

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

IN RE:)	Chapter 11
)	
PLATINUM PROPERTIES, LLC, et al., ¹)	Case No. 11-05140
)	
Debtors.)	JOINTLY ADMINISTERED

**DISCLOSURE STATEMENT WITH RESPECT TO THE CHAPTER 11 PLAN OF
LIQUIDATION OF PLATINUM PROPERTIES, LLC AND PPV, LLC**

On April 25, 2011 (the "Petition Date"), the above captioned debtors and debtors-in-possession filed their voluntary petitions for relief pursuant to Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Indiana (the "Bankruptcy Court"). Contemporaneously with the filing of this Disclosure Statement, the Debtors have filed a Chapter 11 Plan of Liquidation (the "Plan"), a copy of which accompanies this Disclosure Statement.

Counsel for Platinum Properties, LLC and PPV, LLC:

FAEGRE BAKER DANIELS LLP
Jay Jaffe (#5037-98)
Kayla D. Britton (#29177-06)
600 E. 96th Street, Suite 600
Indianapolis, IN 46240
Telephone: (317) 569-9600
Facsimile: (317) 569-4800
jay.jaffe@faegrebd.com
kayla.britton@faegrebd.com

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¹ The Debtor entities are Platinum Properties, LLC and PPV, LLC.

TABLE OF CONTENTS

	Page
I. Introduction and Disclaimer	1
II. Description and History of the Debtors	2
A. Background of the Debtors and Overview of Historical Operations	2
B. Summary of the Debtors' Chapter 11 Cases	2
III. Description of the Debtors' Remaining Assets and Liabilities	7
A. The Debtors' Remaining Assets	7
B. The Debtors' Remaining Liabilities	8
IV. The Liquidating Plan.....	8
A. Overall Structure of the Plan.....	8
B. Classification and Treatment of Claims and Equity Interests.....	9
C. Implementation of the Plan.....	11
1. Utilization of Plan Officer	11
2. Continued Existence of the Debtors	12
3. Funding for the Plan.....	12
4. Plan Sale.....	12
5. Dissolution	13
6. Liquidation of Assets	13
7. Termination of Employee Benefits	13
8. Accounts	14
9. Summary of Distribution and Claims Resolution.....	14
10. Executory Contracts and Unexpired Leases	15
11. Injunctions and Stays	15
12. Rights of Action Retained.....	16
13. Debtors' Releases and Exculpation	16
V. The Bankruptcy Plan Voting Instructions and Procedures	17
A. Notice to Holders of Claims and Holders of Equity Interests	17
B. Solicitation Package.....	17
C. Voting Procedures, Ballots, and Voting Deadline	18
D. Confirmation Hearing and Deadline for Objections to Confirmation	18
VI. Certain Factors to be Considered / Risks of the Plan.....	19
A. Disclaimer Concerning Financial Information	19
B. Certain Bankruptcy Considerations	19
1. General Risk of Non-Confirmation of the Plan	19

2.	Possible Adverse Effects from Delays of Confirmation and/or Effective Date	19
C.	Liquidation of Assets	20
D.	Alternatives to the Plan	20
VII.	Tax Consequences of the Plan	20
VIII.	Confirmation Requirements.....	21
A.	Classification of Claims and Equity Interests	21
B.	Best Interests Test	21
C.	Liquidation Analysis	22
D.	Feasibility.....	23

I. Introduction and Disclaimer

The Debtors submit this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code, for use in the solicitation of votes on the Plan, a copy of which is annexed as "Appendix A" hereto, proposed by the Debtors and filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division contemporaneously with the filing of this Disclosure Statement. This Disclosure Statement sets forth certain information regarding the Debtors' prepetition history and the liquidation of the Debtors' assets. This Disclosure Statement also describes terms and provisions of the Plan, including certain effects of confirmation of the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims against the Debtors must follow for their votes to be counted. All capitalized terms not defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE CHAPTER 11 CASES, AND CERTAIN FINANCIAL INFORMATION. THE DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION. THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THIS DATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY MAKE ANY REPRESENTATIONS, OTHER THAN THE REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN. ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND BECOMES EFFECTIVE, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS (INCLUDING THOSE WHO REJECTED OR WHO ARE DEEMED TO HAVE REJECTED THE PLAN AND THOSE WHO DID NOT SUBMIT BALLOTS TO ACCEPT THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN.

THE PLAN IS A LIQUIDATING PLAN THAT PROVIDES FOR A DISTRIBUTION TO CREDITORS THAT IS COMPARABLE TO A LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE BUT AVOIDS THE

COMMISSION TO WHICH A CHAPTER 7 TRUSTEE WOULD BE ENTITLED. AS THE PLAN IS A PLAN OF LIQUIDATION, CONFIRMATION OF THE PLAN WILL NOT OPERATE AS A DISCHARGE OF THE DEBTORS FROM ALL CLAIMS AND INDEBTEDNESS THAT AROSE BEFORE THE PLAN WAS CONFIRMED.

II. Description and History of the Debtors

A. Background of the Debtors and Overview of Historical Operations

Platinum was a real estate developer in the business of manufacturing and selling real estate lots; primarily residential but in some larger projects, commercial lots as well. Platinum acquired land, designed the project, obtained zoning and other approvals, constructed roads, drainage, utilities, and other infrastructure of residential subdivisions or multi-use projects, and then sold the finished platted lots.

PPV was essentially a joint venture between Platinum and a non-debtor entity, Pittman Partners, Inc., each of whom hold an equity interest in PPV. Historically, PPV owned four projects directly, and owned one hundred percent of the membership interests of Sweet Charity Estates, LLC, which developed a project known as "Westmont." As of the Petition Date, only one of PPV's four projects, Long Ridge Estates, was active. Platinum had a sixty-five percent interest in the proceeds of lot sales out of Long Ridge Estates, after all of Platinum's equity investment in the project had been returned. PPV has never had any employees or overhead expenses. All development, management, and administrative services were provided by Platinum.

As of the Petition Date, Platinum owned and was developing and marketing five projects: Abney Glen, Bellewood, Countryside, Maple Knoll (excluding sections 4A and 4B), and Mount Vernon Trails. In addition, Platinum has an ownership interest in several special purpose entities ("SPEs") that in turn, owned, operated, and managed individual projects. The projects owned by the Debtors' SPEs as of the Petition Date include: Eagles Nest, Fishers East, The Legacy, Reserve at Steeplechase, Ridge at Hayden Run, Sanctuary at 116th Street, Sanctuary at 121st Street, Western Hills, Westmont, and Wynne Farms.

Each project had a senior loan, and certain projects had junior or subordinated loans. Platinum, as direct borrower or guarantor, was obligated on the senior loans of all projects, including the SPEs' projects. As of the Petition Date, the Debtors' collective liability totaled \$182,175,094.

B. Summary of the Debtors' Chapter 11 Cases

The paramount objectives of a Chapter 11 case are the orderly restructuring of a debtor's business and the negotiation, development, proposal, confirmation and consummation of a Chapter 11 plan. Chapter 11 is also a permissible method for the effectuation of the orderly liquidation of a debtor for whom reorganization is not a viable alternative. Commencing a Chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that a debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession." Since the Petition Date, the Debtors have operated their businesses and managed their properties as

debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the Chapter 11 Cases.

i. Motions to Approve Ordinary Course Business Operations

In the early stages of the Chapter 11 Cases, the Debtors filed numerous motions seeking the entry of orders intended to ensure a seamless transition between the Debtors' prepetition and postpetition business operations by approving certain regular business conduct that may not be authorized specifically under the Bankruptcy Code. Within the first seven (7) days of operation as Debtors-In-Possession, the Debtors sought and obtained orders addressing operational matters, such as the authorization to use preexisting bank accounts in the course of its ordinary business operations [Docket Nos. 8, 41]. In addition, the Bankruptcy Court entered an order providing for joint administration of the Debtors' Chapter 11 Cases, allowing hearings and filing of documents to be handled jointly for each of the Debtors' bankruptcy cases under Case No. 11-05140 [Docket No. 43].

As a residential real estate developer, the Debtors' ability to continue business operations depended on the ability to sell lots in the ordinary course of business without the delay inherent in seeking Bankruptcy Court approval for each individual lot sale. The Debtors requested and received Bankruptcy Court approval for the Debtors to sell lots in the ordinary course of business free and clear of liens, with liens to attach to a portion of the proceeds, without further Bankruptcy Court approval (the "Lot Sale Order") [Docket Nos. 9, 42, 120]. The Debtors' title company agreed to issue clean policies of title insurance for each lot sale upon the Bankruptcy Court's entry of the Lot Sale Order.

The Debtors also received Bankruptcy Court approval to use the various project lenders' cash collateral, namely, the proceeds of lot sales, in order to allow the Debtors to continue their normal business operations (the "Cash Collateral Order") [Docket Nos. 7, 80, 121]. Collectively, the Lot Sale Order and the Cash Collateral Order authorized the Debtors to (a) retain and use for operating expenses the same percentage or amount of the lot sale proceeds as the Debtors were permitted to retain and use under their prepetition agreements with the project lenders and (b) place in escrow the remaining lot proceeds, with the liens of the applicable project lender attaching to such escrowed proceeds.

The Debtors negotiated more comprehensive adequate protection agreements with most project lenders, which replaced the Cash Collateral Order. The adequate protection agreements permitted the Debtors to retain sufficient proceeds to fund the Chapter 11 Cases and released to the project lenders the remaining proceeds in substantially the same amounts provided for in the Debtors' prepetition agreements or other loan extension agreements with the respective lender.

ii. Postpetition Financing

Platinum sought and obtained approval for postpetition financing at three stages of its Chapter 11 Case. Platinum received postpetition secured financing from the Ralph L. Wilfong, II Charitable Remainder Unitrust dated May 21, 2001 ("Wilfong") to fund development costs for Section 4A of the Sonoma subdivision within Platinum's Maple Knoll project [Docket Nos. 224, 245] and from Golden Investments III, LLC ("Golden") to fund development costs for Section

4B of the Sonoma subdivision within Platinum's Maple Knoll project [Docket Nos. 335, 348], thereby facilitating continued lot sales in the Maple Knoll project and providing revenue to Platinum's Estate. Wilfong and Golden entered into adequate protection agreements similar to those executed by the Debtors' prepetition secured lenders. Platinum also obtained a postpetition secured line of credit from Palmer Properties, LLC to provide Platinum with general working capital during the off-season when lot sales were low [Docket Nos. 270, 285]. As of the date of filing of this Disclosure Statement, all postpetition financing obtained by the Debtors, including all fees, expenses, and charges related thereto, has been repaid in full.

iii. Avoidance of PNC Judgment Liens

On the Petition Date, the Debtors commenced an adversary proceeding against PNC Bank, N.A. ("PNC") to avoid PNC's judgment liens under 11 U.S.C. § 547, preserve the avoided judgment liens for the benefit of the Estates pursuant to 11 U.S.C. § 551, and recover a \$34,000 prepetition payment demanded by and paid to PNC as a condition to PNC's issuance of a partial release of its judgments. The PNC adversary proceeding was settled early in the Chapter 11 Cases. [Docket Nos. 57, 139].

iv. Debtors' Restructuring Method

Prior to the Petition Date, the Debtors, in consultation with their legal advisors, analyzed their operations and assets to determine how best to maximize values and potential recoveries for their creditors. Most of the Claims against the Estates were held by project lenders, each of whom had a lien on a specific project. Neither of the Debtors had significant unsecured trade debt, and the minimal amount of outstanding trade debt was incurred at the individual project level. Accordingly, the Debtors determined, in the exercise of their sound business judgment, that a project-by-project restructuring method would generate the greatest recoveries for their Estates and creditors and was in the best interests of their Estates and creditors.

As of the date of filing of this Disclosure Statement, all of the Debtors' projects have been restructured. Distributions that were available were done at the project level as part of each project restructuring. During the course of the Chapter 11 Cases, the Debtors have successfully reduced or discharged over \$140 million in liability via sales, settlements with project lenders, deed-in-lieu transactions, and the ordinary course sale of lots. Appendix B to this Disclosure Statement provides a project-by-project summary of the Debtors' restructuring methods and resultant liability reduction. As of the date of this Disclosure Statement, all of the Debtors' real property has been sold or transferred pursuant to Final Order of the Bankruptcy Court, and none of the Debtors' lenders held blanket liens on the Debtors' assets, including the Personal Property. PNC's judgment liens were avoided and recovered for the benefit of the Estates. Accordingly, none of the project lenders hold Claims that will become Allowed Secured Claims.

A summary of the projects, restructuring method, and citations to the relevant Bankruptcy Court documents approving the restructuring follows. While many of these projects were not owned by either Debtor, Platinum had guaranteed all of the loans of its SPEs. The Debtors' title insurance company required, as a condition to closing, that the Bankruptcy Court approve any sale of substantially all of an SPE's property during the course of the Chapter 11 Cases. For these

reasons, Bankruptcy Court approval was sought and obtained by the Debtors prior to closing each transaction outside of the ordinary course of the Debtors' business.

<u>Project</u>	<u>Prepetition Owner</u>	<u>Restructuring Method</u>	<u>Approval Motion</u>	<u>Approval Order</u>
Abney Glen	Platinum	Settlement with and 363 Sale to Secured Lender	Docket No. 160	Docket No. 182
Bellewood / Countryside	Platinum	Lot sales in the ordinary course of Platinum's business	Docket Nos. 9, 553	Docket Nos. 42, 120, 560
Eagles Nest	Eagles Nest Land Developer, LLC (in part), Eagles Nest Subdivision Partners, LLC (in part), and Eagles Nest Partners, LLC (in part)	363 Sale to Eagles Nest Developer, LLC	Docket No. 377	Docket No. 389
Fishers East	Fishers East, LLC	Deed-in-lieu transaction and settlement with Secured Lender	Docket No. 276	Docket No. 294
Legacy	East Carmel, LLC	Settlement with Secured Lender	Docket No. 248	Docket No. 264
Long Ridge Estates	PPV	363 Sale to Long Ridge Estates, LLC	Docket No. 302	Docket No. 312
Maple Knoll	Platinum	363 Sale to Maple Knoll Developer, LLC	Docket No. 472	Docket No. 492
Mt. Vernon Trails	Platinum	Settlement with and 363 Sale to Secured Lender	Docket No. 160	Docket No. 182
Reserve at Steeplechase	Reserve at Steeplechase, LLC	363 Sale to M/I Homes of Indiana, LP and Settlement with Secured Lender	Docket Nos. 438, 439	Docket Nos. 465, 466
Ridge at Hayden Run	Ridge at Hayden Run, LLC	Approval of pre-bankruptcy settlements with Secured Lenders	Docket Nos. 161, 401	Docket Nos. 183, 405

<u>Project</u>	<u>Prepetition Owner</u>	<u>Restructuring Method</u>	<u>Approval Motion</u>	<u>Approval Order</u>
Sanctuary at 116 th Street	Sanctuary at 116th, LLC	Approval of pre-bankruptcy settlements with Secured Lenders	Docket Nos. 161, 401	Docket Nos. 183, 405
Sanctuary at 121 st Street	Sanctuary at 121st, LLC	Approval of pre-bankruptcy settlements with Secured Lenders	Docket Nos. 161, 401	Docket Nos. 183, 405
Western Hills	West Avon, LLC	363 Sale to RH of Indiana, LP	Docket No. 416	Docket No. 421
Westmont	Sweet Charity Estates, LLC	363 Sale to M/I Homes of Indiana, LP and Settlement with Secured Lender	Docket Nos. 438, 439	Docket Nos. 465, 466
Wynne Farms	Wynne Farms, LLC	(i) Transfer via a deed-in-lieu of certain property within the Wynne Farms development to the secured lender, (ii) Settlement with secured lender, and (iii) 363 Sale to Wynne Farms Developer, LLC	Docket Nos. 555, 556	Docket Nos. 567, 568

As a result of the foregoing transactions, the SPEs have no remaining assets, and Platinum's membership interests in each SPE have no value as of the date of this Disclosure Statement.²

v. Platinum Properties Management Company, LLC

Several purchasers engaged Platinum Properties Management Company, LLC ("PPMC") to provide the post-closing management and development services. PPMC is owned by Brasseur Investments, LLC, Edwards Investments, LLC, and Rioux Investments, LLC. The Debtors' Principals have small ownership interests in those entities: Kenneth R. Brasseur owns 2% of the interests in Brasseur Investments, LLC; Steven R. Edwards owns 1% of the interests in Edwards Investments, LLC; and Paul F. Rioux, Jr. owns 1% of the interests in Rioux Investments, LLC.

PPMC advanced overhead costs to Platinum during the Chapter 11 Cases, and Platinum allocated the total overhead costs between Platinum and PPMC. As of March 31, 2014, PPMC has overpaid Platinum for overhead costs by \$434,150.00. Such advanced overhead costs make

² Platinum's membership interests in Fishers East, LLC were sold to Indiana Bank & Trust. See Docket Nos. 350 and 358.

up the PPMC Administrative Expense Claim, which may be reduced to the extent Platinum receives income or recoveries prior to the Effective Date, but more likely will continue to increase until the Effective Date. As set forth in the Plan, PPMC has agreed to waive the balance of its PPMC Administrative Expense Claim, conditioned upon the occurrence of the Effective Date, the collection of the Management Fee Receivable and application of any balance remaining after payment of Debtors' overhead costs, the closing of the Plan Sale, and the assignment of the Office Space Lease and the Security Deposit to PPMC. The value of the Management Fee Receivable is \$75,000, less what the Debtors expend to cover overhead expenses following receipt. The value of the Personal Property and the assignment of the Office Space Lease and Security Deposit is believed to be less than \$15,000 (approximately 3.5% of the total PPMC Administrative Expense Claim as of March 31, 2014).

III. Description of the Debtors' Remaining Assets and Liabilities

The following section provides an overview of the Debtors' remaining assets and liabilities, all of which are dealt with by the Plan.

A. The Debtors' Remaining Assets

As of the date of this Disclosure Statement, Platinum's principal assets primarily consist of non-cash assets. The non-cash assets belonging to Platinum include, but are not limited to, the following: (1) the Personal Property, (2) the Membership Interests, (3) the Management Fee Receivable, (4) the Office Space Lease, including the Security Deposit, and (5) certain other leases.

The SPEs have unsecured liabilities and have no assets. As a result, the Membership Interests in the SPEs do not have any value, and the Plan provides that the Debtors are authorized to allow the SPEs to be administratively dissolved pursuant to state law.

Platinum anticipates that the Management Fee Receivable will be collected after the date of this Disclosure Statement, but prior to Confirmation of the Plan, and prior to the occurrence of the Effective Date of the Plan. To the extent collected, the Management Fee Receivable will be used to pay overhead expenses (and relieve the burden of PPMC to continue to advance overhead costs), and to partially repay PPMC for the PPMC Administrative Expense Claim.

As of the date of this Disclosure Statement, Platinum's existing leases, excluding the Office Space Lease, consist of (i) a lease of a postage machine between Platinum and Pitney Bowes Global Financial, LLC, which terminates pursuant to its terms on August 2, 2014, and (ii) a month-to-month lease of a water cooler between Platinum and Nestle Waters North America. No security deposit was required for these leases. These leases will be allowed to expire pursuant to their terms and do not have any value to the Estates. Platinum's lease of a self-storage unit with Shurgard Storage Center and its copier lease expired pursuant to their terms during the Chapter 11 Cases.

The Debtors concluded that they do not have any additional Causes of Action to recover transfers pursuant to Section 547 or any other section of Chapter 5 of the Bankruptcy Code that may generate additional proceeds available for distribution under the Plan. As of the date of this Disclosure Statement, the statute of limitations established pursuant to 11 U.S.C. § 546 for

avoidance actions has passed. The Debtors do not, however, waive the right to assert any Cause of Action.

B. The Debtors' Remaining Liabilities

According to the Debtors' Schedules and the proofs of claim that have been filed in the Chapter 11 Cases, the total filed and scheduled claims against the Debtors total over \$180 million. Several claims have been withdrawn due to sales or settlements with the secured lenders resulting in the full satisfaction of the claim. The Debtors estimate that the total remaining claims against the Estates is approximately \$41 million.

THE ACTUAL AMOUNT OF DEBT WILL LIKELY VARY FROM THE ESTIMATES INCLUDED IN THIS DISCLOSURE STATEMENT AND THE ESTIMATES PROVIDED HEREIN ARE EACH SUBJECT TO MATERIAL CHANGE. IN ADDITION TO THE ESTIMATED DEBTS SET FORTH ABOVE, THE DEBTORS WILL ALSO BE RESPONSIBLE FOR PAYING CERTAIN ADMINISTRATIVE EXPENSES INCURRED IN ADMINISTERING THE CHAPTER 11 CASES.

IV. The Liquidating Plan

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN, WHICH IS INCLUDED AS APPENDIX A TO THIS DISCLOSURE STATEMENT.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS OR THE LIQUIDATED ASSETS.

A. Overall Structure of the Plan

The Plan becomes effective when (i) the Bankruptcy Court has entered a Confirmation Order, (ii) the Confirmation Order has become final and non-appealable, and (iii) all other conditions to consummation set forth in the Plan have been satisfied.

The Plan generally provides for the liquidation and conversion of all of the Debtors' assets to Cash and the distribution of the net proceeds realized therefrom to creditors in accordance with the priorities established by the Bankruptcy Code. Described in very general terms, Allowed Administrative Expense Claims, Allowed Secured Claims, Allowed Priority Tax Claims, and Allowed Other Priority Claims will be paid in Cash in full. Allowed General Unsecured Claims will receive a Pro Rata distribution of the Debtors' remaining property. Based upon reasonable projections, it does not appear that holders of Equity Interests will receive a distribution under the Plan.

From and after the Confirmation Date, the Debtors shall continue in existence for the purposes set forth in the Plan. From and after the Confirmation Date, and subject to the

Effective Date, the then current officers of each of the Debtors shall continue to serve in their respective capacities through the earlier of the date the Debtors are dissolved in accordance with the Plan and the date such officer resigns, is replaced or is terminated.

B. Classification and Treatment of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires that a Chapter 11 Plan classify the claims of a debtor's creditors and the interests of its equity holders. The Bankruptcy Code also provides that, except for certain claims classified for convenience, a plan may place a claim of a creditor or an interest of an equity holder in a particular class only if such claim or interest is substantially similar to the other claims or equity interests of such class. The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the holder of a particular claim or interest agrees to a less favorable treatment of its claim or interest. The Debtors submit that the Plan complies with this standard.

A Claim or Equity Interest is placed in a particular Class for all purposes, including voting, confirmation, and distribution. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims of the kinds specified in Sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code, respectively, have not been classified. Administrative Expense Claims include any Claim under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the assets of the Debtors-in-Possession, any actual and necessary expenses of operating the business of the Debtors-in-Possession, all compensation and reimbursement of expenses allowed by the Bankruptcy Court under Sections 330 or 503 of the Bankruptcy Code, and any fees and charges assessed against the Debtors-in-Possession under Section 1930 of Chapter 123 of Title 28 of the United States Code. Priority Tax Claims include any Claim of a governmental unit of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

The classification and treatment under the Plan of each Allowed Claim and Equity Interest is as follows:

Unclassified: Administrative Expense Claims. Except to the extent that the Debtors and the holder of an Allowed Administrative Expense Claim agree to a different treatment, the Debtors shall pay to each holder of an Allowed Administrative Expense Claim from Available Cash an amount equal to such Allowed Administrative Expense Claim on the Effective Date; provided, however, that Allowed Administrative Expense Claims representing obligations incurred in the ordinary course of business of the Debtors as Debtors-in-Possession shall be paid in full and performed by the Debtors in accordance with the terms and conditions of the particular transactions and any applicable agreements. The only known Administrative Expense Claim, except Professional Fee Claims, is the PPMC Administrative Expense Claim. PPMC and the Debtors have agreed that the PPMC Administrative Expense Claim will be satisfied, in part, by the (i) collection and distribution to PPMC of the Management Fee Receivable in excess of payment of Platinum overhead costs, (ii) assignment of the Office Space Lease, including the Security Deposit, and (iii) sale of the Personal Property pursuant to the Plan Sale. PPMC has agreed to waive the balance of the PPMC Administrative Expense Claim upon collection in full

of the Management Fee Receivable, consummation of the Plan Sale, and the assignment of the Office Space Lease.

Unclassified: Priority Tax Claims. Except to the extent that the Debtors and the holder of an Allowed Priority Tax Claim against the Debtors agree to a different treatment, the Debtors shall pay to each holder of an Allowed Priority Tax Claim from Available Cash an amount equal to such Allowed Priority Tax Claim on the Distribution Date. The only known Priority Tax Claim is the Tax Claim for the Personal Property Taxes, which PPMC agrees to pay in full upon closing of the Plan Sale. The Debtors are not aware of any other Priority Tax Claims that will become an Allowed Claim.

Class 1: Other Priority Claims. Class 1 consists of all Allowed Other Priority Claims against the Debtors. Each holder of an Allowed Other Priority Claim shall be entitled to receive Cash from Available Cash in an amount equal to such Allowed Other Priority Claim on the Distribution Date. Each holder of an Allowed Other Priority Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan. The Debtors' Principals hold Other Priority Claims for unpaid wages up to the statutory cap established by 11 U.S.C. § 507(a)(4). The Debtors' Principals have agreed to the reclassification of their Other Priority Claims as General Unsecured Claims. The Debtors are not aware of any additional Other Priority Claims that will become an Allowed Claim.

Class 2: Secured Claims. Class 2 consists of all Allowed Secured Claims against the Debtors. Except to the extent that a holder of a Class 2 Allowed Secured Claim agrees to different treatment, on the Distribution Date, such holder shall receive one of the following treatments, in the discretion of the Debtors, in full and final satisfaction of such Allowed Secured Claim: (i) the Debtors shall pay such Allowed Secured Claim in full in Cash in an amount equal to the Allowed Secured Claim; (ii) the Debtors shall deliver the collateral securing any such Allowed Secured Claim in full satisfaction of its Allowed Secured Claim, unless the holder of such Claim agrees to less favorable treatment; or (iii) the Debtors shall otherwise treat any Allowed Secured Claim in any manner such that the Claim shall be rendered unimpaired. Each holder of an Allowed Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan. The Debtors do not believe there are any Class 2 Claims that will become Allowed Claims.

Class 3: General Unsecured Claims. Class 3 consists of all Allowed General Unsecured Claims against the Debtors. After satisfaction in full of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and Allowed Secured Claims, and unless otherwise agreed to by the Debtors and the holder of an Allowed Claim in Class 3, each holder of an Allowed Claim in Class 3 shall be entitled to receive its Pro Rata Share of Available Cash (not to exceed the amount of its Allowed Claim) on the Distribution Date.

Class 4: Equity Interests. Because the value of the Debtors' assets is less than the total value of its debts and liabilities, it is not anticipated that the holders of Allowed Equity Interests in Class 4 will receive any distributions on account of such Equity Interests. The Debtors will request that the Bankruptcy Court make a finding that the Equity Interests have no value for purposes of the "best interest" test under Section 1129(a)(7) of the Bankruptcy Code. The

instruments evidencing Equity Interests in the Debtors shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule, and the Equity Interests in the Debtors evidenced thereby shall be extinguished after (i) the Debtors determine following the Confirmation Date that there are not sufficient funds available to holders of Allowed Equity Interests, or (ii) in the event that sufficient funds become available to make a distribution to holders of Allowed Equity Interests, as soon as possible following the Distribution Date, distributions to Allowed Equity Interests, if any, will be paid on the Distribution Date, and the holders of Class 4 Equity Interests shall be entitled to receive its Pro Rata Share of Available Cash.

C. Implementation of the Plan

This section generally describes the procedures to be followed for purposes of implementing the Plan.

1. Utilization of Plan Officer

From and after the Effective Date, a Plan Officer shall be deemed to be appointed by the Bankruptcy Court pursuant to the terms of the Plan. On the Effective Date, the Plan Officer shall be authorized to take all steps necessary to effect the provisions of the Plan and shall, together with the Debtors, be an official distribution agent to the holders of Allowed Claims. The principal purpose of the Plan Officer is to make distributions in respect of Claims against the Debtors' Estates in accordance with the terms of the Plan. During the term of his/her appointment, the Plan Officer will comply with all of its obligations, including, but not limited to, obligations arising by operation of law or pursuant to the terms of the Plan.

The Debtors have determined that Steven R. Edwards, 9757 Westpoint Drive, Suite 600, Indianapolis, Indiana 46256, is well suited for the role of Plan Officer and should be so appointed. The Plan Officer shall receive compensation at an hourly rate for his time spent fulfilling his duties under the Plan. Such hourly rate shall be determined based on his prorated salary, as such salary existed prior to the filing of the Plan. The Plan Officer shall also be entitled to reimbursement of out-of-pocket expenses, if any, incurred after his appointment in carrying out his duties under the Plan.

Upon appointment by the Bankruptcy Court and pursuant to the terms and provisions of the Plan, the Plan Officer shall, together with the Debtors, act as the sole and official distribution agent for the holders of Allowed Claims. The Plan Officer, together with the Debtors, shall carry out the implementation of the Plan and shall have all duties, powers, and standing and authority necessary to implement the Plan and to administer the assets of the Debtors for the benefit of holders of Allowed Claims. The Plan Officer's powers shall include, without limitation, the following: (1) the power to, jointly with the Debtors, provide for the maintenance of the books and records of the Debtors' Estates and provide for storage and destruction of records as deemed appropriate; (2) the power to, jointly with the Debtors, liquidate any remaining unliquidated assets of the Estates and to sell or otherwise transfer for value any non-Cash property, including the power to complete the Plan Sale; (3) the power to, jointly with the Debtors, abandon to the Debtors any property that cannot be sold or otherwise disposed of for value; (4) the power to, jointly with the Debtors, hold and invest Estate funds until distributed and, in strict accordance

with the terms of the Plan, establish one or more checking, savings and investment accounts in the name of the Plan Officer; (5) the power to, jointly with the Debtors, litigate or settle Causes of Action asserted by or against the Debtors, subject to approval by the Bankruptcy Court; (6) the power to, jointly with the Debtors, litigate or settle Claims asserted by or against the Debtors, as provided in Article 7 of the Plan; (7) the power to, jointly with the Debtors, make distributions of Estate funds as provided in the Plan; (8) the power to, jointly with the Debtors, file with the Bankruptcy Court the reports and other documents required by the Plan or otherwise required to close the Chapter 11 Cases; (9) the power to take any other actions that the Plan Officer, in his or her reasonable discretion, determines to be in the best interests of the Debtors' creditors and consistent with the purposes of the Plan; and (10) the power to retain, after consultation with the Debtors, any third parties that the Plan Officer deems necessary to carry out the duties of the Plan Officer or to effectuate the terms of the Plan, including any current or former employees of the Debtors and to compensate any third parties retained at rates commensurate with the services to be provided.

2. Continued Existence of the Debtors

From and after the Confirmation Date, the Debtors shall continue in existence (and shall consult and/or confer with the Plan Officer as specifically provided for in the Plan) for the purpose of (i) winding up their affairs as expeditiously as reasonably possible, (ii) conducting the Plan Sale, (iii) liquidating, by conversion to Cash or other methods, any remaining assets of its Estates, as expeditiously as reasonably possible, (iv) enforcing and prosecuting claims, interests, rights and privileges of the Debtors, including, without limitation, the prosecution of Causes of Action, (v) resolving Disputed Claims, (vi) administering the Plan, and (vii) filing appropriate tax returns.

From and after the Confirmation Date, and subject to the Effective Date, the then current officers of the Debtors shall continue to serve in their respective capacities through the date any such officer resigns, is replaced or is terminated. From and after the Effective Date, the Debtors shall not be required to file any document, or take any other action, to withdraw their business operations from any states in which the Debtors previously conducted their business operations.

3. Funding for the Plan

The Plan shall be funded by (i) Available Cash on the Effective Date, and (ii) funds available after the Effective Date from, among other things, the liquidation of the Debtors' remaining assets and the prosecution and enforcement of Asserted Causes of Action of the Debtors.

4. Plan Sale

As part of the Plan Sale, the Debtors seek approval of a private sale of the Personal Property to PPMC pursuant to Section 363 of the Bankruptcy Code. The Plan Sale will close within thirty (30) days of the entry of the Confirmation Order. The terms of the Plan Sale, a more detailed description of the Personal Property to be sold, and a summary of the appraised value of the Personal Property will be outlined in Exhibit A to the Plan, which shall be provided on the Exhibit Filing Date. Upon the closing of the Plan Sale, the sale and transfer of the Personal

Property to PPMC will be a legal, valid, binding, and effective transfer of the Personal Property to PPMC and will vest in PPMC all rights, title and interests in the Personal Property free and clear of any and all liens, claims, interests, and encumbrances, including claims under successor liability theories pursuant to Section 363(f) of the Bankruptcy Code, except the Personal Property Taxes will be paid by PPMC at the closing of the Plan Sale. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Plan Sale and the transfer of the Personal Property to PPMC free and clear of any and all liens, claims, interests, and encumbrances, including claims under successor liability theories pursuant to Section 363(f) of the Bankruptcy Code.

5. **Dissolution**

(a) *Debtors.* From and after the Effective Date, the Debtors may cause the voluntary dissolution of each of the Debtors pursuant to Indiana Code § 23-18-9-1 *et seq.* without the need for further corporate action or approval, or permit the Debtors to be administratively dissolved pursuant to Indiana Code §§ 23-1-46-1 to -4, in the sole discretion of the Debtors and the Plan Officer.

(b) *SPEs.* From and after the Effective Date, the Debtors may, without further approval of the Bankruptcy Court, (i) resign as manager of each of the SPEs and either (ii) cause the voluntary dissolution of each SPE pursuant to Indiana Code § 23-18-9-1- *et seq.* without the need for further corporate action or approval, or (iii) allow the SPEs to be administratively dissolved pursuant to Indiana Code §§ 23-1-46-1 to -4, and in either case the Debtors will be relieved of any obligation to (x) conduct the business operations or obligations as the manager or member of the SPEs after the Effective Date, (y) prepare and file tax returns on behalf of the SPEs, except to the extent the Debtors determine in their sole discretion to do so, and (z) comply with the requirements set forth in Indiana Code § 6-8.1-10-9, § 22-4-32-23, §§ 23-1-45-1 to -7, §§ 23-1-47-1 to -4, and § 32-34-1-25 and in Section 6043 of the Internal Revenue Code of 1986, as amended.

6. **Liquidation of Assets**

On and after the Confirmation Date, and subject to the Effective Date, the Debtors may, without further approval of the Bankruptcy Court, use, sell, assign, transfer, abandon or otherwise dispose of at a public or private sale any of the Debtors' remaining assets for the purpose of liquidating and converting such assets to Cash, making distributions and fully consummating the Plan.

7. **Termination of Employee Benefits**

Prior to the Petition Date, Platinum established (i) an ERISA qualified retirement plan under Section 401(k) of the Internal Revenue Code for the benefit of its eligible employees, and withheld amounts designated by eligible employees from their annual earnings to contribute to the 401(k) plan, and (ii) medical, dental, and vision group insurance benefits for its eligible employees. The Employee Benefits programs shall be terminated effective on the Effective Date and thereafter liquidated. Platinum, upon the Effective Date, shall be authorized to take all administrative actions necessary to process the termination of the Employee Benefits as required

by applicable, non-bankruptcy law, including but not limited to, filing applicable forms with the Internal Revenue Service and the administrator of the Employee Benefits and to provide any applicable notices to the participants of the Employee Benefits.

8. Accounts

The Debtors, jointly with the Plan Officer, may establish one or more interest-bearing accounts as they determine may be necessary or appropriate to effectuate the provisions of this Plan consistent with Section 345 of the Bankruptcy Code and any orders of the Bankruptcy Court. The signatories to such accounts shall include, and shall be specifically limited to, a current manager of Platinum (on its own behalf and as manager of PPV) and the Plan Officer.

9. Summary of Distribution and Claims Resolution

On the Distribution Date, and in accordance with the Plan and the priorities established by the Bankruptcy Code, the Debtors and the Plan Officer shall distribute from Available Cash to holders of Allowed Claims, other than holders of Administrative Expense Claims, the amounts payable on their Claims pursuant to the Plan. Administrative Expense Claims shall be paid on the Effective Date or as they are incurred or submitted for payment following the Confirmation Date. The Debtors expressly intend that, except for the payment of Administrative Expense Claims, only one distribution will occur under the Plan, eliminating the administrative expenses necessarily incurred to create and administer a reserve to fund possible distributions on Disputed Claims if ultimately Allowed, whether in full or otherwise.

The Distribution Date shall be a date, as determined by the Debtors, which is after (i) the Effective Date, (ii) the liquidation into Cash of all assets of the Debtors (other than those assets abandoned by the Debtors) and collection of other sums due or otherwise remitted or returned to the Estates, (iii) the date that all Disputed Claims have become Allowed Claims or have been disallowed by Final Order of the Bankruptcy Court, (iv) the resolution of all Asserted Causes of Action, and (v) entry of a Final Order allowing or disallowing all timely asserted Professional Fee Claims and Administrative Expense Claims.

Distributions may be made by check or by wire transfer. Any check so distributed that is returned as undeliverable shall be void and no further distributions to such holder shall be made. All claims for undeliverable distributions shall be made on or before sixty (60) days after the Distribution Date. After such date, all unclaimed property shall, in the Debtors and the Plan Officer's discretion, be used to satisfy the costs of administering and fully consummating the Plan, as needed, or donated to the Indianapolis Bar Foundation, Inc., and the holder of any such Allowed Claim shall not be entitled to any other or further distribution under the Plan on account of such Allowed Claim.

Checks issued by the Debtors and/or the Plan Officer with respect to Allowed Claims shall be null and void if not negotiated within sixty (60) days after the Distribution Date. Requests for reissuance of any check shall be made to the Debtors and the Plan Officer by the holder of the Allowed Claim to whom such check was originally issued within sixty (60) days after the Distribution Date. If a check has not been negotiated within sixty (60) days from issuance and no request for reissuance was received by the Debtors or the Plan Officer prior to

the expiration of the sixty (60) days, the Allowed Claim that is the subject of the distribution shall be discharged and forever barred against the Debtors, their Estates, and creditors, and any obligation to such holder shall be deemed null and void. After such date, the unclaimed property shall, in the Debtors and the Plan Officer's discretion, be used to satisfy the costs of administering and fully consummating the Plan, as needed, or donated to the Indianapolis Bar Foundation, Inc., and the holder of any such Allowed Claim shall not be entitled to any other or further distribution under the Plan on account of such Allowed Claim.

Interest shall not accrue on any Claim postpetition. Distributions shall be allocated first to the principal portion of any Claim until satisfied in full prior to allocation to interest, if any.

The Debtors may setoff against any Claim and the distributions to be made pursuant to the Plan on account of such Claim, any claims, rights and causes of action of any nature that the Debtors may hold against the holder of such Allowed Claim.

The Debtors and the Plan Officer shall have until thirty (30) days after the Effective Date to object to Claims, but such deadline may be extended from time to time upon request of the Debtors to the Bankruptcy Court without further notice to parties in interest. On and after the Confirmation Date, subject to the Effective Date, the Debtors and the Plan Officer may settle or otherwise resolve Disputed Claims without further notice to or approval by the Bankruptcy Court.

The Debtors and the Plan Officer may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors have previously objected to such Claim. On and after the Confirmation Date, subject to the Effective Date, the Debtors and the Plan Officer may settle or otherwise resolve Claims which have been estimated without further notice to or approval by the Bankruptcy Court.

10. Executory Contracts and Unexpired Leases

As of the Effective Date, Platinum will assume and assign the Office Space Lease to PPMC, including the Security Deposit. On the Effective Date, all executory contracts and unexpired leases that exist and have not, prior to the Effective Date, been rejected pursuant to a Final Order of the Bankruptcy Court, between the Debtors and any person, shall be deemed rejected as of the Effective Date, except for (i) the Office Space Lease, which will be assumed and assigned to PPMC on the Effective Date, and (ii) any executory contract and unexpired lease as to which a motion for approval of the assumption or rejection of such contract or lease has been filed and served prior to the Effective Date.

11. Injunctions and Stays

Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Cases pursuant to Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until all obligations of the Debtors and the Plan Officer under the Plan have been performed and the Chapter 11 Cases have been closed.

12. **Rights of Action Retained**

Pursuant to Section 1123(b)(3) of the Bankruptcy Code and except as otherwise provided in this Plan, the Debtors will retain and may (but are not required to) prosecute and enforce all Causes of Action or claims arising under applicable state laws, if any, and including Causes of Action of a trustee or a debtor-in-possession under the Bankruptcy Code except those that are expressly released hereunder. Exhibit B to the Plan shall set forth, without limitation, a more detailed description of the Causes of Action. Exhibit B shall be provided on the Exhibit Filing Date. A Cause of Action that is not listed on Exhibit B shall not be lost or waived by reason of the entry of the Confirmation Order or the occurrence of the Effective Date. All Causes of Action must be commenced on or before thirty (30) days after the Effective Date or shall be deemed abandoned.

13. **Debtors' Releases and Exculpation**

In connection with certain exculpations and releases extended by the Debtors, the Debtors, the Plan Officer, and any of their respective members, shareholders, officers, directors, employees, professionals, attorneys, advisors or agents, and each of their predecessors, successors, heirs, and assigns, who are or were members, shareholders, officers, directors, employees, professional, attorneys, advisors or agents, as the case may be, during the Chapter 11 Cases collectively are the "Released Parties."

Exculpation. The Plan provides that on and after the Confirmation Date, subject to the Effective Date, the Released Parties shall not have or incur any liability to any holder of a Claim or Equity Interest for (i) any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, including without limitation the Motions and pursuit of entry of the Orders described in Section II.B.iv. of the Disclosure Statement, (ii) any Tax Claim except to the extent of distributions from Available Cash, (iii) the formulation, negotiation or implementation of the Disclosure Statement or the Plan, (iv) the solicitation of acceptances of the Plan, (v) the pursuit of confirmation of the Plan, (vi) the confirmation of the Plan, (vii) the consummation of the Plan or any contract, instrument, release or any other agreement or document created, or entered into, in connection with the Plan, or (viii) the administration of the Plan or the property to be distributed under the Plan; provided however that the foregoing exculpation shall not be deemed to release any liability resulting from any such Released Party's willful misconduct or gross negligence as determined by a Final Order, and, in all respects, each of the Released Parties shall be entitled to (y) rely upon the advice of counsel with respect to its duties and responsibilities during the Chapter 11 Cases and under the Plan, and (z) any defense of qualified immunity that may be available under applicable law.

Debtors' Release. The Plan provides that, notwithstanding anything to the contrary in the Plan, as of the Effective Date, for good, valuable and adequate consideration, the adequacy of which is hereby confirmed, including without limitation, the provision of services by the Debtors' former and present officers in administering the assets and managing the affairs of the Debtors-in-Possession, the Debtors shall be deemed to forever waive and release each of the Released Parties from any and all obligations, suits, judgments, damages, demands, debts, remedies, rights, causes of action (including avoidance actions), rights of setoff and liabilities whatsoever (including any derivative claims asserted on behalf of the Debtors) in connection

with or in any way related to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases (including without limitation the Motions and pursuit of entry of the Orders described in Section II.B.iv. of the Disclosure Statement), the Disclosure Statement or the Plan (other than the rights of the Debtors or the Plan Officer, or a creditor holding an Allowed Claim to enforce the obligations under the Confirmation Order and the Plan and the contracts, instruments, releases and other agreements or documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or hereafter arising, in law, equity, or otherwise, that are based, in whole or in part, on any act, omission, transaction, event or other occurrence taking place prior to the Effective Date, provided however, this release shall not operate as a release or waiver of any causes of action or liabilities as of the Petition Date arising out of gross negligence, willful misconduct, fraud or criminal acts of any such Released Party as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release by the Debtors, which includes by reference each of the related provisions and definitions contained herein, and further shall constitute the Bankruptcy Court's findings that the foregoing release by the Debtors is: (i) in exchange for good and valuable consideration provided by the Released Parties; (ii) a good faith settlement and compromise of claims released by the Debtors; (iii) in the best interests of the Debtors and all holders of Claims and Equity Interests; (iv) fair, equitable and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to the Debtors asserting any claim or Cause of Action released pursuant to the foregoing release by the Debtors.

V. The Bankruptcy Plan Voting Instructions and Procedures

A. Notice to Holders of Claims and Holders of Equity Interests

This Disclosure Statement is being transmitted to certain holders of Claims against the Debtors. The purpose of this Disclosure Statement is to provide adequate information to enable the holders of Claims against the Debtors to make reasonably informed decisions with respect to the Plan prior to exercising their right to vote to accept or reject the Plan. All holders of Claims against the Debtors are encouraged to read the Disclosure Statement and the Plan carefully and in their entirety before deciding to vote either to accept or to reject the Plan.

CERTAIN INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS, AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTING FIRM AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

B. Solicitation Package

Accompanying the Disclosure Statement are copies of (i) the Plan; (ii) notice fixing the time for filing of acceptances or rejections of the Plan; (iii) notice fixing the date, time, and place of the hearing to consider confirmation of the Plan and fixing the time for filing objections to the

Plan; and (iv) if you are the holder of Claim(s) or Equity Interest(s) entitled to vote on the Plan, one or more ballots to be used by you in voting to accept or to reject the Plan.

C. Voting Procedures, Ballots, and Voting Deadline

Pursuant to the provisions of the Bankruptcy Code, only classes of Claims and Equity Interests that are impaired under the terms and provisions of the Plan are entitled to vote to accept or reject the Plan (except for classes receiving no distribution, which are deemed to have rejected the Plan). Classes 1 and 2 are unimpaired under the Plan and, therefore, are conclusively presumed to accept the Plan. For purposes of voting on the Plan, each holder of an Allowed Equity Interest in Class 4 is conclusively presumed to have rejected the Plan.

Ballots for acceptance or rejection of the Plan are being provided only to members of the voting Classes with respect to the Plan. If you are entitled to vote Claims in more than one (1) Class, you will receive separate ballots that must be used for each separate Class of Claims. Other forms of ballot are not acceptable and will not be counted. Each holder of a Claim in a voting Class with respect to the Plan should read this Disclosure Statement and the Plan in their entirety. After carefully reviewing the Plan, this Disclosure Statement and the detailed instructions accompanying your ballot, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the ballot that has been provided for you.

A ballot to be used for voting your acceptance or rejection of the Plan has been mailed to you together with this Disclosure Statement. Holders of Claims against the Debtors should read the instructions carefully and complete, date, and sign the ballot. The order approving this Disclosure Statement sets forth the address to which ballots must be delivered, which will be the offices of the Debtors' counsel, Faegre Baker Daniels LLP. **IN ORDER TO BE TABULATED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS LISTED ON THE ORDER APPROVING THE DISCLOSURE STATEMENT NOT LATER THAN _____, 2014.**

If more than one-half in number of the voting creditors of a Class vote to accept the Plan and at least two-thirds in amount of the Allowed Claims of such voting creditors are voted in favor of the Plan, such Class will be determined to have accepted that Plan. All unimpaired Classes are deemed to have accepted the Plan. For purposes of determining whether a Class of Claims has accepted or rejected the Plan, only the votes of those creditors who have timely returned their ballots will be considered. Failure to vote or a vote to reject the Plan will not affect the treatment to be accorded a Claim or Equity Interest if the Plan is confirmed by the Bankruptcy Court.

D. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to Section 1128 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3017(c), the Bankruptcy Court has scheduled a hearing on the confirmation of the Plan for _____, 2014 (the "Confirmation Hearing") before the Honorable Basil H. Lorch, III at The Birch Bayh Federal Building and US Courthouse, Indianapolis, Indiana. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing. The Bankruptcy Court has

directed that objections, if any, to confirmation of the Plan be filed with the Clerk of the Bankruptcy Court and served so that they are received on or before _____, 2014:

Counsel to the Debtors:

FAEGRE BAKER & DANIELS LLP
600 East 96th Street, Suite 600
Indianapolis, Indiana 46240
Attn: Jay Jaffe, Esq.

The United States Trustee:

Office of the United States Trustee
101 West Ohio Street, Suite 1000
Indianapolis, Indiana 46204
Attn: Charles R. Wharton, Esq.

VI. Certain Factors to be Considered / Risks of the Plan

THE HOLDER OF A CLAIM AGAINST THE DEBTORS SHOULD READ AND CAREFULLY CONSIDER THE FOLLOWING FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND IN THE PLAN BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR TO REJECT THE PLAN.

A. Disclaimer Concerning Financial Information

Although the Debtors have used their best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in this Disclosure Statement has not been audited and is based upon an analysis of data available at the time of the preparation of the Plan and Disclosure Statement. Although the Debtors believe that such financial information fairly reflects the finances of the Debtors, the Debtors are unable to warrant or represent that the information contained herein is without inaccuracies.

B. Certain Bankruptcy Considerations

1. General Risk of Non-Confirmation of the Plan

If the Plan is not confirmed and consummated, there can be no assurance that the Chapter 11 Cases will continue rather than be converted to liquidation under Chapter 7 of the Bankruptcy Code or that any alternative plan of liquidation would be on terms as favorable to the holders of the impaired Classes as the terms of the Plan.

2. Possible Adverse Effects from Delays of Confirmation and/or Effective Date

The Debtors believe that any delays of either confirmation or effectiveness of the Plan could result in, among other things, (a) increased Professional Fee Claims and/or (b) adverse effects on the liquidation value of the Debtors' assets. Either of these or any other negative

effects of delays of either confirmation or effectiveness of the Plan could endanger the ultimate approval of the Plan by the Bankruptcy Court.

C. Liquidation of Assets

Except to the extent the assets of the Debtors have already been reduced to Cash, the Debtors' ability to make distributions under the Plan depends upon the liquidation of the Debtors' Assets. Although the Debtors will endeavor to liquidate the assets as expeditiously as possible, and in such a manner as to maximize the Cash realized from their disposition, the Debtors cannot warrant either the timing or the amount of distributions under the Plan.

D. Alternatives to the Plan

After careful review of the Debtors' current business operations and estimated recoveries in a Chapter 7 liquidation scenario, the Debtors have concluded that recovery to creditors will be maximized by the Debtors' proposed Plan.

Based upon the information available and known by the Debtors, the Debtors have concluded that if assets are discovered with sufficient value to permit distributions to creditors, then such distributions will occur much sooner and have greater value to creditors under the Plan than under any other alternative. Should the Plan not be confirmed, it is likely that the distributions to creditors would be delayed and could be materially reduced by the additional fees and other costs associated with extended proceedings to propose and confirm an alternative Chapter 11 Plan, or if the case were converted to Chapter 7, a Chapter 7 liquidation. The PPMC Administrative Expense Claim will not be waived under an alternative Chapter 11 Plan or in a Chapter 7 liquidation, and in the unlikely scenario that any additional recoveries could be generated, such recoveries would go to PPMC. Accordingly, the Debtors believes that the Plan offers the best prospects of recovery for the holders of Claims against and Equity Interests in the Debtors and strongly recommends that holders of Claims and Equity Interests vote to accept the Plan.

VII. Tax Consequences of the Plan

THE FEDERAL, STATE, LOCAL AND OTHER GENERAL TAX CONSEQUENCES AS A RESULT OF THE PLAN TO THE HOLDERS OF CLAIMS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. THEREFORE, EACH CREDITOR SHOULD CONSULT THEIR OWN TAX ADVISOR TO DETERMINE THE TREATMENT AFFORDED THEIR RESPECTIVE CLAIMS BY THE PLAN UNDER FEDERAL TAX LAW, THE TAX LAW OF THE VARIOUS STATES AND LOCAL JURISDICTIONS OF THE UNITED STATES AND THE LAWS OF FOREIGN JURISDICTIONS.

NO STATEMENT IN THIS DISCLOSURE STATEMENT SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE. THE DEBTORS AND THEIR COUNSEL DO NOT ASSUME ANY RESPONSIBILITY OR LIABILITY FOR THE TAX CONSEQUENCES A CREDITOR MAY INCUR AS A RESULT OF THE TREATMENT AFFORDED ITS CLAIM UNDER THE PLAN.

VIII. Confirmation Requirements

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that (a) the Plan has classified Claims and Equity Interests in a permissible manner; (b) the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; (c) the Debtors proposed the Plan in good faith, and (d) the Debtors' disclosures as required by Chapter 11 of the Bankruptcy Code have been adequate and have included information concerning all payments made or promised in connection with the Plan. The Debtors believe that all of these conditions will have been met by the date set for the Confirmation Hearing and will seek rulings from the Bankruptcy Court to such effect at the Confirmation Hearing.

The Bankruptcy Code also requires that the Plan shall have been accepted by the requisite votes of creditors and equity security holders (except to the extent that a "cram down" is available under Section 1129(b) of the Bankruptcy Code); that such Plan be feasible (that is, that there be a reasonable prospect that the Debtors will be able to perform their obligations under the Plan and will not likely require further financial reorganization); and that such Plan is in the "best interests" of all impaired creditors and equity security holders (that is, that impaired creditors and equity holders will receive at least as much pursuant to such Plan as they would receive in a Chapter 7 liquidation). To confirm the Plan, the Bankruptcy Court must find that all of these conditions are met with respect to the Plan. Thus, even if the creditors and equity security holders of the Debtors accept the Plan by the requisite votes, the Bankruptcy Court must make independent findings respecting such Plan's feasibility and whether it is in the best interests of the Debtors' creditors and equity security holders before it may confirm such Plan.

A. Classification of Claims and Equity Interests

The Bankruptcy Code requires that a Chapter 11 Plan place each creditor's claim and each equity security holder's interest in a Class with other Claims and Equity Interests that are "substantially similar." As previously set forth herein, the Debtors believe that the Plan meets the classification requirements of the Bankruptcy Code.

B. Best Interests Test

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of a Claim or Equity Interest in such Class either (i) has accepted the Plan or (ii) will receive or retain under the Plan property of a value that is not less than the value of the distribution that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date. The Debtors believes that the Plan meets this "best interests" test.

In Chapter 7 liquidation cases, creditors and interest holders of a debtor are paid from available assets generally in the following order, with no lower priority class receiving any payments until all amounts due to senior priority classes have been paid fully or payment provided for:

1. Secured creditors (to the extent of the value of their collateral).

2. Priority creditors.
3. Unsecured creditors.
4. Debt or penalties expressly subordinated by its terms, by the Bankruptcy Code, or by order of the bankruptcy court.
5. Equity interest holders.

The Debtors believe that the value of distributions in a Chapter 7 liquidation would be less than the value of the distributions under the Plan, for the following reasons:

Increased Expenses. If the Debtors were liquidated under Chapter 7, a Chapter 7 trustee would mandatorily be appointed to take possession of the Debtors' Estates and conduct the liquidation of remaining assets and distribution of net proceeds to creditors. In order to realize the value of those assets, the Chapter 7 trustee and its counsel and other professionals would need to become familiar with the Debtors' business, the prior conduct of their operations and Chapter 11 Cases, and the terms of numerous underlying transactions giving rise to the various claims, causes of action, and rights of the Debtors. Such a process would involve substantial time and expense. The Chapter 7 trustee's professionals would be entitled to compensation at their normal hourly rates and to reimbursement of costs incurred in this process. In addition, the Chapter 7 trustee would be entitled to a fee of up to three percent (3%) of the monies disbursed to creditors in the Chapter 7 cases. These fees and expenses would be in addition to the fees and expenses of the Debtors' professionals incurred during the Chapter 11 Cases. The additional fees and expenses attributable to the Chapter 7 cases would be deducted from assets otherwise available for distribution to creditors under the Plan.

Reduced Proceeds. If the Debtors' remaining assets were liquidated under Chapter 7, the proceeds of those assets would be no greater than the proceeds available for distribution under the Plan and might well be less. Under the Plan, the Debtors will liquidate the Debtors' remaining assets for distribution to creditors. The Debtors and the Plan Officer have the requisite knowledge, experience and skill necessary to maximize the value of the Debtors' assets for the benefit of creditors, and there can be no assurance that a trustee appointed in a Chapter 7 liquidation would have the same degree of expertise as the Debtors. If a Chapter 7 trustee were appointed who did not possess capabilities comparable to those of the Debtors, the aggregate proceeds realized from the Debtors' remaining assets could be materially reduced. In addition, to the extent the Debtors' remaining assets deteriorate in value over time, the delay arising from conversion of the Debtors' Chapter 11 Cases to Chapter 7 could also result in reduced recoveries to creditors.

Delayed Distributions. Distributions in a Chapter 7 case may not occur for a substantial period of time, thereby reducing the present value of such distributions.

C. Liquidation Analysis

As detailed in Section II.b. of this Disclosure Statement, substantially all of the assets of the Debtors were liquidated and administered during the pendency of the Debtors' Chapter 11 cases, with distributions made to, and settlements reached with, creditors that held liens attaching

to the administered property. So, in a very real sense, the liquidation of the Debtors has substantially already occurred. The Debtors are only aware of the existence of assets with relatively modest value as disclosed in this Disclosure Statement. The final liquidation of those modest assets will not produce sufficient recoveries to pay the Administrative Expense Claims of Professionals and PPMC in full. THE DEBTORS DO NOT ANTICIPATE ANY DISTRIBUTIONS TO, OR RECOVERIES BY, CREDITORS UNDER THIS PLAN, OTHER THAN THE PARTIAL PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS.

However, if heretofore unknown assets of value are discovered, then the Plan is the best alternative for maximizing recoveries because it generally provides for the prompt distribution of the proceeds of the liquidation of the assets of the Debtors' Estates. If the case were converted to cases under Chapter 7 of the Bankruptcy Code, a Chapter 7 trustee would have similar expenses to those that will be incurred by the Debtors but would also be entitled to a commission for making the distributions. Accordingly, the Debtors believe that if additional assets are discovered the Plan may result in a higher distribution to unsecured creditors than conversion to Chapter 7 and the appointment of a trustee. In addition, to the extent that distributions in a Chapter 7 liquidation likely would be made at a later date than under the Chapter 11 Plan, the difference in the present value of the Chapter 7 and Chapter 11 recoveries would be greater than the nominal amounts presented above.


D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires a finding that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization (unless such liquidation is proposed in the plan). As the Plan is itself a plan of liquidation, the Debtors believe that the Plan is feasible and that the Bankruptcy Court will so find.

CONCLUSION

For the reasons set forth herein, the Debtors urge holders of Claims to vote to accept the Plan.

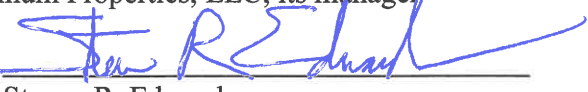
PLATINUM PROPERTIES, LLC
Debtor and Debtor-in-Possession

By: 
Steven R. Edwards,
Vice President – Chief Financial Officer

- and -

PPV, LLC
Debtor and Debtor-in-Possession

By: Platinum Properties, LLC, its manager

By: 
Steven R. Edwards,
Vice President – Chief Financial Officer