional ballot should be counted as an acceptance of the Trustee's Plan or the Committee's Plan or rejection of such Plans.

16. Nothing in this Order affects the affect the right of the Trustee or the Committee (or any other party's right, if applicable) to object to any proof of claim after the Voting Record Date. With respect to any such objection, the Trustee and the Committee may request, on notice, that any vote cast by the holder of the disputed claim be disallowed and not counted in determining whether the requirements of 11 U.S.C. § 1126(c) have been met. In the absence of any such request, the holder of a disputed claim shall be entitled to vote in accordance with its proof of claim.

17. Unless otherwise directed by the Court, the procedures set forth below shall be applied in tabulating the votes:

- (a) Any ballot that is timely received, that contains sufficient information to permit the identification of the claimant and that is cast as an acceptance of the Trustee's Plan or the Committee's Plan will be counted and will be deemed to be cast as an acceptance of such Plan, provided that such ballot is not otherwise challenged or objectionable as provided for herein. Subject to subparagraph (b) below, ballots timely received that

are cast in any manner other than clearly accepting only one Plan will be deemed as a rejection of both Plans.

- (b) The following Ballots shall not be counted or considered for any purpose in determining whether a Plan has been accepted or rejected: (i) any Ballot received after the Voting Deadline unless the Trustee and the Committee have granted an extension of the Voting Deadline with respect to such Ballot; (ii) any Ballot that is illegible, unsigned or otherwise contains insufficient information to permit the identification of the claimant; (iii) any Ballot cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject a Plan; or (iv) any unsigned Ballot or Ballot that has a non-original signature.
- (c) Notwithstanding Bankruptcy Rule 3018(a), whenever two or more ballots are cast voting the same claim prior to the Voting Deadline, the last ballot received prior to the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior ballots, without prejudice to the rights of the Trustee or the Committee (or the right of any other party, if applicable) to object to the validity of the second ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if the objection is sustained, to count the first ballot for all purposes.
- (d) Claim splitting is not permitted and order that creditors who vote must vote all of their claims within a particular class to either accept or reject one of the two Plans or reject both Plans.
- (e) Any claimant who has delivered a valid ballot for the acceptance or rejection of a Plan to withdraw such acceptance or rejection by delivering a written notice of withdrawal to counsel to the Trustee and the Committee at any time prior to the Voting Deadline. A notice of withdrawal, to be valid, should (i) contain the description of the claim to which it relates and the aggregate principal amount represented by such claim, (ii) be signed by the withdrawing party in the same manner as the ballot being withdrawn, (ii) contain a certification that the withdrawing party owns the claim and possesses the right to withdraw the vote or election sought to be withdrawn, and (iv) be received by counsel for the Trustee and the Committee prior to the Voting Deadline.
- (f) Ballots sent via facsimile or electronic mail transmission shall not be accepted.

18. The hearing to consider confirmation of the Plans shall be held on _____, at _____ m. (Eastern Time) (the "Confirmation Hearing"), and the deadline for filing

objections to confirmation of the Plans shall be _____, at _____ .m. (Eastern Time) (the "Plan Objection Deadline"), ten (10) days before the Confirmation Hearing.

19. The form of notice of the confirmation hearing date and objection deadline presented to the Court at the hearing on December 6, 2010 (the "Confirmation Hearing Notice") attached hereto as Exhibit B is approved.

20. In light of the Trustee's Amendment to the schedules, an extended proof of claim deadline is hereby established only with respect to the Amended Scheduled Claimants as of _____, 20__ (the "Extended Bar Date"), allowing such creditors an opportunity to file a proof of claim within the extended proof of claim deadline. The Notice of Extended Bar Date attached hereto as Exhibit C is hereby approved.

21. The Committee and the Trustee (and their respective counsel) are not prohibited from contacting creditors or their counsel, by phone, email or other correspondence with respect to solicitation of votes after transmittal of the Solicitation Package to the creditors.

DATED this ____ day of _____, 2010, in Jacksonville, Florida.

Paul M. Glenn
Chief United States Bankruptcy Judge