

**THIS PROPOSED DISCLOSURE STATEMENT IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN. ACCEPTANCES AND REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE PROPOSED DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS RESERVE THE RIGHT TO AMEND, SUPPLEMENT OR OTHERWISE MODIFY THIS DISCLOSURE STATEMENT PRIOR AND UP TO THE DISCLOSURE STATEMENT HEARING.**

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	X	
	:	Chapter 11
	:	
Penson Worldwide, Inc., <u>et al.</u> ,	:	Case No. 13-10061 (PJW)
	:	
Debtors. <sup>1</sup>	:	Jointly Administered
	X	

**THIRD AMENDED DISCLOSURE STATEMENT WITH RESPECT  
TO THE JOINT LIQUIDATION PLAN OF PENSON WORLDWIDE, INC.,  
AND ITS AFFILIATED DEBTORS**

Dated: June 6, 2013  
Wilmington, Delaware

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Penson Worldwide, Inc. (6356); SAI Holdings, Inc. (3657); Penson Financial Services, Inc. (3990); Penson Financial Futures, Inc. (6207); Penson Holdings, Inc. (4821); Penson Execution Services, Inc. (9338); Nexa Technologies, Inc. (7424); GHP1, Inc. (1377); GHP2, LLC (1374), Penson Futures (6207).



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VOTING DEADLINE

**THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M. (PREVAILING EASTERN TIME) ON JULY 24, 2013 (THE “VOTING DEADLINE”). TO BE COUNTED, THE CLAIMS AND VOTING AGENT MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.**

**IF YOU RECEIVED A BALLOT FROM A BROKER, NOMINEE OR OTHER AGENT (COLLECTIVELY, AN “INTERMEDIARY”), RETURN THE COMPLETED BALLOT(S) TO SUCH INTERMEDIARY PROMPTLY SO THAT IT CAN BE FORWARDED TO THE DEBTORS’ CLAIMS AND VOTING AGENT BEFORE THE VOTING DEADLINE.**

CONFIRMATION HEARING AND  
DEADLINE TO OBJECT TO THE PLAN

**THE HEARING TO CONSIDER CONFIRMATION OF THE PLAN HAS BEEN SCHEDULED FOR JULY 31, 2013 AT 10:00 A.M. (PREVAILING EASTERN TIME). OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED (I) ON OR BEFORE JULY 24, 2013 AT 5:00 P.M. (PREVAILING EASTERN TIME), AND (II) IN THE MANNER SET FORTH IN THE DISCLOSURE STATEMENT ORDER.**

**THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING THE EXHIBITS ATTACHED HERETO) AND THE PLAN IS SPECULATIVE, AND PERSONS SHOULD NOT RELY ON SUCH DOCUMENTS IN MAKING INVESTMENT DECISIONS WITH RESPECT TO (I) THE DEBTORS, OR (II) ANY OTHER ENTITIES THAT MAY BE AFFECTED BY THE CHAPTER 11 CASES.**

**RECOMMENDATION**

**THE DEBTORS AND THE COMMITTEE RECOMMEND THAT ALL CREDITORS  
RECEIVING A BALLOT VOTE IN FAVOR OF THE PLAN.**

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR THE JOINT LIQUIDATION PLAN OF PENSON WORLDWIDE, INC., AND ITS AFFILIATED DEBTORS TO HOLDERS OF CLAIMS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. YOU SHOULD NOT RELY UPON OR USE THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT MAY CONTAIN "FORWARD LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT," "ANTICIPATE," "ESTIMATE", OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE READER IS CAUTIONED THAT ALL FORWARD-LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD-LOOKING STATEMENTS. THE LIQUIDATION ANALYSIS, DISTRIBUTION PROJECTIONS, AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTORS URGE EACH HOLDER OF A CLAIM OR AN EQUITY INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. RATHER, HOLDERS OF CLAIMS AND EQUITY INTERESTS, AND OTHER

ENTITIES SHOULD CONSTRUE THIS DISCLOSURE STATEMENT AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR LITIGATION CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS, OR IS NOT, IDENTIFIED IN THE DISCLOSURE STATEMENT. THE CHIEF OFFICER MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THE DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS. THE PLAN RESERVES FOR THE CHIEF OFFICER THE RIGHT TO BRING CAUSES OF ACTION (DEFINED IN THE PLAN) AGAINST ANY ENTITY OR PARTY IN INTEREST EXCEPT THOSE SPECIFICALLY RELEASED.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES, AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS, STATUTORY PROVISIONS, OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE DEBTORS' CHIEF OPERATING OFFICER HAS REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTORS HAVE USED THEIR REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, NO ENTITY HAS AUDITED THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE FILING OF THIS DISCLOSURE STATEMENT.

HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN.

THE DEBTORS RECOMMEND AND SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO VOTE TO ACCEPT THE PLAN.

THE COMMITTEE HAS INDEPENDENTLY CONCLUDED THAT THE PLAN IS IN THE BEST INTERESTS OF ALL UNSECURED CREDITORS AND HAS RECOMMENDED THAT UNSECURED CREDITORS VOTE IN FAVOR OF THE PLAN.

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**ARTICLE I.****INTRODUCTION**

Penson Worldwide, Inc. (“PWI”), and the other debtors and debtors in possession, as set forth on Exhibit 1 hereto (collectively, the “Debtors”), hereby submit this third amended disclosure statement (including all exhibits thereto and as may be amended, supplemented or otherwise modified from time to time, the “Disclosure Statement”), pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”), to holders of Claims and Interests against the Debtors in connection with (i) the Debtors’ solicitation of votes (the “Solicitation”) to confirm the *Fourth Amended Joint Liquidation Plan of Penson Worldwide, Inc., and its Affiliated Debtors*, dated as of June 6, 2013 (including all exhibits thereto and as may be amended, supplemented or otherwise modified from time to time, the “Plan”) and (ii) the hearing to consider confirmation of the Plan (the “Confirmation Hearing”). Unless otherwise defined herein, all capitalized terms contained herein have the meanings ascribed to them in the Plan, a copy of which is attached hereto as Exhibit 2.

The Disclosure Statement, Plan, and related Plan Documents are the result of months of good faith and arm’s length negotiations between the Debtors and certain holders of Second Lien Note Claims and Convertible Note Claims that are signatories to the Restructuring Support Agreement, a copy of which is attached hereto as Exhibit 3. The terms of the Plan reflect a negotiated settlement by the Restructuring Support Agreement Parties of, among other things, releases to be granted to the Released Parties under the Plan, the allowed amount of the Subordinated Loans, and the structure and terms of the Debtors’ liquidation. Holders of approximately 57% in principal amount of the Second Lien Notes and of approximately 70% in principal amount of the Convertible Notes have signed on to the Restructuring Support Agreement, under which they are, subject to certain terms and conditions, obligated to (i) vote their claims in favor of the Plan and (ii) opt in to the releases granted therein. The Debtors have commenced the Chapter 11 Cases to implement the terms of the Plan, which will result in the liquidation of the Debtors’ remaining businesses in a consensual and orderly manner.

The following documents are annexed hereto as exhibits to this Disclosure Statement:

<b>EXHIBITS TO DISCLOSURE STATEMENT</b>	
Exhibit 1	List of Debtors
Exhibit 2	Plan
Exhibit 3	Restructuring Support Agreement
Exhibit 4	Prepetition Corporate Organizational Chart
Exhibit 5	Liquidation Analysis
Exhibit 6	Analysis of Certain Federal Income Tax Consequences of the Plan
Exhibit 7	Disclosure Statement Order (without exhibits)

Exhibit 8	Allocation of Assets by Debtor Entity
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Contemporaneously with filing this Disclosure Statement, the Debtors filed the Plan which sets forth how Claims against and Equity Interests in the Debtors will be treated. This Disclosure Statement describes certain aspects of the Plan, the Debtors' prior operations, significant events occurring in the Chapter 11 Cases and other related matters. FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN AND THE EXHIBITS HERETO AND THERETO IN THEIR ENTIRETY.

The Plan constitutes a liquidating Chapter 11 plan for the Debtors. The Plan provides for the Debtors' property to be liquidated, and for the proceeds of the liquidation, including any recoveries obtained from litigation against third parties, to be distributed to holders of Allowed Claims and Equity Interests in accordance with the terms of the Plan and the priority of claims provisions of the Bankruptcy Code. The Plan further provides that on or before the Effective Date, Penson Technologies LLC ("PTL") will be formed as a Delaware limited liability company and all assets of the Debtors will be conveyed and transferred to PTL for the liquidation, administration, and distribution of the Debtors' property by PTL. As described more particularly below, notwithstanding the transfer of all assets to a single entity, all assets will be segregated according to the entity that transferred them and all distributions will be made strictly in accordance with the absolute priority rule as if such assets remained in separate entities. Pursuant to the PTL LLC Agreement, PTL will be managed by the Board of Managers and the Chief Officer designated by the Board of Managers. The initial Board of Managers will consist of two members appointed by the Second Lien Noteholders Committee, one member appointed by the Convertible Noteholders Committee and one member appointed by the Committee.

**Although the Plan is presented as a joint plan of liquidation, the Plan does not provide for the substantive consolidation of the Debtors' Estates, and on the Effective Date the Debtors' Estates will not be deemed to be substantively consolidated for any reason. Allowed Claims held against one Debtor will be satisfied solely from the Cash and assets of such Debtor and its Estate.** In the event proceeds from the liquidation of a particular Debtor's assets are sufficient to pay the Claims against such Debtor in full, excess proceeds from the liquidation of that Debtor's assets will then be used to pay Claims against such Debtor's parent, where applicable (unless the stock of such subsidiary was pledged by its parent, in which case, the proceeds will first be used to satisfy the applicable secured claims prior to payments being made to unsecured creditors). For example, if there are sufficient proceeds from the liquidation of Nexa Technologies, Inc. ("Nexa") to pay the holders of Allowed Claims against Nexa in full, any excess liquidation proceeds will then be used to pay the holders of Allowed Claims against SAI Holdings, Inc., as Nexa's direct parent company. A Claim against multiple Debtors will be treated as a separate Claim against each Debtor's Estate and the secured portion of such claim will be determined based on the value of the assets pledged by that Debtor, for all purposes including, but not limited to, voting and distributions made by PTL; provided, however, that no Claim will receive value in excess of 100% of the Allowed amount (plus post-petition interest due thereon, to the extent legally entitled thereto) of such Claim except upon the Class D Expiration Date if there are sufficient Distributions to provide for such recovery.

PTL, through the Chief Officer, in consultation with the Board of Managers, will be responsible for implementing and administering the Plan in accordance with the terms of the Plan, the PTL LLC Agreement, and applicable law. Pursuant to the PTL LLC Agreement, PTL will be managed by the Board of Managers and the Chief Officer designated by the Board of Managers. The initial Board of Managers will consist of two members appointed by the Second Lien Noteholders Committee, one member appointed by the Convertible Noteholders Committee and one member appointed by the Committee. In addition, the Liquidation Trust will be created for the primary purpose of distributing assets to certain general unsecured creditors of entities other than PWI, as described in the Plan.

The Chief Officer, in consultation with the Board of Managers, will initiate and defend Causes of Action on behalf of the Estates after the Plan is confirmed and consummated. Creditors do not have to wait until the final resolution of these Causes of Action before they receive distributions under the Plan. Rather, the Plan provides for distributions of available liquidation proceeds to occur on the Effective Date or as soon thereafter as is practicable (although there can be no assurance that any liquidation proceeds will be available for distribution to creditors on the Effective Date). The Plan also provides for distributions at various intervals after the initial distributions that will enable the distribution of any resulting recoveries from disposition or liquidation of the remaining assets and the PTL Assets, including the Causes of Action, in accordance with the Plan.

The Disclosure Statement Order sets forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan, and for filing objections to confirmation of the Plan, the record date for voting purposes, and the applicable standards for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. Each holder of a Claim entitled to vote on the Plan should read this Disclosure Statement (including the Exhibits hereto), the Plan, the Disclosure Statement Order and the instructions accompanying the Ballot in their entirety before voting on the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. In voting on the Plan, holders of Claims entitled to vote should not rely on any information relating to the Debtors and their businesses other than the information contained in or incorporated by reference into this Disclosure Statement, the Plan, and all exhibits hereto and thereto.

**As more fully described in Article X of the Disclosure Statement, in consideration of the estimated distributions and other benefits provided under the Plan, the Plan provides for releases of all claims and causes of action described below against (a) the Debtors, the Company, and their directors, officers, employees, agents, members, liquidators, monitors, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by such Persons), each solely in its capacity as such, and only if such Persons occupied such positions at any time on or after the Petition Date; (b) the Second Lien Noteholders Committee, the Second Lien Notes Indenture Trustee and each of their respective advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by the Second Lien Noteholders Committee or the Second Lien Notes Indenture Trustee), each solely in its capacity as such; (c) the Convertible Noteholders Committee, the Convertible Notes Indenture Trustee, and each of their respective advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by**

the Convertible Noteholders Committee or the Convertible Notes Indenture Trustee), each solely in its capacity as such; (d) the Plan Support Parties (including, without limitation, each Consenting Second Lien Noteholder and each Consenting Convertible Noteholder) and each of their respective officers, partners, directors, employees, agents, members, shareholders, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by such Persons), each solely in its capacity as such, and (e) the Committee, each of the Committee's members, and each of their directors, officers, employees, agents, members, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by the Committee or the Committee's members), each solely in their capacities as such (collectively, the **"Released Parties"**), with several exceptions described below.

Pursuant to the Plan, the Debtors, in their individual capacities and as debtors in possession and PTL would release and waive all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities that arose prior to the Effective Date against the Released Parties in any way relating to the Debtors, PTL, the Canadian Debtor, the Chapter 11 Cases, the Plan or the Disclosure Statement, or the Canadian Proceeding, with the following exceptions:

- There are no releases for any Person's fraud, willful misconduct, or gross negligence.
- The Debtors' or PTL's right or ability to assert or raise certain claims against any Released Party as defense to a claim or suit brought against them or their assets by any Released Party would be preserved.
- With respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates, there are no releases with respect to the Apex Transaction or the Knight Transaction.
- With respect to Knight Execution & Clearing Services LLC and its affiliates, there are no releases with respect to the Knight Transaction.
- With respect to the Debtors themselves and their subsidiaries, there are no releases with respect to the improper disclosure, the failure to disclose, or insufficient disclosures of certain nonaccrual receivables collateralized by certain illiquid assets pledged to PFSI by Call Now, Inc. in relation to Call Now, Inc.'s margin trading account at PFSI, including, among other assets, the so-called Retama Park Development Corporation Bonds.

Pursuant to the Plan, all Holders of Claims that have agreed to do so would release and waive all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities that arose prior to the Effective Date against the Released Parties in any way relating to the Debtors, PTL, the Canadian Debtor, the Chapter 11 Cases, the Plan or the Disclosure Statement, or the Canadian Proceeding, with the following exceptions:



- There are no releases of any person's fraud, willful misconduct, or gross negligence.
- Any Released Party's right or ability to assert or raise claims against any other Released Party as defense to a claim or suit brought against them or their assets by any other Released Party would be preserved.
- With respect to the Debtors themselves and their subsidiaries, there are no releases with respect to the improper disclosure, the failure to disclose, or insufficient disclosures of certain nonaccrual receivables collateralized by certain illiquid assets pledged to PFSI by Call Now, Inc. in relation to Call Now, Inc.'s margin trading account at PFSI, including, among other assets, the so-called Retama Park Development Corporation Bonds.
- With respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates, there are no releases with respect to the Apex Transaction or the Knight Transaction.
- With respect to Knight Execution & Clearing Services LLC and its affiliates, there are no releases with respect to the Knight Transaction.
- There are no releases of any Person who knowingly or willfully failed to disclose, knowingly or willfully improperly disclosed, or intentionally or willfully provided insufficient disclosure of any material fact, including, without limitation, disclosures arising out of or related to any Debtor's nonaccrual receivables or disclosures arising out of or relating to the value of the so-called Retama Park Development Corporation, Cambridge, Dade County, and Will County municipal bonds.
- There are no releases of any claims, causes of action, or culpability of any person arising out of or relating to any Debtor's nonaccrual receivables or disclosures arising out of or related to the so-called Retama Park Development Corporation, Cambridge, Dade County, and Will County municipal bonds to the extent that after January 2, 2013, any Holder of a claim discovers any fact or circumstance not previously known to such Holder that materially affects such claim, cause of action or culpability.
- There are no releases of any claims, causes of action, or culpability of any person arising out of or relating to such person's knowingly or intentionally providing any other false or misleading financial information to the Holder of any claim.

The Debtors believe that releases to be provided under the Plan are reasonable and in the best interests of the Estates.

THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN. THIS

DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW. THE DESCRIPTION OF THE PLAN HEREIN IS ONLY A SUMMARY. HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER PARTIES IN INTEREST ARE CAUTIONED TO REVIEW THE PLAN AND ANY RELATED ATTACHMENTS FOR A FULL UNDERSTANDING OF THE PLAN'S PROVISIONS. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.

APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.

Additional copies of this Disclosure Statement can be accessed free of charge at <http://www.kccllc.net/penson>. Additional copies of this Disclosure Statement are also available upon request made to the office of the Debtors' co-counsel, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attention: Pauline K. Morgan and Kenneth J. Enos (302) 571-6600 (phone) or (302) 576-3312 (facsimile) or Paul, Weiss, Rifkind, Wharton & Garrison LLP, Attention: Andrew N. Rosenberg and Oksana Lashko, 1285 Avenue of the Americas, New York, New York 10019, (212) 373-3000 (phone) or (212) 492-0158 (facsimile).

## **ARTICLE II.**

### **BUSINESS DESCRIPTION, PREPETITION INDEBTEDNESS AND EVENTS LEADING TO CHAPTER 11**

#### **2.1. Overview of the Debtors' Businesses/Recent Transactions.**

Penson Worldwide, Inc. and its direct and indirect wholly-owned subsidiaries: SAI Holdings, Inc. ("SAI"), Penson Financial Services, Inc. ("PFSI"), Penson Financial Futures, Inc., Penson Holdings, Inc. ("PHI"), Penson Execution Services, Inc., GHP1, Inc., GHP2, LLC, Nexa, and Penson Financial Services Canada, Inc. ("PFSC"), a non-Debtor entity (collectively, with PWI, the "Company"), through the Company's broker-dealer subsidiary PFSI and certain third party contractual relationships, historically provided a broad range of critical securities and futures processing infrastructure products and services to the global financial services industry. The Company's products and services included securities and futures clearing and execution, financing and cash management technology and other related offerings. The Company also provided tools and services to support trading in multiple markets, asset classes and currencies.

The Company's only remaining operating business in the United States is its technology and data product offerings, which are principally developed and marketed through Nexa. Nexa's business includes the development and marketing of customizable front-end trading platforms, a comprehensive database of real-time and historical United States and international equities, options, and futures trade data, and order-management services. This technology embedded in Nexa's securities and futures processing infrastructure has enhanced the Company's capacity to handle an increasing volume of transactions without a corresponding

increase in personnel. Nexa uses proprietary technology and technology licensed from third parties to provide customized, detailed account information to its clients.

The Debtors conducted a process of marketing Nexa as a going-concern sale. On March 26, 2013, the Court entered its *Order Approving and Authorizing (A) the Sale of Substantially All of the Assets Related to the Direct Access Trading Technology and Online Brokerage Solutions of Penson Worldwide, Inc. and Nexa Technologies, Inc. Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (B) Approving the Asset Purchase Agreement, (C) Authorizing and Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases as Part of the Sale, and (D) Granting Related Relief* [Docket 364] (the “Nexa Sale Order”). Pursuant to the Nexa Sale Order, the Debtors were authorized to sell substantially all of the assets of Nexa Technologies, Inc. to Fédération des Caisses Desjardins du Québec. The Nexa sale closed on April 1, 2013.

In the second quarter of 2012, the Company consummated several transactions described below that resulted in the Company’s exit from the securities and futures clearing businesses in the United States, as follows:

(a) In May of 2012, PFSI sold certain of the assets of the Company’s futures clearing business, including customer contracts, segregated customer account assets, assets relating to foreign currency exchange business, certain membership seats and licenses for clearing exchanges, and other related assets to Knight Execution & Clearing Services LLC (together with its affiliates, “Knight”).

(b) In May and June of 2012, PFSI entered into a number of agreements with Apex Clearing Holdings LLC (“Apex Holdings”), the parent company of Apex Clearing Corporation (“Apex Clearing” and together with Apex Holdings, “Apex”). In connection with these agreements, PFSI (i) sold and transferred to Apex Clearing its customer and correspondent accounts and related contractual rights under its securities clearing contracts and other related assets, (ii) transferred certain limited liabilities to Apex Clearing, and (iii) contributed net assets valued under the purchase agreement at approximately \$103 million that were counted as a total of \$90 million towards the regulatory capital of Apex Clearing for the issuance of membership interests representing 93.75% of the equity interests in Apex Holdings.

(c) PFSI and Nexa entered into transition services agreements with both Knight and Apex Holdings, pursuant to which, PFSI and Nexa agreed to provide personnel and infrastructure support to the operations of Knight and Apex Clearing.

As a result of the Apex Transaction and the Knight Transaction (each as defined below), PFSI is no longer a registered broker-dealer and the Debtors no longer have any United States-based broker-dealer operations. However, as discussed in greater detail below, PFSI continues to own a 93.75% membership non-voting interest in Apex Holdings.

PFSC continued to provide securities clearing services including margin lending and securities lending and borrowing transactions, primarily to facilities clearing and financing

activities. However, the Company has since substantially exited the securities and futures clearing businesses in Canada. During 2011, the Company explored strategic alternatives to realize value from PFSC's broker-dealer operations, and, in 2012, engaged investment bankers to explore all strategic options for PFSC. Unfortunately, the Company was unable to find a going-concern buyer to acquire PFSC. Given the requirements of its SRO (the Investment Industry Regulatory Organization of Canada ("IIROC")) governing the maintenance of risk adjusted capital, liquidity and ongoing recent operating losses, the continued viability of PFSC as an ongoing standalone business did not appear to be sustainable. In September 2012, PFSC commenced the orderly wind-down of its business and affairs in ongoing consultation with its principal regulators (including IIROC and provincial securities regulators) and stakeholders, and on February 1, 2013, commenced a liquidation proceeding under Canadian law (the "Canadian Proceeding"). At the conclusion of the Canadian Proceeding, PFSC expects to distribute to PHI, its sole shareholder, and the holders of Allowed Second Lien Notes Claims, which hold a pledge of 65% of PHI's equity in PFSC, any residual proceeds that remain after the general unsecured creditors of PFSC have been paid in full. The ultimate amount and timing of distributions of the residual proceeds is dependent on resolution of various claims filed against PFSC, including a claim in connection with the Mount Real Corporation class action lawsuit (the "MR Class Action") filed in Quebec Superior Court that seeks compensation for alleged investor losses in the amount of \$130 million. PFSC is one of the named defendants in the MR Class Action, along with accounting firms BDO Dunwoody, Samson Belair/Deloitte & Touche, Schwartz Levitsky Feldman and custodian B2B Trust.

***Knight Transaction.*** On May 28, 2012, the Company entered into an Asset Purchase Agreement (the "Knight APA") with Knight, pursuant to which (i) the Company sold certain assets of PFSI's futures clearing business (the "FCM Business"), including but not limited to, customer contracts, segregated customer account assets, assets relating to the foreign currency exchange business, certain membership seats and licenses for clearing exchanges, and other related assets to Knight; and (ii) Knight assumed, subject to specified exceptions, certain liabilities and obligations under customer contracts in the FCM Business (the "Knight Transaction"). On May 31, 2012, the Company and Knight closed the sale.

In consideration for the sale, Knight agreed to make an initial payment of \$5 million in cash to PFSI. This payment was fully paid by June 7, 2012. Knight also agreed to pay an earnout amount ("Earnout Amount") within 45 days of the first, second and third anniversary of the closing of the sale. The Earnout Amount is to be calculated as 1.25% of the total revenue for every \$1 million of revenue that is in excess of \$20 million in each trailing twelve month period.

In connection with the sale, the Company also entered into a Transition Services Agreement with Knight (the "Knight Transition Agreement"), pursuant to which the Company agreed to provide Knight with all services, functions, products, software and intellectual property primarily used to support the FCM Business following the sale, including services relating to regulatory compliance and reporting requirements. Knight agreed to pay certain fees to PFSI for the transition services, which continued for a period of 6 months after the closing. The Debtors reserve their rights with respect to any claims, rights or causes of action that they may have in

connection with the Knight Transaction, including, without limitation, against Knight and any other affiliated parties.

***The Apex Transactions.*** In May and June 2012, PFSI and certain other parties entered into a number of agreements (such transaction, the “Apex Transaction”) that resulted in the formation of Apex Holdings, a limited liability company created to own Apex Clearing (f/k/a Ridge Clearing & Outsourcing Solutions, Inc.). Apex Holdings is managed by Apex Clearing Solutions LLC (“Apex Solutions”), a subsidiary of Peak6 Investments, L.P. (“Peak6”).

In connection with the Apex Transaction, PFSI (i) sold and transferred to Apex Clearing the customer and correspondent accounts and related contractual rights of PFSI under its securities clearing contracts and other related assets, (ii) transferred certain limited liabilities to Apex Clearing, and (iii) contributed net tangible assets valued under the purchase agreement at approximately \$103 million that were counted as a total of \$90 million towards the regulatory capital of Apex Clearing in consideration for the issuance of a non-voting membership interests representing 93.75% of the equity interests in Apex Holdings (the “Apex JV Interest”).

In addition, PFSI agreed to certain indemnification obligations related to the Apex Transaction and contributed \$2 million into an escrow account to be held for a period of five years from the closing date to satisfy such indemnity obligations, all pursuant to that certain Assignment and Assumption Agreement dated as of May 31, 2012 (the “Apex AAA”).

The Apex AAA contains a provision providing for either the payment of additional consideration from PFSI or the refund of consideration from Apex Clearing based on the actual value of assets transferred under the agreement (the “NAV True-Up”). The first NAV True-Up payment was due three days after the closing of the Apex AAA. PFSI has been in ongoing discussions with Apex Clearing regarding amounts it contends it is owed under the NAV True-Up provision of the Apex AAA. As of the Petition Date, PFSI believes it is owed not less than an additional \$7.0 million under the Apex AAA. This calculation is disputed by Apex. Apex Clearing has alleged that no NAV True-Up payments are due to PFSI under the Apex AAA and that Apex Clearing may be owed additional consideration from PFSI based on the actual value of the assets transferred.

The LLC Agreement for Apex Holdings also contains an acknowledgement in Section 3.03 thereof by PFSI that Peak6 intends to offer the Second Lien Noteholders and the Convertible Noteholders an opportunity to invest in Apex Solutions or acquire an equity interest in Apex Solutions from Peak6. As of the date hereof, to the best of the Debtors’ knowledge, no such offer has been made to the Second Lien Noteholders or the Convertible Noteholders and no members of the Second Lien Noteholders Committee or the Convertible Noteholders Committee have an investment in or own any equity interest in Apex Solutions. Peak6 Cayman Management Ltd. is a Convertible Noteholder and a signatory to the January RSA (as defined below).

PFSI and certain other Debtors entered into a number of other agreements in connection with the Apex Transaction, as follows:

a. *The Apex Transition Agreement:* PFSI and Nexa entered into a Transition Services Agreement with Apex Holdings and Apex Clearing to provide transition services for an initial period of 12 months, which may be extended by Apex Holdings for an additional 6 months, including the continued servicing of various customer contracts that PFSI transferred to Apex Clearing (the “Apex Transition Agreement”). The amounts payable under the Apex Transition Agreement to PFSI roughly approximate the costs of providing the transition services thereunder. Additionally, PWI, PFSI and Nexa agreed to license certain intellectual property to Apex Clearing and Apex Holdings related to the transition services under the Apex Transition Agreement. PFSI and Nexa entered into a new services agreement with Apex Clearing on January 11, 2013, which was intended to replace the Apex Transition Agreement. The Apex Transition Agreement was terminated by Apex Clearing effective January 19, 2013. The Debtors are seeking authorization from the Court to assume the January 11, 2013 contract.

b. *The Penson-Apex Credit Facility:* PFSI entered into an unsecured \$12 million credit facility with Apex Clearing to provide a line of credit to Apex Clearing in the post-closing period (the “Penson-Apex Credit Facility”). The line of credit under the Penson-Apex Facility is fully drawn, and matured in full on December 5, 2012. As of the Petition Date, Apex Clearing has not repaid the amounts borrowed under the Penson Apex Credit Facility and has asserted full rights of setoff under the Penson-Apex Credit Facility. The Debtors have disputed Apex Clearing’s rights of setoff.

c. *Indemnity and Support Agreement:* PWI and Nexa entered into an indemnity and support agreement, pursuant to which they have agreed to indemnify Apex Holdings, Apex Solutions and certain of their affiliates for certain losses related to the Apex Transaction.

In connection with the Apex Transaction, Apex Solutions contributed \$5 million in cash to Apex Holdings in exchange for 5.21% of the membership interests in Apex Holdings, and certain other investors agreed to contribute a total of \$1.0 million of cash to Apex Holdings in exchange for approximately 1.04% of the membership interests in Apex Holdings. Apex Solutions also provided \$35 million in subordinated loans to Apex Clearing, which qualified as regulatory capital for Apex Clearing, and provided Apex Clearing with a \$10 million line of credit for post-closing financing. As a result, Apex Clearing had regulatory capital valued at approximately \$130 million at the closing of the Apex Transaction. Apex Solutions has the option, from time to time, to purchase all or a portion of PFSI’s membership interest in Apex Holdings for consideration equal to 120% of the then current value of PFSI’s capital account. Further, Apex Solutions is the managing member of Apex Holdings pursuant to the terms of Apex Holding’s limited liability company agreement, and Apex Solutions is entitled to an annual management fee equal to (i) 20% of the first \$10 million of the consolidated net profits of Apex Holdings and (ii) 30% of the consolidated net profits in excess of such amounts. None of the other members of Apex Holdings, including PFSI, have any voting, consent, or approval rights,

including the right to demand distributions from Apex Holdings, to replace Apex Solutions as the managing member of Apex Holdings, or to appoint a successor managing member of Apex Holdings.

Also, in connection with the Apex Transaction, the Company entered into a Termination and Mutual Release Agreement (the "Broadridge Release") with Broadridge Financial Solutions, Inc. ("Broadridge Financial"), Ridge Clearing & Outsourcing Solutions, Inc. ("Ridge") and Broadridge Financial Solutions (Canada), Inc. ("Broadridge Canada," and together with Broadridge Financial and Ridge, collectively, "Broadridge"), pursuant to which the Company and Broadridge agreed to (i) terminate the Schedules under the master services agreement by and between the Company and Broadridge, dated November 2, 2009 (collectively the "Master Services Agreement") applicable to the Company's United States and United Kingdom subsidiaries, other than to the extent necessary to provide the transition services under the Services Agreement and to continue to service the Company's Canadian subsidiary, PFSC; and (ii) terminate, discharge and release in full the Company's obligations under the Master Services Agreement, Schedules and related documents (other than the Master Services Agreement, Schedules and related documents with respect to PFSC), including all obligations to make principal and interest payments, under the Ridge Seller Note (as defined below) issued to Broadridge that was due June 25, 2015 and had an outstanding principal amount of approximately \$20,578,000. The Company and Broadridge also agreed to release all claims equal to an amount not less than \$87,000,000 arising under the Master Services Agreement, provided that Broadridge will retain claims, if any, against PFSC of up to \$20,000,000 related to termination of the Master Services Agreement, Schedules and related documents with respect to PFSC, while the Company will retain all of its rights under the Master Services Agreement to defend any such claims against PFSC.

Certain of the Company's creditors contend that the Company did not receive reasonably equivalent value in exchange for the transfer of its customer accounts and regulatory capital in the Apex Transaction and, as a result, the Apex Transaction may be avoidable as a fraudulent transfer or conveyance under the Bankruptcy Code and state law. Any fraudulent transfer or conveyance actions would likely be pursued by PTL. As detailed more fully in Article IV of this Disclosure Statement, any proceeds from such actions would be proceeds of the PFSI estate, distributable in accordance with Article V of the Plan. The Debtors reserve their rights with respect to any claims, rights or causes of action that they may have in connection with the Apex Transaction, including, without limitation, against Apex and any other affiliated parties and Peak6 and any other affiliated parties.

***SAMCO Transaction.*** On April 25, 2012, SAI entered into an Asset Purchase Agreement (the "SAMCO APA") with PNK (SA), LLC and SAMCO Capital Markets, Inc. (together "SAMCO") to sell certain assets held by the Company related to Retama Development Corporation ("RDC") consisting of (a) certain promissory notes issued by RDC in the aggregate original principal amount of \$800,000 secured by a Deed of Trust, Security Agreement and Fixture Filing executed by RDC; and (b) certain assets acquired pursuant to the public foreclosure auctions of collateral securing certain RDC-related assets, including (i) SAI's holdings of RDC revenue bonds, (ii) a certain funding agreement between the RDC and Call

Now, Inc., a company affiliated with a former insider of PWI, and (iii) certain assets and interests related to the RDC (collectively, the “RDC Assets”). The RDC Assets were pledged to the Debtors by Call Now, Inc. as collateral for Call Now, Inc.’s margin loans. Subsequently, the Company foreclosed on the RDC Assets. The total purchase price under the SAMCO APA was approximately \$6.95 million cash, and the Company recorded a significant write down of approximately \$15.6 million in the value of the RDC Assets as well as bad debt expenses related to its disposition of the RDC Assets. Roger J. Engemoen, the former Chairman of the PWI Board of Directors, is the Chairman and a controlling shareholder of SAMCO.

***SAMCO Arbitration.*** In July 2012, PFSI brought an arbitration proceeding before FINRA against SAMCO and Roger J. Engemoen, the Chairman and a controlling shareholder of SAMCO, the former Chairman of the Board of Directors of PWI and certain of its subsidiaries, and a director of certain of PWI’s other subsidiaries (the “SAMCO Claims”) PFSI initiated this FINRA arbitration proceeding seeking to recover approximately \$3 million in interest payments erroneously advanced to SAMCO Capital Markets, Inc., a PFSI correspondent owned by Roger J. Engemoen, Jr., over a period of years during which Mr. Engemoen was Chairman of the Board of Directors of PFSI’s parent company Person Worldwide, Inc. Upon being informed that PFSI intended to bring the SAMCO Claims, on July 16, 2012, Mr. Engemoen resigned from his positions as Chairman of the Board of Directors of PWI and certain of its subsidiaries and as a director of certain of PWI’s other subsidiaries, in light of the potential conflicts of interest created by the SAMCO Claims. Discovery has begun and PFSI is currently gathering documentation to support its claim. The arbitration hearing is set for September 24-27, 2013, and PFSI expects a decision from the arbitration panel by the end of 2013.

***Acquisition of the clearing business of Schonfeld Securities, LLC.*** In November 2006, the Debtors acquired the clearing business of Schonfeld Securities LLC (“Schonfeld”), a New York-based securities firm. The Debtors closed the transaction in November 2006 and in January 2007, issued approximately 1,100,000 shares of common stock valued at approximately \$28,300,000 to the previous owners of Schonfeld as partial consideration for the assets acquired. In addition, the Debtors agreed to pay an annual earnout of stock and cash over a four-year period that commenced on June 1, 2007, based on net income, as defined in the asset purchase agreement (“Schonfeld Asset Purchase Agreement”), for the acquired business. On April 22, 2010, SAI and PFSI entered into a letter agreement (the “Letter Agreement”) with Schonfeld Group Holdings LLC (“Schonfeld Holdings”), Schonfeld, and Opus Trading Fund LLC (“Opus”) that amended and clarified certain terms of the Schonfeld Asset Purchase Agreement. The Letter Agreement, among other things, for purpose of determining the total payment due to Schonfeld under the earnout provision of the Schonfeld Asset Purchase Agreement, removed the payment cap and reduced the SunGard synergy credit from \$2,900,000 to \$1,450,000 in 2010 and \$1,000,000 in 2011. The Letter Agreement also assigned all of Schonfeld’s responsibilities under the Schonfeld Asset Purchase Agreement to its parent company, Schonfeld Holdings, and extended the initial term of Opus’s portfolio margining agreement with PFSI from April 30, 2017 to April 30, 2019.

In January 2011, the Company and Schonfeld Holdings entered into a letter agreement setting the amount due for the third year earnout at \$6,000,000 due to the provisions



in various agreements related to the Schonfeld transaction, including the termination/compensation agreement, which reduced the amount that the Company was required to pay under the Schonfeld Asset Purchase Agreement. A payment of approximately \$26,600,000 was paid in connection with the first year earnout that ended May 31, 2008; approximately \$25,500,000 was paid in connection with the second year of the earnout that ended May 31, 2009 and approximately \$9,269,000 was paid in connection with the fourth year of the earnout that ended on May 31, 2011. Pursuant to the terms of a letter agreement with Schonfeld, as of June 30, 2012, the Company had paid \$2,500,000 as result of the third year of the earnout ended May 31, 2010. The remaining \$3,500,000 was to be paid evenly over the seven month period commencing on February 1, 2012. The Company has not made any payments subsequent to the payment due January 1, 2012, due to a contractual dispute with one of the Schonfeld correspondents. The Debtors believe that they are owed certain amounts in connection with the Schonfeld transaction and continue to seek to negotiate a resolution to this dispute. The Debtors reserve their rights with respect to any claims, rights or causes of action that they may have in connection with the Schonfeld transaction, including, without limitation, against Schonfeld and any other affiliated parties and Opus and any other affiliated parties.

***Illiquid Instruments.*** SAI holds certain illiquid financial instruments (the “Illiquid Instruments”) that may generate value during the pendency of these Chapter 11 Cases. The Illiquid Instruments primarily consist of certain municipal bonds, including promissory notes issued by RDC, Cambridge, Dade County, Leon County and Will County municipal bonds, certain partnership interests, secured debts and other collateral.

**RDC Revenue Bonds.** These tax-exempt bonds were issued in 1997 by RDC, a local government corporation organized by and acting on behalf of the City of Selma, Texas, to refinance the construction loan for horse racing track located in the City of Selma, Texas. The Series A bonds in the outstanding principal amount of \$133,000 bear interest at 7.00% per annum and mature on September 1, 2033. The Series B bonds in the outstanding principal amount of \$84,725,000 bear interest at 8.00% per annum and mature on September 1, 2033. The Company sold its RDC bonds to SAMCO in connection with the SAMCO transaction, as described above.

**Cambridge Student Housing Finance Bonds.** These tax-exempt bonds were issued in 2004 to refinance the construction loan for a 540-bed Class A full service dormitory on 7.8383 acres located in College Station, Texas. The project is owned by the Texas Student Housing Authority (“TSHA”), a quasi-political subdivision of the city of Westlake, Texas. The project primarily serves undergraduate students from Texas A&M University with some additional students from Blinn College. The Series A bonds in the outstanding principal amount of \$16,530,000 bear interest at 7.00% per annum and mature on November 1, 2039. The Series A bonds are secured by a first lien on the land, improvements and fixtures. The Series B bonds in the outstanding principal amount of \$4,025,000 are subordinate to the Series A bonds, bear interest at 8.00% per annum and mature on November 1, 2024. The Series C bonds in the outstanding principal amount of \$4,820,000 are subordinate to the Series A and B bonds, bear interest at 9.70% per annum and mature on November 1, 2039. The Series D bonds in the outstanding principal amount of \$5,380,000 are subordinate to the Series A, B, and C bonds, bear

interest at 9.70% per annum and mature on November 1, 2039. As of the Petition Date, the Company held \$3,081,820 of Series C bonds and \$3,678,832 of Series D bonds. In 2006, the Brazos County Appraisal District notified TSHA that its exemption from property taxes has been revoked. TSHA appealed the revocation to the Brazos County District Court. On May 26, 2011, the District Court confirmed Brazos County revocation of the tax-exempt status of the property. This decision is now being appealed by TSHA to the Texas State Court of Appeals in Waco, Texas. The estimated tax liability is in excess of \$4,000,000.

Dade County Housing Finance Bonds. These tax-exempt bonds were issued in 1989 for the acquisition and rehabilitation of approximately 377 low-income housing units in 7 separate buildings located in the northern section of the City of Miami. The project is owned and managed by New Arena Square North & South, Ltd. There is a \$750,000 loan from the City of Miami secured by a first lien on the real estate and improvements. The senior bonds in the outstanding principal amount of \$2,000,000 bear interest at 10.25% per annum, mature on May 1, 2019 and are secured by a priority lien on the land, improvements and fixtures. The junior bonds in the outstanding principal amount of \$10,500,000 bear interest at 10.25% per annum and mature on May 1, 2019. As of the Petition Date, the Company held \$9,750,000 of the junior bonds.

Leon County Educational Facilities Bonds. These tax-exempt bonds were issued in 1998 to refinance the defaulted original bonds issued for the acquisition of a 541-bed full service dormitory and a 300-space parking garage located in Tallahassee, Florida. The project is owned by the Leon County Educational Facilities Authority ("LCEFA"), a quasi-political subdivision of Leon County, Florida. The project primarily serves undergraduate students from Florida State University. The Series A bonds in the outstanding principal amount of \$9,470,000 bear interest at 6.75% per annum, mature on September 1, 2028 and are secured by a first lien on the land, improvements and fixtures. The Series B bonds in the outstanding principal amount of \$20,500,000 bear interest at 7.625% per annum and mature on September 1, 2028. As of the Petition Date, the Company held \$15,900,000 of Series B bonds.

Will County Student Housing Revenue Bonds. This combination of tax-exempt and taxable bonds were issued in 2002 to provide permanent financing for an on-campus student housing project consisting of 284 beds situated on approximately 7 acres that is located on the campus of Joliet Junior College ("JJC"). This land was acquired from JJC through the execution of a subordinated promissory note in the amount of \$1,075,932 that is payable to JJC from excess cash flow of the project. The project is owned by the Foundation Housing, LLC, whose sole member is the Joliet Junior College Foundation, a non-profit organization founded in 1973 to support the educational purposes of the JJC. The Series A 6.375% tax-exempt bonds in the outstanding principal amount of \$1,170,000 mature on September 1, 2013. The Series A 6.625% tax-exempt bonds in the outstanding principal amount of \$3,980,000 mature on September 1, 2023 and the Series A 6.750% tax-exempt bonds in the outstanding principal amount of \$8,835,000 mature on September 1, 2033. The Series B taxable bonds in the outstanding principal amount of \$450,000 bear interest at 7.75% per annum and matured in 2009. All of these municipal bonds are secured by liens on the land, improvements and fixtures and are senior in payment priority to the subordinated promissory note. As of the Petition Date, the Company

held \$1,100,000 of Series A 6.625% tax-exempt bonds due 2023, \$4,120,000 of Series A 6.750% tax-exempt bonds due 2033, and \$225,000 of Series B 7.75% taxable bonds.

The value of these Illiquid Instruments is speculative but the Debtors estimate it to be in the range of approximately \$5-\$10 million. It is contemplated that KPMG will assist the Debtors in their marketing efforts to sell the Illiquid Instruments. It may take significant time and investment of resources to liquidate these various Illiquid Instruments.

***Intellectual Property.*** PWI holds a number of patents associated with the automated purchase and sale of financial instruments. The Company is in the process of performing due diligence on its patent portfolio, and is hopeful that these patents will generate future revenue through, among other things, the prosecution of patent infringement claims (the “Patent Claims”). The value of the patents are unknown at this time. To assist with these efforts, the Company anticipates retaining a patent litigation firm.

*For additional information regarding the Debtors’ business operations, refer to the Declaration of Bryce B. Engel in Support of Chapter 11 Petitions and Requests for First Day Relief, dated January 11, 2013 [Docket No. 2] (the “First Day Declaration”), which is incorporated herein by reference.*

## 2.2. Prepetition Capital Structure and Indebtedness.

PWI is a holding company incorporated in Delaware, and PWI owns 100% of the equity of SAI, another holding company. PWI and SAI have historically conducted business through their direct and indirect subsidiaries. SAI directly owns the following entities, each of which is a Debtor in these Chapter 11 Cases: GHP1, Inc. and GHP2, LLC, Penson Execution Services, Inc., Penson Financial Futures, Inc., PFSI, PHI and Nexa. Nexa is the only Debtor with on-going business operations. PHI directly owns a number of non-Debtor entities, including Penson Asia Limited (“Penson Asia”), PFSC, Penson Financial Services Ltd. (“Penson UK”), and Penson Financial Services Venture, Inc.

***Senior Facility.*** On May 6, 2010, PWI and certain guarantors thereto entered into a \$50 million senior secured revolving facility with Regions Bank, as administrative agent, swing line lender and letter of credit issuer, and the lenders party thereto (together with all exhibits and schedules thereto, as amended, supplemented or otherwise modified from time to time, the “Senior Facility”). As of March 31, 2012, the Company had completely paid down its obligations under the Senior Facility.

***Second Lien Notes.*** On May 6, 2010, PWI issued Second Lien Notes in the aggregate principal amount of \$200.0 million. The Second Lien Notes bear interest at a rate of 12.50% per year and mature on May 15, 2017. The Second Lien Notes are guaranteed by SAI and PHI. The Second Lien Notes are secured by a second priority lien (junior only to the liens securing the Senior Facility, which has been repaid in full), on the equity interests in SAI, PHI, PFSI and GHP1 and sixty-five percent (65%) of the equity interests in PFSC. The Second Lien Notes were issued pursuant to the Second Lien Notes Indenture dated as of May 6, 2010 with U.S. Bank National Association, as the Second Lien Notes Indenture Trustee, and secured by a Second Lien Pledge Agreement dated as of May 6, 2010 with the Second Lien Notes Indenture

Trustee. The rights of the Second Lien Notes Indenture Trustee pursuant to the Second Lien Pledge Agreement are subject to an Intercreditor Agreement entered among the Company, the Second Lien Notes Trustee and the administrative agent for the Company's Senior Facility, which has been repaid in full. As of the Petition Date, there was approximately \$216,940,625.00 in principal and interest outstanding under the Second Lien Notes Indenture.

**Convertible Notes.** On June 3, 2009, PWI issued Convertible Notes in the aggregate principal amount of \$60.0 million. The Convertible Notes bear interest at a rate of 8.0% per year and mature on June 1, 2014. The Convertible Notes were issued pursuant to the Convertible Notes Indenture dated as of June 3, 2009 with U.S. Bank National Association, as the Convertible Notes Trustee. Since the Petition Date, Wells Fargo Bank, N.A. has replaced U.S. Bank National Association as the Convertible Notes Trustee. The Convertible Notes are unsecured obligations of PWI. As of the Petition Date, there was approximately \$63,017,400.00 million in principal and interest outstanding under the Convertible Notes Indenture.

**Intercompany Loans.** There is an intercompany loan agreement dated as of May 6, 2010 between PWI, as lender, and PFSI as Broker/Dealer (the "PWI Subordinated Loan"), in the principal amount of \$70 million. The \$70 million loaned under the PWI Subordinated Loan was from proceeds of the Second Lien Notes, bears interest at 12.5% per annum, and matures on May 6, 2015. The PWI Subordinated Loan is subordinated in payment to all claims of all other present and future creditors of PFSI. As of the Petition Date, the principal amount outstanding under the PWI Subordinated Loan is \$70 million plus accrued interest.

There are also intercompany loan agreements dated as of June 29, 2011, in the principal amount of \$5 million, and dated as of June 30, 2011, in the principal amount of \$10 million between SAI Holdings, as an assignee through certain assignment agreements, and PFSI (collectively, the "SAI Subordinated Loan" and together with the PWI Subordinated Loan, the "Subordinated Loans"), which matured on June 29 and June 30, 2012, respectively, and are now payable. The SAI Subordinated Loan bears interest at 12% per annum and is subordinated in payment to all claims of all other present and future creditors of PFSI. As of the Petition Date, the principal amount outstanding under the SAI Subordinated Loan is \$13.5 million plus accrued interest.

In connection with the negotiations leading to the formulation of the Plan, certain creditors disputed the validity of the Subordinated Loans and argued that they should be characterized as an equity contribution rather than debt. Because interest payments were made on these Subordinated Loans and the Subordinated Loans were both formally documented and publicly disclosed, after a series of negotiations, certain holders of the Second Lien Notes, the Convertible Notes and the Debtors have agreed to treat a portion of the Subordinated Loans as allowed. Specifically, under the terms of the Plan, (i) PWI will be deemed to hold an Allowed Claim against PFSI in the amount of \$45 million on account of the PWI Subordinated Loan and (ii) SAI will be deemed to hold an Allowed Claim against PFSI in the amount of \$12 million on account of the SAI Subordinated Loan. The settlement and the reduction of the amounts of these Subordinated Loans do not affect distributions to the subsidiary unsecured creditors because the applicable unsecured creditors would get paid in full before any amounts would be paid on account of the Subordinated Loan Claims.

Separately, there is also a secured promissory note (the “Promissory Note”), dated as of May 15, 2012, between SAI, as the borrower, and PFSI, as the lender thereunder, in the principal amount of \$5,500,000. It is secured by the Illiquid Instruments. No UCC statements were ever filed with respect to the Promissory Note.

The Promissory Note was put in place in order to assist the Debtors in making the \$12.5 million semiannual interest payment on the Second Lien Notes. The proceeds of the Promissory Note were used to pay interest on the outstanding Second Lien Notes. The Debtors had to request permission from FINRA to allow SAI to withdraw regulatory capital and to borrow \$5.5 million from PFSI via the Promissory Note. FINRA granted permission to PFSI to make the loan represented by the Promissory Note to SAI on the condition that the municipal bonds owned by SAI would be used as collateral to secure the Promissory Note. The bonds were pledged in connection with the margin trading accounts of Call Now, Inc., a company affiliated with a former insider of PWI, at PFSI. Because the collateral went down in value, FINRA requested that PFSI move the margin loans extended to Call Now, Inc. to SAI and move the bonds from PFSI to SAI. Subsequently, the Company foreclosed on those bonds. As of the Petition Date, the Company’s books and records show that the bonds are held by SAI Estate. Under the terms of the Plan, any proceeds realized on the Illiquid Instruments are being allocated as set forth on Exhibit 8 attached hereto.

Holders of the Promissory Note Claim will be entitled to receive 40% of the proceeds of the Illiquid Instruments up to a maximum of \$3.5 million. The Promissory Note Claim will be placed in Class 2C against the SAI and PHI Estates.

***Broadridge.*** On November 2, 2009, PWI, together with PFSI, entered into an asset purchase agreement with Broadridge and its wholly owned subsidiary Ridge to acquire substantially all of Ridge’s contracts with its securities clearing clients. As part of this transaction, the parties entered into a Master Services Agreement and on June 25, 2010, the Company issued a \$20,578,000 five-year subordinated note due June 25, 2015 (the “Ridge Seller Note”). The Ridge Seller Note is payable by PWI and bears interest at an annual rate equal to 90-day LIBOR plus 5.5%. As discussed above, on June 5, 2012, in connection with the Knight Transaction and the Apex Transaction, the Company entered into the Broadridge Release pursuant to which, among other things, Broadridge released the Company from all claims under the Master Services Agreement with Broadridge (other than those relating to PFSC) equal to an amount not less than \$87,000,000. In addition, the Ridge Seller Note was terminated and discharged without payment.

2.3. The Debtors’ Prepetition Financial Position and the Events Leading up to the Commencement of These Chapter 11 Cases.

***Declines in Financial Performance of Broker-Dealer Business.*** In the past, the Company’s revenue and profitability was tied to the strength of the global economy and the functioning of global markets. The past several financial quarters have seen a weakened global economy, including substantial economic uncertainty and prolonged volatility in the world’s financial markets. These factors led to investor-flight from the public markets, which was compounded by other anomalous events, such as the May 2010 “Flash Crash” that saw the Dow Jones Industrial Average lose approximately 9% of its value and then recover that loss within a

matter of minutes. Average daily trading volume in equities fell by 5% in 2010 and 8% in 2011, and short selling continued to fall in each of the years from 2009 through 2011. This decrease in market participation and activity had a direct, negative impact on the Company's commission and interest revenues which were closely correlated to activity in the financial markets. Events increasing market volatility also negatively impacted the Company because its broker-dealer subsidiaries were often subjected to increased regulatory capital requirements that created liquidity issues and inhibited the Company from closing and settling transactions.

The Company has also faced increased competition in the clearing industry which led to downward pressure on the per transaction revenue that it could realize. Further, the continued period of low short-term interest rates had a negative impact on the spread, and corresponding revenue, that the Company could earn in its margin lending business. Moreover, in August 2011, TD Ameritrade, Inc., one of PFSI's largest clients, deconverted accounts with PFSI to TD Ameritrade's own systems. While this resulted in an improvement to the excess regulatory capital position of PFSI, it also eliminated a significant source of clearing transactions revenue and daily interest earning assets available for lending.

***Cost-Savings Initiatives.*** Prior to the sale and transfer of most of the assets of its United States-based broker-dealer business, the Company engaged in a number of initiatives to streamline its business operations, improve its liquidity position and increase financial and operating results. These initiatives included combining the securities and futures divisions into one entity, which led to an enhancement of the combined entities' regulatory capital position by \$25.1 million, amending the Broadridge Master Services Agreement to outsource an additional \$8 million worth of services by July 2013, the internal streamlining of operations which were anticipated to provide up to \$6 million in annual cost reductions, and the pay down of the Senior Facility, which eliminated approximately \$2 million in interest expenses. These efforts, however, were not enough to stem losses in the fourth quarter of 2011 and the first three quarters of 2012.

***Spring 2012 Out-of-Court Restructuring Efforts.*** A confluence of factors including a weakened global economy, prolonged market volatility, lower trading volumes and continued low short-term interest rates have had a significant and negative effect on the business and results of operations of the Company. Because of liquidity difficulties, the Company determined that it would be unable to make the interest payments required to be made under the Second Lien Notes and the Convertible Notes. To alleviate these liquidity issues, in the second half of 2012, the Company began negotiations with the holders of a majority of the Second Lien Notes, the holders of over 70% of the Convertible Notes and Broadridge. On March 13, 2012, the Company entered into a Restructuring Support Agreement (the "March RSA") with (i) holders of more than 50% of the Second Lien Notes, (ii) holders of more than 70% of the Convertible Notes, and (iii) Broadridge, to restructure the Company's existing long-term debt obligations. The March RSA proposed an exchange offer (the "Exchange Offer") that would exchange PWI's existing long-term indebtedness for \$105 million of new 12.5% senior secured notes, \$120 million of new Series A preferred stock in PWI, \$35 million of new Series B preferred stock in PWI, and 61.5% of the common stock in post-restructuring PWI. The Exchange Offer was subject to acceptance by 95% of the holders of both the Second Lien Notes and Convertible Notes. In connection with the March RSA, Broadridge also agreed to restructure certain terms of the Broadridge Master Services Agreement.

The March RSA provided that it would automatically terminate if the Exchange Offer was not launched by May 14, 2012. After entry into the March RSA, the Company discussed the terms of the Exchange Offer with holders of a substantial amount of the Company's debt, but the Company and these holders were unable to reach a satisfactory agreement on the terms of a potential restructuring. As a result, without sufficient support from its debt-holders, the Company did not launch the Exchange Offer by May 14, 2012, and the March RSA automatically terminated by its own terms. Nonetheless, as discussed below, the Company has continued to negotiate with significant holders of its debt regarding the wind-down of the Company's business.

***Regulatory Pressure to Dispose of United States Broker-Dealer Business.*** As a result of concerns about continuing operating losses, the lack of progress in restructuring the Company's long-term debt obligations, and regulatory and correspondents concerns, PFSI began to explore strategic alternatives for its broker-dealer business. This included engaging in discussions with Knight regarding a transaction related to the futures division of the United States broker-dealer business. These actions were hastened by actions taken by the Chicago Mercantile Exchange ("CME"), the primary futures regulator, and FINRA, which threatened taking regulatory action against PFSI, including forcing PFSI into a SIPC liquidation, if it did not dispose of its broker-dealer operations promptly.

Shortly after receiving notice from CME, PFSI entered into a letter of intent with Knight on May 21, 2012, which culminated in the Knight Transaction. Additionally, after a series of correspondence with FINRA that raised regulatory concerns regarding its securities division, PFSI entered into an agreement with FINRA to enter into a strategic transaction or face SIPC liquidation. PFSI then entered into the Apex Transaction.

***NASDAQ Delisting.*** On May 1, 2012, PWI received notice from the NASDAQ Stock Market ("NASDAQ") that its share price had failed to obtain a bid price for its stock above \$1.00 for the prior 30 consecutive days as required for listing on the NASDAQ Global Select Market. PWI was provided a 180-day grace period (or until October 29, 2012) to regain compliance with the minimum bid requirement for a minimum of ten consecutive business days. On July 27, 2012, PWI received a separate notice from NASDAQ that it was not in compliance with the \$5 million minimum market value of publicly held shares ("MMVPHS") requirement. PWI was again provided a 180-day grace period (or until January 22, 2013) to regain compliance with the MMVPHS requirement for a minimum of ten consecutive business days. Finally, on August 20, 2012, PWI received a letter from NASDAQ indicating that (i) PWI had not maintained a minimum of \$10 million in stockholders' equity for continuing listing on the NASDAQ Global Select Market and (ii) PWI had 45 calendar days to submit a plan to regain compliance.

On September 26, 2012, PWI issued a press release stating that it would voluntarily terminate its listing on the NASDAQ Global Select Market on or about October 8, 2012, and on October 18, 2012, PWI was delisted from NASDAQ.

***Significant Prepetition Regulatory Actions.*** The staff of the Division of Corporate Finance of the United States Securities and Exchange Commission (the "SEC") has issued letters to PWI setting forth comments and questions with respect to the Company's Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Reports on

Form 10-Q for the quarterly periods ended March 31, 2011 and September 30, 2011, as well as comments to the Company's Annual Report on Form 10-K for the year ended December 31, 2011 (collectively, the "SEC Comment Letters"). Among other things, the SEC Comment Letters question the timing of an impairment charge taken by PWI with respect to certain of its non-accrual receivables, related to the RDC Assets, for which the Company reported a \$43 million bad debt charge in the second quarter of fiscal year 2011. PWI had been in discussions with the SEC's staff regarding the accounting treatment for this impairment charge and SEC staff indicated that those discussions could, among other things, result in a restatement of the Company's financial statements by accelerating the impairment charge into prior periods.

***Purported Class Action and Derivative Actions brought by PWI's Shareholders.***

PWI, certain of its officers and directors and certain of its advisors have been named as defendants in a putative class action (the "Putative Class Action") commenced in the United States District Court for the Northern District of Texas (the "Northern Texas District Court"), and three shareholder derivative actions, two of which are pending in Texas state court and the other of which is pending in the Northern Texas District Court (collectively, the "Shareholder Actions"). The Putative Class Action alleges that PWI overstated its assets, income and EBITDA, that its financial statements were not prepared in accordance with GAAP, and alleges a class period of March 30, 2007 through August 4, 2011. The Shareholder Actions allege causes of action for, among other things, breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets.

Following a mediation related to the Putative Class Action, the parties to the Putative Class Action entered into a Stipulation of Settlement dated as of December 28, 2012, to resolve the Putative Class Action (the "Class Action Stipulation"). The Class Action Stipulation provides, among other things, that a payment of \$6 million will be made on behalf of the Debtors and the individual defendants into a settlement fund administered pursuant to the terms of the Class Action Stipulation. This payment will be made from the proceeds of the Debtors' directors and officers insurance program, under which the Debtors and their officers and directors are beneficiaries under certain insurance policies. As more fully described in the *Debtors' Motion for an Order Permitting Their Current and Former Directors, Officers, and Employees to Seek Reimbursement and Advancement of Defense Costs From the Debtors' Insurance Providers* [Docket No. 209], the Debtors maintain a Management Liability and Company Reimbursement Insurance Policy (the "Primary Policy") issued by XL Specialty Insurance Company ("XL") with an aggregate limit of liability of \$15 million. In addition to the Primary Policy, the Debtors have excess layers of directors and officers insurance that has an aggregate insured amount of \$50 million for the current policy period.

The Class Action Stipulation is subject to approval by the Northern Texas District Court and the Bankruptcy Court. On December 28, 2012, a motion was filed and is currently pending in the Northern Texas District Court to approve the Class Action Stipulation. The Debtors have filed a motion in the Bankruptcy Court seeking approval of the Class Action Stipulation, including the use of insurance proceeds to fund the Class Action Stipulation on behalf of the Debtors and the individual defendants, as required by the Class Action Stipulation. On February 20, 2013, the Committee filed a limited objection [Docket No. 195] to the motion to approve the Class Action Stipulation. In its limited objection, the Committee stated that while it is "not opposed *per se* to a settlement of the shareholder class action litigation by the Debtors'



insurance carriers”, it needs time to analyze the Class Action Stipulation and certain underlying facts. The Debtors have resolved the Committee’s limited objection by including certain clarifying language in the order approving the motion. The Debtors believe that approval of the Class Action Stipulation is in the best interest of the Debtors’ estates. The hearing to approve the Class Action Stipulation was held on March 26, 2013 and the Class Action Stipulation was approved by the Bankruptcy Court.

***Settlement of SunGard Claim.*** On March 6, 2013, SunGard Financial Systems LLC (together with its subsidiaries and affiliates, “SunGard”) filed a proof of claim against PFSI, asserting that SunGard was owed at least \$17,593,407.00 (Claim No. 69) as of the Petition Date (the “SunGard Claim”). The Debtors and their professionals have analyzed the SunGard Claim and after months of good faith and arm’s length negotiations, the parties have agreed to settle the SunGard Claim on the terms set forth in that certain settlement agreement (the “SunGard Settlement Agreement”), which will be subject to Bankruptcy Court approval. Pursuant to the SunGard Settlement Agreement, the SunGard Claim will be allowed as a general unsecured claim against PFSI in the aggregate amount of \$16.0 million (the “Amended SunGard Claim”), and will be classified and treated with other General Unsecured Claims against PFSI. The SunGard Settlement Agreement also provides for, among other things, mutual releases by the parties as set forth therein. Pursuant to Section 17.12 of the Plan, if anything in the Plan and Disclosure Statement conflicts with, or is contrary to any term(s) of the SunGard Settlement Agreement, as such term or terms pertain(s) to SunGard’s rights, remedies and privileges or with respect to the treatment of the Amended SunGard Claim, the SunGard Settlement Agreement shall control.

***Renewed Discussion with Noteholders and New Restructuring Support Agreement.*** Following termination of the March RSA and the completion of the Knight Transaction and the Apex Transaction, the Company re-engaged in negotiations with significant holders of its Second Lien Notes (the “Second Lien Noteholders Committee”) and Convertible Notes (the “Convertible Noteholders Committee”) regarding a potential consensual wind-down of its business. After months of good faith and arm’s length negotiations, on January 10, 2013, the Debtors entered into a restructuring support agreement (the “January RSA”) with certain members of the Second Lien Noteholders Committee and each member of the Convertible Noteholders Committee (collectively, the “Consenting Noteholders”), pursuant to which the Consenting Noteholders have agreed, subject to certain terms and conditions, including approval of this Disclosure Statement, to support a consensual orderly liquidation of the Company’s business, and to vote in favor of the Plan when solicited to do so. The Debtors have commenced these cases to implement the terms of the Plan, which will result in the liquidation of the Debtors’ remaining businesses in a consensual and orderly manner.

*For a more detailed description of the Debtors’ prepetition financial position and the events leading up to the commencement of these Chapter 11 Cases, refer to the First Day Declaration, which is incorporated herein by reference.*

### ARTICLE III.

#### ADMINISTRATION OF THE CHAPTER 11 CASES

##### 3.1. Overview of Chapter 11.

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated holders of claims and equity interests, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing of a chapter 11 petition. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

The consummation of a plan is the principal objective of a chapter 11 case. A plan sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan by the Bankruptcy Court makes the plan binding upon the debtor, any entity acquiring property under the plan, any holder of a claim against or equity interest in a debtor and all other entities as may be ordered by the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order approving confirmation of a plan discharges a debtor, to the fullest extent permitted by applicable law, from any debt that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

Pursuant to section 1125 of the Bankruptcy Code, acceptance or rejection of a plan may not be solicited after the commencement of a chapter 11 case until such time as a bankruptcy court has approved a disclosure statement as containing adequate information. Pursuant to section 1125(a) of the Bankruptcy Code, “adequate information” is information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding the plan. The Debtors are submitting this Disclosure Statement in satisfaction of the applicable disclosure requirements under section 1125 of the Bankruptcy Code.

##### 3.2. Commencement of the Debtors’ Chapter 11 Cases and First Day Pleadings and Certain Related Relief.

On the Petition Date, the Debtors filed motions seeking the Court’s approval of several orders authorizing the Debtors to pay various prepetition claims, which are designed to ease the strain on the Debtors’ relationship with their employees created by the filing of these bankruptcy cases, and ensure a smooth transition into chapter 11. The motions sought authority for the Debtors, among other things, to (i) pay prepetition compensation, benefits and employee expense reimbursements to employees, as well as continue their severance plan and to make payments thereunder to all non-insider employees; and (ii) establish procedures to resolve adequate assurance requests for their utility accounts. The Debtors also filed motions seeking relief from certain administrative requirements of the Bankruptcy Code.

*For additional information with respect to the first day pleadings and related relief sought by the Debtors at the beginning of these Chapter 11 Cases, refer to the First Day Declaration, which is incorporated herein by reference.*

3.3. Official Committee of Unsecured Creditors.

On January 24, 2013, the U.S. Trustee for the District of Delaware appointed an official committee of unsecured creditors (the “Creditors’ Committee”). The Creditors’ Committee is currently comprised of the following parties: (i) Schonfeld Holdings, (ii) SunGard and (iii) Wells Fargo Bank, N.A., a successor to the Convertible Notes Trustee.

3.4. Setting of Bar Dates.

On February 7, 2013, the Bankruptcy Court entered an order [Docket No. 144] (the “Bar Date Order”) establishing, among other deadlines, March 11, 2013 at 5:00 p.m. (prevailing Pacific Time) as the general Bar Date for filing proofs of claim in the Chapter 11 Cases for all persons and entities other than governmental units and July 10, 2013, at 5:00 p.m. (prevailing Pacific Time) as the bar date for governmental units to file proofs of claim in the Chapter 11 Cases. Except as expressly set forth in the Bar Date Order, Holders of Claims shall submit requests for payment on or before the applicable bar date or forever be barred from doing so. The notice of the Bar Date Order delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) set forth the bar dates and constituted good and sufficient notice of bar dates. The Debtors shall have 120 days (or such longer period as may be allowed by order of the Court, which may be entered without notice or a hearing) following the applicable bar date to review and object to all Claims.

**ARTICLE IV.**

**SUMMARY OF PLAN AND CLASSIFICATION AND  
TREATMENT OF CLAIMS AND EQUITY INTERESTS THEREUNDER**

4.1. Summary of Plan.

The Plan is a plan of liquidation, pursuant to which the net proceeds from the disposition of any remaining assets, and/or any recoveries in connection with Avoidance Actions or other litigation against third parties will be distributed to persons or entities holding Allowed Claims and Equity Interests in accordance with the priorities of the Bankruptcy Code and the summary of treatment of Claims and Equity Interests set forth below. The Debtors do not have the resources to undertake a comprehensive analysis and pursuit of various causes of action against third parties. Instead, the Debtors' major stakeholders, through PTL and the Liquidation Trust, will decide which causes of action are worth pursuing.

The number and amount of Allowed Claims will not affect distributions for holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Non-Tax Priority Claims, or Allowed Other Secured Claims. The Debtors estimate the Administrative Expense Claims to be in the range of \$3.5-\$4.0 million. Of this amount, approximately \$650,000 is estimated to be for the aggregate fees and expenses of counsel to the Second Lien Noteholders Committee and counsel to the Convertible Noteholders Committee, in accordance with the terms of the January RSA. This amount has not been confirmed. Actual distributions may differ depending on, among other things, the amount of the recoveries on account of Avoidance Actions or other litigation against third parties, the proceeds from the disposition of any remaining assets, and the Wind-Down Expenses.

The Debtors' assets will be allocated to a specific Debtor Estate as set forth on Exhibit 8 attached hereto. As will be further described in the PTL LLC Agreement, to the extent any member of the Board of Managers does not agree on allocation to a specific Debtor Estate of any proceeds of any claims or causes of action or any assets that are not reflected as belonging to a specific Debtor Estate on Exhibit 8, such member may file a motion with the Bankruptcy Court seeking to resolve the allocation of such claims, causes of action or assets.

***Distributions and Estimated Recoveries under the Plan.*** The Debtors' assets are primarily comprised of the Apex JV Interest, the NAV True-Up, the amounts owed to PFSI under the Penson-Apex Credit Facility, the Illiquid Instruments, the net proceeds from the sale of Nexa, any residual proceeds from the wind-down of PFSC remaining after distributions to PFSC's general unsecured creditors under the Canadian Proceeding, and the patents and Patent Claims. These assets may not be reduced to cash during the Chapter 11 Cases in which case they will be transferred to PTL and creditors will receive cash from the liquidation or prosecution, as applicable, of the PTL Assets at some point in the future. Proceeds from recovery on account of these assets will be distributable to holders of claims in accordance with the absolute priority rule, and as such, not all of these assets will be available to satisfy claims against all of the Debtors. As more fully described below, it is anticipated that any recoveries from these assets will be primarily distributed to holders of Second Lien Note Claims, Convertible Note Claims and General Unsecured Claims at various Debtor entities, in accordance with treatment of such Claims set forth in the Plan. The Plan also contemplates that to the extent that asset recoveries exceed expectations, after payment in full of all Allowed Claims of Second Lien Noteholders, Convertible Noteholders and General Unsecured Claims, any remaining recoveries would be distributed to the holders of Securities Law Claims against the PWI Estate, if any, and Equity Interests in PWI.

**Distributions at PWI.** PWI's unencumbered assets include the patents, the Patent Claims and other Estate causes of action. The value of such assets is unknown at this time. PWI's unencumbered assets also consist of any proceeds that PWI recovers from PFSI on the PWI Subordinated Loan. Any value remaining at PFSI after payment of PFSI's general unsecured creditors will be distributed Pro Rata to PWI on the PWI Subordinated Loan and SAI on the SAI Subordinated Loan. PFSI's primary assets are the Apex JV Interest, the NAV True-Up, the amounts owed to PFSI under the Penson-Apex Credit Facility, and any recoveries obtained from the SAMCO Arbitration and any causes of action. As described more fully below, the value of these assets, excluding the equity interest and any recovery on causes of action, is unclear and subject to resolution of disputes with Apex but the Debtors estimate that they should receive approximately \$20 million from the liquidation of these assets. The value of equity interest is unknown but consists primarily of \$90 million of regulatory capital. PFSI's General Unsecured Claims are estimated to be in the range of \$20-\$25 million. Since there are no security interests granted to creditors in PWI's assets other than equity pledges granted to Second Lien Noteholders, any proceeds from PWI assets (including patents), other than PWI's pledge of equity in SAI, would be distributed *pari passu* among the Second Lien Noteholders, the Convertible Noteholders and holders of PWI's General Unsecured Claims. If any value remains after these claims are satisfied prior to the Class D Expiration Date, such value would be distributed to holders of Securities Law Claims against the PWI Estate, if any, and holders of Equity Interests in PWI. The Debtors estimate the General Unsecured Claims at PWI to be in the range of \$282-\$284 million.

Distributions at SAI and PHI. SAI's assets primarily consist of Illiquid Instruments (subject to the 40% sharing arrangement with the PFSI Estate), equity interests in Nexa and PFSI, and any proceeds SAI recovers from PFSI on the SAI Subordinated Loan. The value of Illiquid Instruments is speculative but the Debtors estimate it to be in the range of approximately \$5- \$10 million. The Debtors do not believe that there are any other Claims against either SAI or PHI other than with respect to the Second Lien Noteholders, Schonfeld Holdings and the Promissory Note. Accordingly, distributions from the liquidation of SAI's assets are contemplated to be made to (i) the Second Lien Noteholders through SAI's guarantee of PWI's obligations under the Second Lien Notes Indenture, in respect of their Allowed Second Lien Note Guarantee Secured Claim against SAI and (ii) other holders of Allowed Claims against SAI. Distributions from the liquidation of PHI's assets are contemplated to be made to the Second Lien Noteholders through PHI's guarantee of PWI's obligations under the Second Lien Notes Indenture, in respect of their Allowed Second Lien Note Guarantee Secured Claim against PHI.

Distributions at PFSI. PFSI's assets primarily consist of *de minimis* deposits, escrows, the NAV True-Up, the Penson-Apex Credit Facility, the Apex JV Interest, and any award resulting from the SAMCO Arbitration or any avoidance actions related to the Apex Transaction and the Knight Transaction. The value of these assets, excluding the Apex JV Interest, is unclear and subject to resolution of disputes with Apex but the Debtors estimate that they should receive approximately \$20 million from the liquidation of these assets. The value of the Apex JV Interest is unknown but consists primarily of the value of PFSI's capital account at Apex Holdings. Apex has alleged that no NAV True-Up payments are due to the Company and that Apex may be owed additional consideration from PFSI under the Apex AAA and that Apex Clearing may be owed additional consideration from PFSI based on the actual value of the assets transferred. The Debtors believe that they are owed not less than an additional \$7.0 million for the NAV True-Up. The Debtors and Apex Clearing have engaged in negotiations in an effort to resolve their disputes over the NAV True-Up and expect to continue such negotiations. Apex also claims that it has various claims against the Debtors which it can use to offset its obligations under the Penson-Apex Credit Facility, which matured in December 2012. Apex has consequently taken the position that no amounts will be paid on the Penson-Apex Credit Facility. The Debtors dispute Apex's claims and believe that all amounts are due and payable under the Penson-Apex Credit Facility. The Debtors intend to vigorously pursue their rights with respect to the NAV True-Up and Penson-Apex Credit Facility; however, resolution of these matters may take time and the outcome is uncertain.

All value of PFSI would first be distributed to holders of General Unsecured Claims against the PFSI Estate and then would be distributed to PWI via the PWI Subordinated Loan and to SAI via the SAI Subordinated Loan. As described above, any proceeds of the SAI Subordinated Loan would be distributed to the Second Lien Noteholders. The excess above the subordinated loan amounts would go to the Second Lien Noteholders through the pledge by SAI of PFSI stock to the Second Lien Noteholders. In addition, pursuant to the Intercompany Claims Settlement, in full satisfaction of the Promissory Note Claim, 40% of all proceeds from the Illiquid Instruments, up to \$3,500,000, shall be distributed to the PFSI Estate. No further distributions on account of the Promissory Note Claim will be made. The Debtors estimate that PFSI's General Unsecured Claims against PFSI range from \$20-\$25 million.

Distributions at Nexa. It is expected that Nexa's assets will be sold during the Chapter 11 Cases and the net proceeds of the sale would be distributed to creditors. On March 26, 2013, the Bankruptcy Court entered an order approving the sale of Nexa's assets for \$10.5 million. After payment of Nexa's general unsecured creditors, the remaining proceeds of the sale will be distributed to Nexa's direct parent, SAI. Distributions from SAI are contemplated to be made to (i) the Second Lien Noteholders through SAI's guarantee of PWI's obligations under the Second Lien Indenture, in respect of their Allowed Second Lien Note Guarantee Secured Claims against SAI and (ii) other holders of Allowed Claims against SAI. Because SAI has guaranteed PWI's obligations under the Second Lien Notes, these proceeds would then be distributed to holders of Second Lien Note Guarantee Claims. The Debtors estimate that Nexa's General Unsecured Claims range from \$400,000-\$900,000.

Distributions at PFSC. All value of PFSC from its wind-down and liquidation in Canada would be distributed to PFSC's general unsecured creditors and used for payment of any accrued or upcoming fees and expenses relating to the business and affairs thereof and its wind-down, liquidation and dissolution. At the conclusion of the Canadian Proceeding, any residual proceeds from the wind-down of PFSC remaining after such distributions to its general unsecured creditors and other payments are contemplated to be made to the Second Lien Noteholders through a pledge of 65% of PFSC's stock and through PHI's guarantee of PWI's obligations under the Second Lien Notes Indenture (since PHI is a direct parent of PFSC). It is uncertain what proceeds, if any, will be available to distribute to non-PFSC creditors at the conclusion of the Canadian proceeding or when any such distributions would be made.

THE DISTRIBUTION ANALYSIS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS AND EQUITY INTERESTS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

***Plan Structure.*** On the Effective Date of the Plan, all of the Debtors' assets will be transferred to PTL, a newly formed Delaware limited liability company, for the liquidation, administration, and distribution of the Debtors' assets to creditors in accordance with the terms of the Plan and the PTL LLC Agreement. Notwithstanding the transfer of all assets to a single entity, all assets will be segregated according to the entity that transferred them and all distributions will be made strictly in accordance with the absolute priority rule as if such assets remained in separate entities. PTL will be managed by a Board of Managers and the Chief Officer designated by the Board of Managers. The initial Board of Managers will consist of four members, two of whom will be appointed by the Second Lien Noteholders Committee, one of whom will be appointed by the Convertible Noteholders Committee and one of whom will be appointed by the Committee.

PTL, through the Chief Officer, in consultation with the Board of Managers, will be responsible for implementing and administering the Plan, including distributing assets to the Second Lien Noteholders, the Convertible Noteholders and Holders of General Unsecured Claims against PWI. In addition, a Liquidation Trust will be created for the primary purpose of distributing assets to all other creditors, including Holders of General Unsecured Claims against PWI's domestic subsidiaries, and Equity Interests in PWI.

The Chief Officer, in consultation with the Board of Managers, will also initiate and defend any causes of action on behalf of the Company after the Plan is confirmed and consummated. The Plan provides that Holders of Claims may assign and transfer to PTL certain causes of actions and liabilities such Holders have against certain third parties (a) for damages arising from the purchase or sale of any security of the Debtor or the Debtor's affiliates or (b) for violations of the securities laws, misrepresentations, or any similar actions or liabilities arising from the purchase or sale of any such security. PTL shall not be obligated to pursue any transferred Third-Party Cause of Action and, as assignee of such Transferred Third-Party Causes of Action, all decisions with respect to such Transferred Third-Party Causes of Action, including decisions with respect to the prosecution and settlement of such Transferred Third Party Causes of Action, will belong solely to PTL. For purposes of distributions, the proceeds of any transferred Third-Party Causes of Action will be general property of PWI's estate and any proceeds thereof shall be distributed in accordance with Article IV of the Plan without regard to the identity or status of the Third-Party Cause of Action Transferor.

Creditors will not have to wait until the final resolution of these causes of action before they receive distributions under the Plan. Rather, the Plan provides for distributions to occur on the Effective Date or as soon thereafter as is practicable, to the extent any assets are available for distribution to creditors as of the Effective Date. The Plan also provides for distributions at various intervals after the initial distributions, which will enable the distribution of any resulting recoveries from disposition or liquidation of the assets or pursuit of causes of action, in accordance with the Plan.

The Plan breaks down Claims and Equity Interests against each Debtor into various classes, as set forth in the charts below. To effectuate distributions under the Plan to these creditors, the Plan contemplates four classes of membership interests in PTL (Class A Units, Class B Units, Class C Units, and Class D Units), which will be distributed, in exchange for full and final satisfaction, settlement, release and compromise of such Claims and Equity Interests, as follows:

- Class A Units shall be distributed to the holders of Second Lien Notes in exchange for release and discharge of their Second Lien Note Claims. These include the Second Lien Note Claims against PWI as issuer of the Second Lien Notes, and SAI and PHI, as guarantors thereunder and also covers their security interests in various assets of PWI, SAI and PHI.



- Class B Units shall be distributed to (A) the holders of Convertible Notes in exchange for release and discharge of Convertible Note Claims; and (B) the Holders of General Unsecured Claims against PWI in exchange for release and discharge of such General Unsecured Claims. Each of these groups only holds unsecured claims against PWI. The distributions of assets of PWI (other than those pledged to secure the Second Lien Notes) will be made Pro Rata to the holders of Second Lien Note Claims, Convertible Note Claims, and General Unsecured Claims against PWI.
- Class C Units shall be distributed to the Liquidation Trust for the benefit of holders of General Unsecured Claims against each of PWI's domestic subsidiaries in exchange for release and discharge of such General Unsecured Claims. These claims will be paid from the assets of the respective subsidiary against which the claim is held (e.g., claims against PFSI would be paid solely from PFSI's assets).
- Class D Units shall be distributed to the Liquidation Trust for the benefit of (i) the holders of Equity Interests in PWI, and (ii) the holders of Securities Law Claims against the PWI Estate, if any, in exchange for release and discharge of such Claims and Equity Interests. Unless all amounts payable to the holders of Class A Units, Class B Units, and Class C Units are paid prior to the fifth anniversary of the Effective Date, all rights of the holders of Class D Units and the Class D Units themselves would expire on the fifth anniversary of the Effective Date and no distributions would be made by PTL on account of such Units after that date. Any amounts received by PTL from the liquidation of the Debtors' assets after this expiration date would be distributed to the holders of Class A Units and Class B Units in proportion to their respective claims, except proceeds of assets pledged to secure the Second Lien Notes which will be distributed to holders of Second Lien Note Secured Claims. The holders of Class D Units would only receive a distribution after all other creditor claims have been fully satisfied.

***Settlement of Intercompany Claims under the Plan.*** The Plan provides for settlement of the PWI Subordinated Loan and the SAI Subordinated Loan among the Second Lien Noteholders and the Convertible Noteholders. Under the terms of the Intercompany Claims Settlement, in recognition of the arguments that the Second Lien Noteholders and the Convertible Noteholders have made with respect to the PWI Subordinated Loan and the SAI Subordinated Loan, the Claims on account of the PWI Subordinated Loan Note shall be Allowed in the amount of \$45 million and the Claims on account of the SAI Subordinated Loan shall be Allowed in the amount of \$12 million. The Debtors believe that the Intercompany Claims Settlement is fair, reasonable, and in the best interests of the Debtors and their creditors.

Although the Plan is presented as a joint plan of liquidation, the Plan does not provide for the substantive consolidation of the Debtors' Estates, and on the Effective Date, the Debtors' Estates will not be deemed to be substantively consolidated for any reason. Notwithstanding anything in the Plan or Disclosure Statement to the contrary, Allowed Claims held against one Debtor will be satisfied solely from the Cash and assets of such Debtor and its Estate, even after such Debtor's assets are transferred to PTL.

***Preservation of Estate Causes of Action.*** Except with respect to those specific identified Estate Causes of Action being released under the terms of the Plan, any and all of the Causes of Action, whether direct, indirect or derivative in nature, held or owned by any of the Debtors or the Debtors' Estates are being preserved under the Plan and transferred and assigned to PTL. By way of a general description, such Causes of Action include, without limitation, the following:

(i) Any Causes of Action asserted by one or more Debtors, as plaintiff(s), prior to the Petition Date against various defendants in a variety of state and federal jurisdictions within the United States, which Causes of Action include, without limitation, actions (i) for breach of contract, (ii) for breach of a non-compete agreement with any Debtor, (iii) against former employee to recover bonuses; and (iv) to recover early payoffs. The Debtors anticipate further investigation may reveal other Causes of Action on similar grounds, which Causes of Action (along with the Causes of Action pending as of the Petition Date) may be asserted from and after the date hereof;

(ii) Potential Causes of Action against those certain former officers and directors of the Debtors, for alleged breaches of their fiduciary duties and other obligations to the Debtors, as well as alleged waste of corporate assets of the Debtors. Such alleged breaches and waste of corporate assets, if found to be true, may have caused the Debtors to suffer substantial losses and damages. Such alleged breaches of duties and obligations by such officers and directors, include, without limitation:

- a) failing to implement, execute and oversee effective controls and procedures to manage, address and minimize known risks in the margin lending by the Debtors;
- b) failing to implement, execute and oversee effective controls and procedures to insure that margin loans made by the Debtors were in accordance with requirements and limits mandated by regulatory authorities and thereafter maintained within those requirements and limits;
- c) failing to implement, execute and oversee effective controls and procedures to prevent in the first instance or thereafter detect and remedy those margin loans that were made by the Debtors and secured by non-marginable assets;
- d) failing to remedy or otherwise address known deficiencies in margin lending by the Debtors;
- e) failing to implement, execute and oversee effective controls over financial reporting by the Debtors;
- f) failing to implement, execute and oversee effective controls and procedures in the public disclosures by the Debtors; and
- g) failing to safeguard and protect the assets of the Debtors.

(iii) The Debtors anticipate there may be viable Causes of Action against the following parties, among others:

- a) any party that received an avoidable transfer under Chapter 5 of the Bankruptcy Code, including those identified in the Debtors' Statements of Financial Affairs, of an interest in property of any Debtor, or in favor of whom any Debtor incurred an obligation, prior to the Petition Date, or any mediate or immediate transferee of any such party;
- b) any party that received an unauthorized transfer of an interest in property of any Debtor post-petition, or any mediate or immediate transferee of any such party; and
- c) any Causes of Action as described elsewhere in the Disclosure Statement, including, without limitation, arising out of the Apex Transaction, Knight Transaction, and Schonfeld transaction and any potential claims against auditors.

The enumeration of Causes of Action in the foregoing shall be without prejudice to the retention of jurisdiction over any Cause of Action discovered by the Debtors or PTL after the date of this Disclosure Statement.

THE FOLLOWING CHARTS SUMMARIZE THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS AND THE POTENTIAL DISTRIBUTIONS UNDER THE PLAN. THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY. REFERENCE SHOULD BE MADE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS. THE RECOVERIES SET FORTH BELOW ARE PROJECTED RECOVERIES AND ARE THEREFORE SUBJECT TO CHANGE. THE ALLOWANCE OF CLAIMS AND INTERESTS MAY BE SUBJECT TO LITIGATION OR OTHER ADJUSTMENTS, AND ACTUAL ALLOWED CLAIM OR INTEREST AMOUNTS MAY DIFFER MATERIALLY FROM THESE ESTIMATED AMOUNTS. IMMEDIATELY FOLLOWING THE CHARTS IS THE DESCRIPTION OF THE TREATMENT OF THE CLAIMS AND EQUITY INTERESTS UNDER THE PLAN.

#### 4.2. Identification of Classes Against PWI (Debtor 1).

The following chart assigns letter “A” to each Class of Claims and Interests against PWI for purposes of identifying each separate Class of Claims and Interests against PWI.

Class	Description	Treatment	Entitled to Vote	Estimated Recoveries
Class 1A	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 2A	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 3A	General Unsecured Claims	Impaired	Yes	0-15% <sup>2</sup>
Class 4A	Second Lien Note Claims	Impaired	Yes	0-15%
Class 5A	Convertible Note Claims	Impaired	Yes	0-15%
Class 6A	Intercompany Claims	Impaired	No (deemed to reject)	0%
Class 7A	Securities Law Claims	Impaired	No (deemed to reject)	0%
Class 8A	Equity Interests	Impaired	No (deemed to reject)	0%

#### 4.3. Identification of Classes Against PFSI (Debtors 2).

The following chart assigns letter “B” to each Class of Claims and Interests against PFSI for purposes of identifying each separate Class of Claims and Interests against PFSI.

Class	Description	Treatment	Entitled to Vote	Estimate Recoveries
Class 1B	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)	100%

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<sup>2</sup> The approximate recovery percentage identified for General Unsecured Claims is based on the Debtors’ best estimate of the aggregate amount of the General Unsecured Claims ultimately Allowed upon conclusion of the Claims reconciliation and objection process. Accordingly, actual recoveries may be less as they are subject to a number of factors, including, but not limited to, the successful prosecution of certain objections to Claims.

Class	Description	Treatment	Entitled to Vote	Estimate Recoveries
Class 2B	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 3B	General Unsecured Claims	Impaired	Yes	50-100% <sup>2</sup>
Class 4B	Subordinated Loan Claims	Impaired	Yes	0-100%
Class 5B	Intercompany Claims	Impaired	No (deemed to reject)	0%
Class 6B	Equity Interests	Impaired	No (deemed to reject)	\$0-\$35.7 million <sup>3</sup>

#### 4.4. Identification of Classes Against SAI and PHI (Debtors 3 and 4).

The following chart assigns letter “C” to each Class of Claims and Interests against Guarantor Debtors SAI and PHI for purposes of identifying each separate Class of Claims and Interests against SAI and PHI.

Class	Description	Treatment	Entitled to Vote	Estimated Recoveries
Class 1C	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 2C	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 3C	General Unsecured Claims	Impaired	Yes	0-12% <sup>2</sup>
Class 4C	Second Lien Note Guarantee Claims	Impaired	Yes	0-29%
Class 5C	Intercompany Claims	Impaired	No (deemed to reject)	0%
Class 6C	Equity Interests	Impaired	No (deemed to reject)	0%

#### 4.5. Identification of Classes Against Nexa (Debtor 5).

The following chart assigns letter “D” to each Class of Claims and Interests against Nexa for purposes of identifying each separate Class of Claims and Interests against Nexa.

<sup>3</sup> This estimate is for illustrative purposes only and assumes full recovery on the NAV True-Up and the amounts owed under the Penson-Apex Credit Facility and a range of recovery from \$0-\$90 million with respect to the Apex JV Interest.

Class	Description	Treatment	Entitled to Vote	Estimated Recoveries
Class 1D	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 2D	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 3D	General Unsecured Claims	Impaired	Yes	100% <sup>2</sup>
Class 4D	Intercompany Claims	Impaired	No (deemed to reject)	0%
Class 5D	Equity Interests	Impaired	No (deemed to reject)	\$7.9-\$8.5 million

#### 4.6. Identification of Classes Against Remaining Filed Subsidiary Debtors.<sup>4</sup>

The following chart assigns letter “E” to each Class of Claims and Interests against the remaining Filed Subsidiary Debtors for purposes of identifying each separate Class of Claims and Interests against the remaining Filed Subsidiary Debtors.

Class	Description	Treatment	Entitled to Vote	Estimated Recoveries
Class 1E	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)	100%
Class 2E	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)	0%
Class 3E	General Unsecured Claims	Impaired	Yes	\$0-\$1,000 <sup>2</sup>
Class 4E	Intercompany Claims	Impaired	No (conclusively presumed to accept)	0%
Class 5E	Equity Interests	Impaired	No (deemed to reject)	\$0-\$1,000

### Treatment of Administrative Expense Claims and Priority Tax Claims

#### 4.7. Administrative Expense Claims.

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<sup>4</sup> Remaining Filed Subsidiary Debtors are Penson Execution Services, Inc., Penson Financial Futures, Inc., GHP1, Inc., GHP2, LLC, and Penson Futures.

Except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim.

Under the terms of the January RSA, the Debtors have agreed to pay the reasonable and documented fees and expenses due and owing to (i) Fried, Frank, Harris, Shriver & Jacobson LLP, counsel to the Second Lien Noteholders Committee and one (1) local counsel for the Second Lien Noteholders Committee, and (ii) Sidley Austin LLP, counsel to the Convertible Noteholders Committee and one (1) local counsel for the Convertible Noteholders Committee, in each case, in accordance with their existing engagement or fee letters. Under the Plan, the fees payable under the January RSA are to be paid by the Debtors prior to or on the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

#### 4.8. Time for Filing Administrative Expense Claims.

The holder of an Administrative Expense Claim accruing on or after January 11, 2013, other than: (a) a Fee Claim; (b) an Administrative Expense Claim that has been Allowed on or before the Effective Date; and (c) a claim for U.S. Trustee Fees, must submit to the Claims and Voting Agent and serve on PTL and its counsel and the Liquidation Trustee and counsel to the Liquidation Trust, a request for such Administrative Expense Claim so as to be received by 5:00 p.m. (prevailing Eastern Time) on the date that is forty (40) days after service of notice of occurrence of the Effective Date. Such request must include at a minimum: (i) the name of the Debtor(s) that are purported to be liable for the Administrative Expense Claim; (ii) the name of the holder of the Administrative Expense Claim; (iii) the amount of the Administrative Expense Claim; (iv) the basis of the Administrative Expense Claim; and (v) supporting documentation for the Administrative Expense Claim. For the avoidance of doubt, Section 2.02 of the Plan shall not be applicable to any claims arising under section 503(b)(9) of the Bankruptcy Code, or Indenture Trustee Fee Claims or any Restructuring Support Agreement Professional Fees, which Fee Claims shall be paid pursuant to Sections 10.07 and 17.02 of the Plan, respectively.

**FAILURE TO FILE AND SERVE SUCH NOTICE OR REQUEST TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED AND EXTINGUISHED.**

#### 4.9. Professional Compensation and Reimbursement Claims.

All requests for allowance of Fee Claims on a final basis must be filed with the Bankruptcy Court and served on PTL and its counsel, and the U.S. Trustee, no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, the allowed amounts of such Fee Claims shall be determined by the Bankruptcy Court. For the avoidance of doubt, Section 2.03 of the Plan shall not be applicable to any Indenture Trustee Fee Claim or any Restructuring Support Agreement Professional Fees,

which Fee Claims shall be paid pursuant to Sections 10.07 and 17.02 of the Plan, respectively. FAILURE TO FILE AND SERVE FINAL FEE APPLICATIONS TIMELY AND PROPERLY SHALL RESULT IN THE UNDERLYING FEE CLAIMS BEING FOREVER BARRED AND EXTINGUISHED.

Objections to Fee Claims, if any, must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than sixty (60) days after the Effective Date or such other date as may be established by the Bankruptcy Court.

Upon final allowance by the Bankruptcy Court of any Fee Claim, PTL shall pay from the PTL Assets the amount of all Allowed but unpaid Professional Fees promptly and directly to the applicable Professional.

#### 4.10. Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim shall receive, at the sole option of PTL, either (a) on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) calendar days after the date a Priority Tax Claim becomes an Allowed Claim, Cash in an amount equal to such Allowed Claim, or (b) deferred Cash payments following the Effective Date, over a period ending not later than five (5) years after the Petition Date, in an aggregate amount equal to the Allowed amount of such Priority Tax Claim. Any Claim or demand for fines or penalties related to a Priority Tax Claim shall be disallowed and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect any such fine or penalty from PTL, the Chief Officer or the Liquidation Trustee.

### **Classification and Treatment of Classified Claims Against and Interest in PWI (Debtor 1).**

#### 4.11. Class 1A – Non-Tax Priority Claims.

(a) Impairment and Voting. Class 1A is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Allowed Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

#### 4.12. Class 2A – Other Secured Claims.



(a) Impairment and Voting. Class 2A is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

#### 4.13. Class 3A – General Unsecured Claims.

(a) Impairment and Voting. Class 3A is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of the Plan and the PTL LLC Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the Class B Units, in full and final satisfaction, settlement, release, and compromise of and in exchange for its Allowed General Unsecured Claim against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Distributions under Section 4.03(b), 4.04(b)(ii) and 4.05(b) of the Plan shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims, Allowed Second Lien Note Deficiency Claims, and Allowed Convertible Note Claims.

#### 4.14. Class 4A – Second Lien Note Claims.

(a) Impairment and Voting. Class 4A is impaired by the Plan. Each Holder of a Second Lien Note Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. On or as soon as practicable after the applicable Distribution Date, subject to the terms of the Plan and the PTL LLC Agreement, each Holder of an Allowed Second Lien Note Claim against PWI shall receive its Pro Rata share of Class A Units, in full and final satisfaction, settlement, release and compromise of and in exchange for, (i) its Allowed Second Lien Note Secured Claim against the PWI Estate, to the extent of the value of the security granted by PWI, and (ii) its Allowed Second Lien Note Deficiency Claim, payable from the Net Distributable Assets of the PWI Estate. Distributions under Section 4.03(b), 4.04(b)(ii) and 4.05(b) of the Plan shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims, Allowed Second Lien Note Deficiency Claims, and Allowed Convertible Note Claims.

4.15. Class 5A – Convertible Note Claims.

(a) Impairment and Voting. Class 5A is impaired by the Plan. Each Holder of a Convertible Note Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. On or as soon as practicable after the applicable Distribution Date, subject to the terms of the Plan and the PTL LLC Agreement, each Holder of an Allowed Convertible Note Claim against PWI shall receive its Pro Rata share of Class B Units, in full and final satisfaction, settlement, release and compromise of and in exchange for its Allowed Convertible Note Claim against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Distributions under Section 4.03(b), 4.04(b)(ii) and 4.05(b) of the Plan shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims, Allowed Second Lien Note Deficiency Claims, and Allowed Convertible Note Claims.

4.16. Class 6A – Intercompany Claims.

(a) Impairment and Voting. Class 6A is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan., pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

4.17. Class 7A – Securities Law Claims.

(a) Impairment and Voting. Class 7A is impaired by the Plan. Each Holder of a Securities Law Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Each Holder of an Allowed Securities Law Claim as of the Distribution Record Date shall not receive any distributions on account of such Allowed Securities Law Claims, provided, however, that, to the extent that asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Securities Law Claims, then after the payment in full of all Allowed Claims of the Holders of the Class A Units and the Class B Units (plus, where applicable, post-petition interest due thereon until payment in full), PTL will distribute amounts then available to the Liquidation Trust as the Holder of the Class D Units for the benefit of the Holders of Securities Law Claims against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Notwithstanding the foregoing proviso, if distributions on account of the Class D Units do not commence prior to the Class D Expiration Date, the Class D Units shall be cancelled and the Net Distributable Assets of the PWI Estate shall continue to be distributed to the Holders of Class A Units and Class B Units in proportion to the Allowed Unsecured Claims of such Holders after payment of any applicable secured claims. Distributions to Holders of Securities Law Claims on account of such Holders' Class D Units shall be in accordance with the priorities of the Bankruptcy Code.

4.18. Class 8A – Equity Interests.

(a) Impairment and Voting. Class 8A is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, to the extent that asset recoveries exceed current expectations in an amount that would permit a Distribution to a Class of Equity Interests, then after the payment in full of all Allowed Claims of the Holders of the Class A Units and the Class B Units (plus, where applicable, post-petition interest due thereon until payment in full), PTL will distribute amounts then available to the Liquidation Trust as the Holder of the Class D Units for the benefit of the Holders of Equity Interests in PWI, payable from the Net Distributable Assets of the PWI Estate. Notwithstanding the foregoing proviso, if distributions on account of the Class D Units do not commence prior to the Class D Expiration Date, the Class D Units shall be cancelled and the Net Distributable Assets of the PWI Estate shall continue to be distributed to the Holders of Class A Units and Class B Units in proportion to the Allowed Unsecured Claims of such Holders after payment of any applicable secured claims. On the Effective Date, all Equity Interests in PWI shall be deemed cancelled. Distributions to Holders of Equity Interests on account of such Holders' Class D Units shall be in accordance with the priorities of the Bankruptcy Code.

**Classification and Treatment of Classified Claims Against and Interests in PFSI (Debtor 2).**

4.19. Class 1B – Non-Tax Priority Claims.

(a) Impairment and Voting. Class 1B is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

4.20. Class 2B – Other Secured Claims.

(a) Impairment and Voting. Class 2B is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date or the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

4.21. Class 3B – General Unsecured Claims.

(a) Impairment and Voting. Class 3B is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of the Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust, plus, to the extent solvent (excluding the Subordinated Note Claims and Intercompany Claims), post-Effective Date interest on the amounts outstanding on such Allowed General Unsecured Claims as of six months after the Effective Date at a rate equal to 5% per annum, such interest to begin accruing six months after the Effective Date, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim against the PFSI Estate. Distributions shall be payable from the Net Distributable Assets of the PFSI Estate.

4.22. Class 4B – Subordinated Loan Claims.

(a) Impairment and Voting. Class 4B is impaired by the Plan. Each Holder of an Allowed Subordinated Loan Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of the Plan and the PTL LLC Agreement, and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Subordinated Loan Claim, each Holder of an Allowed Subordinated Loan Claim shall receive, after payment in full of all Allowed General Unsecured Claims against the PFSI Estate (including post-Effective Date interest), its Pro Rata share of the Net Distributable Assets of the PFSI Estate. Such Distributions will constitute property of the PWI Estate and the SAI Estate, as applicable, and will be distributed in accordance with Article IV and Article VI of the Plan, respectively, and the PTL LLC Agreement.

4.23. Class 5B – Intercompany Claims.

(a) Impairment and Voting. Class 5B is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

4.24. Class 6B – Equity Interests.

(a) Impairment and Voting. Class 6B is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, to the extent that, after payment in full of all Allowed General Unsecured Claims and Allowed Subordinated Loan Claims against the PFSI Estate, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in PFSI, such Distributions will be paid to the SAI Estate (on account of its Equity Interests in PFSI), and will otherwise constitute property of the SAI Estate, and will be distributed in accordance with Article VI of the Plan.

**Classification and Treatment of Classified Claims Against and Interests in Guarantor Debtors – SAI and PHI (Debtors 3 and 4).**<sup>5</sup>

4.25. Class 1C – Non-Tax Priority Claims.

(a) Impairment and Voting. Class 1C is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Allowed Non-Tax Priority Claim becomes an Allowed Non-Tax Priority Claim, or as soon thereafter as is practicable.

4.26. Class 2C – Other Secured Claims.

(a) Impairment and Voting. Class 2C is unimpaired by the Plan. Each Holder of an Other Secured Claim, including a Promissory Note Claim, is not entitled to vote to accept

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<sup>5</sup> The inclusion of SAI and PHI in the same class is for convenience purposes only. Notwithstanding the inclusion of SAI and PHI in the same class, nothing in the Plan shall be deemed to substantively consolidate these Debtors. All votes shall be tabulated on a Debtor by Debtor basis and all claims shall be paid only from the assets of the applicable Debtor that is obligated on account of such Allowed Claim.

or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim, including a Holder of an Allowed Promissory Note Claim, agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim and Allowed Promissory Note Claim, each Holder of an Allowed Other Secured Claim and Allowed Promissory Note Claim, shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Claim; (ii) the collateral securing any such Allowed Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter, provided, that in full satisfaction of the Promissory Note Claim, 40% of all proceeds from the Illiquid Instruments, up to \$3,500,000, shall be distributed to the PFSI Estate and no further distributions on account of the Promissory Note Claim will be made.

#### 4.27. Class 3C – General Unsecured Claims.

(a) Impairment and Voting. Class 3C is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of the Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim against the SAI and PHI Estates. PTL shall make Pro Rata Distributions to the Liquidation Trust as the Holder of the Class C Units from the Net Distributable Assets of the SAI and PHI Estates, as applicable. Distributions under Section 6.03(b) and 6.04(b)(ii) of the Plan shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims and Allowed Second Lien Note Guarantee Deficiency Claims.

#### 4.28. Class 4C – Second Lien Note Guarantee Claims.

(a) Impairment and Voting. Class 4C is impaired by the Plan. Each Holder of a Second Lien Note Guarantee Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. On or as soon as practicable after the applicable Distribution Date, subject to the terms of the Plan and the PTL LLC Agreement, each Holder of an Allowed Second Lien Note Guarantee Claim against SAI and PHI shall receive its Pro Rata share of Class A Units, in full and final satisfaction, settlement, release and compromise of and in exchange for, (i) its Allowed Second Lien Note Guarantee Secured Claim against the SAI and PHI Estates, to the extent of the value of the security granted by SAI and PHI, and (ii) its Allowed Second Lien Note Guarantee Deficiency Claim against the SAI and PHI Estates, payable from the Net Distributable Assets of the SAI and PHI Estates, as applicable. Distributions under Sections

6.03(b) and 6.04(b)(ii) of the Plan shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims and Allowed Second Lien Note Guarantee Deficiency Claims.

4.29. Class 5C – Intercompany Claims.

(a) Impairment and Voting. Class 5C is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan., pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

4.30. Class 6C – Equity Interests.

(a) Impairment and Voting. Class 6C is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, to the extent that, after payment in full of all Allowed General Unsecured Claims and Allowed Second Lien Note Guarantee Claims against the SAI and PHI Estates, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in SAI and PHI, such Distributions will be paid to the PWI Estate (on account of its Equity Interests in SAI) and the SAI Estate (on account of its Equity Interests in PHI), will constitute property of the PWI Estate and SAI Estate, as applicable, and will be distributed in accordance with Article IV and Article VI of the Plan, respectively.

**Classification and Treatment of Classified Claims Against and Interests in Nexa (Debtor 5).**

4.31. Class 1D – Non-Tax Priority Claims.

(a) Impairment and Voting. Class 1D is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

4.32. Class 2D – Other Secured Claims.

(a) Impairment and Voting. Class 2D is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

4.33. Class 3D – General Unsecured Claims.

(a) Impairment and Voting. Class 3D is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of the Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust on the later of the Effective Date and the date such Claim becomes an Allowed General Unsecured Claim, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim against the Nexa Estate. Distributions shall be payable from the Net Distributable Assets of the Nexa Estate within thirty (30) days of the Effective Date or as reasonably practicable thereafter.

4.34. Class 4D – Intercompany Claims.

(a) Impairment and Voting. Class 4D is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan., pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

4.35. Class 5D – Equity Interests.



(a) Impairment and Voting. Class 5D is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, after payment in full of all Allowed General Unsecured Claims against the Nexa Estate, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in Nexa, such Distributions will be paid to the SAI Estate (on account of its Equity Interests in Nexa), will constitute property of the SAI Estate, and will be distributed in accordance with Article VI of the Plan.

**Classification and Treatment of Classified Claims Against and Interests in Remaining Filed Subsidiary Debtors (Debtors 6 Through 10).<sup>6</sup>**

4.36. Class 1E – Non-Tax Priority Claims.

(a) Impairment and Voting. Class 1E is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

4.37. Class 2E – Other Secured Claims.

(a) Impairment and Voting. Class 2E is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

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<sup>6</sup> Remaining Filed Subsidiary Debtors are Penson Execution Services, Inc., Penson Financial Futures, Inc., GHP1, Inc., GHP2, LLC and Penson Futures. The inclusion of the remaining Filed Subsidiary Debtors in the same class is for convenience purposes only. Notwithstanding the inclusion of the remaining Filed Subsidiary Debtors in the same class, nothing in the Plan shall be deemed to substantively consolidate these Debtors. All votes shall be tabulated on a Debtor by Debtor basis and all claims shall be paid only from the assets of the applicable Debtor that is obligated on account of such Allowed Claim.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of the Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

4.38. Class 3E – General Unsecured Claims.

(a) Impairment and Voting. Class 3E is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of the Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim. Distributions shall be payable from the Net Distributable Assets of the Estate against which the Holder's claim is Allowed.

4.39. Class 4E – Intercompany Claims.

(a) Impairment and Voting. Class 4E is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

4.40. Class 5E – Equity Interests.

(a) Impairment and Voting. Class 5E is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, after payment in full of all Allowed General Unsecured Claims against Estates of the Filed Subsidiary Debtors, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in the remaining Filed Subsidiary Debtors, such Distributions will be paid to

SAI Estate, as the parent of the remaining Filed Subsidiary Debtors, will constitute property of the SAI Estate, and will be distributed in accordance with Article VI of the Plan.

## ARTICLE V.

### MEANS FOR IMPLEMENTATION OF THE PLAN

#### 5.1. No Substantive Consolidation of the Debtors.

Notwithstanding anything to the contrary set forth in the Plan, although the Plan is presented as a joint plan of liquidation, the Plan does not provide for the substantive consolidation of the Debtors' Estates, and on the Effective Date the Debtors' Estates shall not be deemed to be substantively consolidated for any reason. Allowed Claims held against one Debtor will be satisfied solely from the Cash and assets of such Debtor and that Debtor's Estate, even after such Debtor's assets are transferred to PTL. Except as specifically set forth in the Plan, nothing in the Plan, the Plan Documents or the Disclosure Statement shall constitute or be deemed to constitute an admission that any one or all of the Debtors is subject to or liable for any Claims against any other Debtor. A Claim against multiple Debtors will be treated as a separate Claim against each Debtor's Estate and the secured portion of such Claim will be determined based on the value of the assets pledged by that Debtor, for all purposes including, but not limited to, voting and distributions made by PTL or the Liquidation Trust; provided, however, that no Claim will receive value in excess of 100% of the Allowed amount of such Claim except upon the Class D Expiration Date if there are sufficient Distributions to provide for such recovery.

#### 5.2. Limited Liability Company and Liquidation Trust.

(a) Formation of Limited Liability Company. On or before the Effective Date, PTL will be formed as a Delaware limited liability company and all assets of the Debtors will be conveyed and transferred to PTL. In connection with the vesting and transfer of the PTL Assets, including the Causes of Action, any attorney-client privilege, work-product protection, common interest privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to PTL shall vest in PTL. The Debtors and the Chief Officer are authorized to take all necessary actions to effectuate the transfer of such privileges, protections and immunities. The Limited Liability Company Agreement of PTL (the "PTL LLC Agreement") will provide for the creation of four classes of membership interests: (i) Class A Units, (ii) Class B Units, (iii) Class C Units, and (iv) Class D Units (collectively "Units"). The PTL LLC Agreement shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders, the Required Consenting Convertible Noteholders and the Committee. PTL will be managed by a board of managers (the "Board of Managers") selected by the Holders of Class A Units, Class B Units and the Committee, in accordance with the terms of the PTL LLC Agreement. The initial Board of Managers will consist of one member appointed by the Committee, one member appointed by the Convertible Noteholders Committee and two members appointed by the Second Lien Noteholders Committee. Class A Units will be distributed to the Second Lien Notes Indenture Trustee, or if the Second Lien Notes Indenture Trustee consents to the direct

distribution to Holders through the facilities of the DTC, to each Holder of an Allowed Second Lien Note Claim, in exchange for their Second Lien Note Claims; provided, that without constituting a waiver of its Charging Lien, the Second Lien Notes Indenture Trustee Fee Claim shall be paid in accordance with Section 10.07 of the Plan. Class B Units will be distributed to and held by (A) the Holders of Convertible Notes in exchange for their Convertible Note Claims; and (B) the Holders of General Unsecured Claims against PWI in exchange for such General Unsecured Claims. Class C Units will be distributed to and held by the Liquidation Trust for the benefit of Holders of General Unsecured Claims of any Debtor other than PWI in exchange for such General Unsecured Claims. Class D Units will be distributed to and held by the Liquidation Trust for the benefit of (i) the Holders of Equity Interests in PWI, in exchange for such Equity Interests, and (ii) the Holders of Securities Law Claims, in exchange for such Claims. All rights of the Holders of Class D Units and the Class D Units themselves shall expire on the Class D Expiration Date and no distributions shall be made by PTL on account of such Units after that date.

(b) Management of PTL.

(1) PTL will be managed by the Chief Officer and a Board of Managers consisting of four managers, two of whom, after the initial appointment, shall be elected by the Holders of Class A Units and one of whom shall be elected by the Holders of Class B Units, and a fourth member shall be elected by the Committee, in accordance with the terms of the PTL LLC Agreement. After payment in full of all amounts payable to the Holders of the Class A Units and Class B Units in connection with such Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full), the Board of Managers of PTL will be appointed by the Liquidation Trust in accordance with the PTL LLC Agreement; provided, however, that the Liquidation Trust shall have no rights to appoint the Board of Managers if such power does not vest prior the Class D Expiration Date. With the exception of amounts distributable to the Holders of Class C Units, which amounts shall be distributed as soon as reasonably practicable after receipt by PTL, the Chief Officer shall have the discretion to determine the timing and amount of any Distributions to the various Holders of Units and to determine the amount of any reserves or other amounts to be retained to fund operating and other expenses of PTL; provided, however, that the Chief Officer shall make Distributions at the timing and in the amount as directed by majority vote of the Board of Managers, as provided in the PTL LLC Agreement. PTL will have authority to retain, on behalf of PTL, any counsel, financial advisors, claims agents, auditors, or other such professionals as PTL deems appropriate at all times. PTL may select any of the foregoing professionals in PTL's sole discretion, and prior employment in any capacity in the Chapter 11 Cases on behalf of the Debtors and the Debtors' estates shall not preclude PTL's retention of such professionals. The relative duties and responsibilities of the Board of Managers and the Chief Officer shall be set forth in the PTL LLC Agreement.

(2) After the Effective Date, all property of PTL shall be managed and administered by PTL in a manner reasonably designed to maximize values. PTL is authorized to prosecute the Assigned Causes of Action for the benefit of any Holders of Allowed Claims who shall be entitled to receive a Distribution under the Plan. If PTL, in the discretion of the

Chief Officer, decides not to sell any non-Cash property or if such property cannot, in the judgment of the Chief Officer, be sold or liquidated in a commercially reasonable manner prior to the Final Distribution Date, PTL shall have the right to abandon or otherwise dispose of such property with the prior approval of the Bankruptcy Court. Absent willful misconduct or fraud in connection therewith, no party in interest shall have a cause of action against PTL, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, or the Debtors, or their respective directors, officers, employees, consultants, trustees or professionals arising from or related to the disposition of non-Cash property in accordance with Section 9.02(b)(ii) of the Plan.

(c) Distributions With Respect to PTL Units. The PTL LLC Agreement will provide that:

(1) Subject to the allocation of those amounts payable in connection with (A) the Class B Units and (B) the Class C Units, the Holders of Class A Units will be entitled to receive from PTL, out of amounts available for Distributions, their Pro Rata share from the liquidation of applicable PTL Assets in an amount not to exceed the Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full); provided, however, that upon the occurrence of the Class D Expiration Date, Holders of the Class A Units shall be entitled to additional distributions as provided in the Plan;

(2) Subject to the allocation of those amounts payable in connection with (A) the Class A Units and (B) the Class C Units, the Holders of Class B Units will be entitled to receive from PTL, out of amounts available for Distributions, their Pro Rata share from the liquidation of applicable PTL Assets in an amount not to exceed the Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full); provided, however, that upon the occurrence of the Class D Expiration Date, Holders of the Class B Units shall be entitled to additional distributions as provided in the Plan;

(3) Subject to the allocation of those amounts payable in connection with (A) the Class A Units and (B) the Class B Units, the Holders of the Class C Units will be entitled to receive from PTL, out of amounts available for Distributions and payable to the Liquidation Trust on each Holders' behalf, their Pro Rata share from the liquidation of applicable PTL Assets in an amount not to exceed the Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full); and

(4) The Holders of Class D Units will be entitled to receive any amounts received by PTL from the liquidation of PTL Assets after the payment in full of all Allowed Claims of the Holders of the Class A Units and the Class B Units; provided, however, that after the Class D Expiration Date, any amounts received by PTL from the liquidation of the PTL Assets shall be distributed to the Holders of Class A Units and Class B Units in proportion to the Allowed Unsecured Claims of the Holders of Class A Units and the Holders of Class B Units after payment of any applicable secured claims.

(d) Creation of the Liquidation Trust. On or before the Effective Date, the Liquidation Trust shall be formed pursuant to the Liquidation Trust Agreement and the filing of

a certificate of trust with the Delaware Secretary of State. The Liquidation Trustee will have authority to retain, on behalf of the Liquidation Trust, any counsel, financial advisors, claims agent, auditors, or other such professionals as it deems appropriate at all times. The Liquidation Trust may select any of the foregoing professionals in the Liquidation Trustee's sole discretion, and prior employment in any capacity in the Chapter 11 Cases on behalf of the Debtors and the Debtors' estates shall not preclude the Liquidation Trust's retention of such professionals. The Liquidation Trust Beneficiaries' interests in the Liquidation Trust shall be uncertificated and, subject to applicable law, shall only be transferrable upon the death of the applicable Liquidation Trust Beneficiary or pursuant to applicable law.

(e) Purpose of the Liquidation Trust. On the Effective Date, (i) the Claims of Holders of General Unsecured Claims against the Debtors other than PWI shall be deemed to be transferred to the Liquidation Trust and the Liquidation Trust shall, in turn, exchange such Claims for the Class C Units in PTL; and (ii) all Securities Claims and Claims with respect to Equity Interests in PWI shall be deemed to be transferred to the Liquidation Trust and the Liquidation Trust shall, in turn, exchange such Claims for the Class D Units in PTL. The Liquidation Trust shall be established as a liquidation trust for the primary purpose of monetizing and distributing the Liquidation Trust Assets to the Liquidation Trust Beneficiaries. Under the terms of the Liquidation Trust, the Liquidation Trustee will establish two sub-trusts: (i) a sub-trust to hold the Class C Units of PTL (the "Creditor Sub-Trust") and (ii) a sub-trust to hold the Class D Units of PTL (the "Equity Interest Sub-Trust"). Amounts held in the Creditor Sub-Trust will be distributed in accordance with the Liquidation Trust Agreement to Liquidation Trust Beneficiaries who formerly held unsecured claims against Debtors other than PWI. The Liquidation Trust shall not distribute any Class C Units thereunder but will only distribute the applicable Distributions received on account of such Class C Units to the applicable Holders of the beneficial interest in the Creditor Sub-Trust. Amounts held in the Equity Interest Sub-Trust, if any, shall be distributed in accordance with the Liquidation Trust Agreement, with payments first made Pro Rata to the Holders of Securities Claims, until Paid in Full, and thereafter Pro Rata to the former Holders of Equity Interests in PWI. The Liquidation Trust shall not distribute any Class D Units thereunder but will only distribute the applicable Distributions received on account of such Class D Units to the applicable Holders of the beneficial interest in the Equity Interest Sub-Trust.

(f) Transfer Taxes. Any transfer of the PTL Assets to PTL or the Liquidation Trust Assets to the Liquidation Trust shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax to the extent permitted under section 1146(a) of the Bankruptcy Code.

(g) Federal Income Tax Treatment.

(1) PTL shall be taxable as a partnership for all federal and state income tax purposes and no member or manager of PTL shall be permitted to make any election inconsistent with such treatment.

(2) The Liquidation Trust will be established for the sole purpose of distributing the Liquidation Trust Assets, and any proceeds therefrom, in accordance with

Treasury Regulation section 301.7701-4(d) and Revenue Procedure 94-45, with no objective to continue or engage in the conduct of a trade or business. The Liquidation Trust is intended to qualify as a liquidation trust for U.S. federal income tax purposes. In general, a liquidation trust is not a separate taxable entity for U.S. federal income tax purposes, but is instead treated as a grantor trust, i.e., pass-through entity. All parties must treat the transfer of the portion of the Liquidation Trust Assets attributable to the Liquidation Trust Beneficiaries as a transfer of such assets directly to the Liquidation Trust Beneficiaries. Consistent therewith, all parties must treat the Liquidation Trust as a grantor trust of which the Liquidation Trust Beneficiaries are the owners and grantors. Subject to the terms of the Liquidation Trust Agreement, the Liquidation Trustee will determine the fair market value of the Liquidation Trust Assets as soon as possible after the Effective Date, and the Liquidation Trust Beneficiaries and the Liquidation Trustee must consistently use this valuation for all U.S. federal income tax purposes, including for determining gain, loss or tax basis.

(h) Reserves. PTL shall establish a PTL Reserve on account of Claims against any Debtor that are Disputed. PTL may, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), (i) make an election pursuant to Treasury Regulation section 1.468B-9 to treat the PTL Reserve as a “disputed ownership fund” within the meaning of that section, (ii) allocate taxable income or loss to the PTL Reserve, with respect to any given taxable year (but only for the portion of the taxable year with respect to which such Claims are Disputed), and (iii) distribute assets from the PTL Reserve as, when, and to the extent, such Claims that are Disputed cease to be Disputed, whether by virtue of becoming Allowed or otherwise resolved. Unit Holders shall be bound by such election, if made by the Board of Managers of PTL, and as such shall, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

(i) Dissolution.

(1) PTL shall continue in existence until such time as PTL is dissolved in accordance with the terms of the PTL LLC Agreement.

(2) The Liquidation Trust shall be dissolved no later than five (5) years from the Effective Date; provided, however, that the term of the Liquidation Trust may be extended if the Class D Unit Expiration Date does not occur on the fifth anniversary of the Effective Date.

(j) Securities Law Matters. To the extent the interests in PTL or the Liquidation Trust are deemed to be “securities,” the issuance of such interests under the Plan are exempt, pursuant to section 1145 of the Bankruptcy Code, from registration under the Securities Act of 1933, as amended, and any applicable state and local laws requiring registration of securities.

(k) Transferred Third-Party Cause of Action. Any Holder of a Claim may elect to assign to PTL, by written instrument executed by such Holder, any Third-Party Cause of Action that such Holder may have (such Holder a “Third-Party Cause of Action”

Transferor”). A Third-Party Cause of Action Transferor executing such instrument shall be deemed to transfer any Third-Party Cause of Action such Holder may have to PTL as of the date of such transfer. PTL shall not be obligated to pursue any transferred Third-Party Cause of Action and, as assignee of such Transferred Third-Party Causes of Action, all decisions with respect to such Transferred Third-Party Causes of Action, including, without limitation, decisions with respect to the prosecution and settlement of such Transferred Third Party Causes of Action, shall belong solely to PTL. For purposes of distributions, the proceeds of any transferred Third-Party Causes of Action shall be deemed general property of PWI’s estate and any proceeds thereof shall be distributed in accordance with Article IV of the Plan without regard to the identity or status of the Third-Party Cause of Action Transferor. For avoidance of doubt, after the transfer a Third-Party Cause of Action, Transferor shall have no direct interest in the Transferred Third-Party Cause of Action, and any right to distributions of proceeds from such Transferred Third-Party Cause of Action by a Third-Party Cause of Action Transferor will be solely by virtue of the terms of the Plan and such Third-Party Cause of Action Transferor’s status as a Unit holder in PTL.

### 5.3. Approval of Plan Documents.

The solicitation of votes on the Plan shall be deemed a solicitation for the approval of the Plan Documents and all transactions contemplated hereunder. Entry of the Confirmation Order shall constitute approval of the Plan Documents and such transactions. On the Effective Date, the PTL shall be authorized to enter into, file, execute and/or deliver each of the Plan Documents and any other agreement or instrument issued in connection with any Plan Document without the necessity of any further corporate, board or shareholder action.

### 5.4. Settlement of Claims and Controversies.

(a) Settlement Under the Plan: Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all released claims against the Released Parties, and the Plan constitutes a request for the Bankruptcy Court to authorize and approve such compromise and settlement, to release all of the released claims belonging to the Debtors’ Estates and any other Person that is deemed to have given a release pursuant to Section 14.06 of the Plan against each and every and all Released Parties (the “Settlement”). Distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Settlement. Entry of the Confirmation Order shall confirm the Bankruptcy Court’s approval, as of the Effective Date of the Plan, of all components of the Settlement and the Bankruptcy Court’s finding that the Settlement is in the best interests of the Debtors, their respective Estates, PTL, the Liquidation Trust, and the Holders of Claims and interests, and is fair, equitable and reasonable.

(b) Intercompany Claims Settlement Under the Plan. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, provisions of the Plan constitute a good faith compromise and settlement of all Intercompany Claims, including, without limitation, the PWI Subordinated Loan Claim, the SAI Subordinated Loan Claim, and Promissory Note Claim



(the “Intercompany Claims Settlement”), and the Plan constitutes a request to authorize and approve the Intercompany Claims Settlement. Pursuant to the Intercompany Claims Settlement, in full satisfaction of the Promissory Note Claim, 40% of all proceeds from the Illiquid Instruments, up to \$3,500,000, shall be distributed to the PFSI Estate. No further distributions on account of the Promissory Note Claim will be made. Entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval, as of the Effective Date of the Plan, of the Intercompany Claims Settlement and the Bankruptcy Court’s finding that the Intercompany Claims Settlement is in the best interests of the Debtors, their respective Estates, PTL, the Liquidation Trust and the Holders of Claims and interests, and is fair, equitable and reasonable.

## ARTICLE VI.

### CORPORATE GOVERNANCE AND ACTIONS

#### 6.1. Post-Effective Date Corporate Existence.

On the later of the Effective Date and the transfer of all the Debtors’ assets to PTL as provided in Section 9.02 of the Plan, except to the extent that the Debtors or the Chief Officer determine otherwise, each of the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that each Debtor shall file with the Office of the Secretary of State for the state of its incorporation or formation, a certificate of dissolution which may be executed by an officer of such Debtor or the Chief Officer on behalf of such Debtor without the need for approval by any board of directors, stockholders, members, or managers, as applicable. From and after the Effective Date, the Debtors shall not be required to file any document, or take any other action, or obtain any approval from any Debtor’s board of directors, stockholders, members, or managers to withdraw such Debtor’s business operations from any states in which the Debtors previously conducted the Company’s business operations.

#### 6.2. Corporate Action.

On or prior to the Effective Date, any Debtor and, after the Effective Date, PTL, may enter into or undertake any corporate transactions or other entity transactions (collectively, “Corporate Transactions”) and may take such actions as may be determined by such Debtor or PTL to be necessary or appropriate to effect such Corporate Transactions. The actions to effect the Corporate Transactions may include, without limitation: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, conversion, restructuring, recapitalization, disposition, liquidation or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law and such other terms to which the applicable entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, disposition, or delegation of any asset, property, right, liability, duty or obligation on terms consistent with the terms of the Plan and having such other terms to which the applicable entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, conversion or dissolution (or similar instrument) pursuant to applicable law; and (iv) all other actions which the applicable entities may determine to be

necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with such Corporate Transactions. The Corporate Transactions may include one or more mergers, consolidations, conversions, restructurings, recapitalizations, dispositions, liquidations or dissolutions, as may be determined by the applicable Debtors or Chief Officer to be necessary or appropriate to effect the purposes of such Corporate Transactions for the benefit of PTL. In each case in which the surviving, resulting or acquiring Person in any such transaction is a successor to a Debtor, such surviving, resulting or acquiring Person will perform the obligations of the applicable Debtor pursuant to the Plan to pay or otherwise satisfy the Allowed Claims against such Debtor, except as provided in any contract, instrument or other agreement or document effecting a disposition to such surviving, resulting or acquiring Person, which may provide that another Debtor will perform such obligations. Implementation of the Corporate Transactions shall not affect any distributions, discharges, exculpations, releases or injunctions set forth in the Plan. On or prior to, or as soon as practicable after, the Effective Date, the Debtors or PTL may take such steps as the Debtors or PTL may deem necessary or appropriate to effectuate any Corporate Transactions that satisfy the requirements set forth in this Section 10.02. The corporate transactions shall be authorized and approved by the Confirmation Order pursuant to, among other provisions, sections 1123 and 1141 of the Bankruptcy Code and Titles 6 and 8 of the Delaware Code, if applicable, without any further notice, action, third-party consents, court order, or process of any kind, except as otherwise set forth in the Plan or in the Confirmation Order.

6.3. Officers and Boards of Managers.

Effective as of the Effective Date, the Board of Managers of PTL shall be comprised of two members appointed by the Second Lien Noteholders Committee, one member appointed by the Convertible Noteholders Committee and one member appointed by the Committee. The Chief Officer may be removed by majority vote of the Board of Managers. The relative duties and responsibilities of the Board of Managers and the Chief Officer shall be set forth in the PTL LLC Agreement. Effective as of the Effective Date, members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Debtor(s) or PTL on or after the Effective Date.

6.4. Payment of Wind-Down Expenses.

PTL Wind-Down Expenses shall be paid by the Chief Officer from the PTL Assets, as set forth in the PTL LLC Agreement, and Liquidation Trust Wind-Down Expenses shall be paid by the Liquidation Trustee from the Liquidation Trust Assets, as set forth in the Liquidation Trust Agreement.

6.5. Cancellation of Existing Securities and Agreements.

On the Effective Date, any document, agreement or instrument evidencing any Claim (including, but not limited to, the Indentures and the Notes (except to the extent otherwise provided in the Plan)) or Equity Interests in PWI and Filed Subsidiary Debtors shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order, or

rule and the obligations of the Debtors under such documents, agreements, or instruments evidencing such Claims and Equity Interests, as the case may be, shall be discharged.

6.6. Second Lien Notes and Convertible Notes.

Notwithstanding anything in the Plan to the contrary, the applicable provisions of the Indentures shall continue in effect solely for the purposes of permitting the Indenture Trustees to: (i) make the distributions to be made to Holders of Allowed Second Lien Note Claims and Allowed Convertible Note Claims, as contemplated by Article IV and Article VI of the Plan; and (ii) preserving the rights of the applicable Indenture Trustee under the applicable Indenture, including, without limitation: (a) such Indenture Trustee's rights to pursue claims or actions against non-Debtors, (b) such Indenture Trustee's Charging Lien, and (c) such Indenture Trustee's rights with respect to compensation, reimbursement of expenses (including attorney's fees), and indemnity under the applicable Indenture; provided, however, that, except as set forth in Section 10.07 of the Plan, such rights against the Debtors and Charging Liens are limited to the distributions, if any, to the Holders of the Allowed Second Lien Note Claims and Allowed Convertible Note Claims, as applicable. The Holders of or parties to such cancelled (or converted, as applicable) instruments, securities and other documentation will have no rights against the Debtors arising from or relating to such instruments, securities and other documentation or the cancellation (or conversion, as applicable) thereof, except the rights provided pursuant to the Plan.

6.7. Rights of the Indenture Trustees.

(a) In full satisfaction of any Allowed Indenture Trustee Fee Claims for fees and expenses incurred through the Effective Date, including to the extent such Allowed Indenture Trustee Fee Claims are secured by any Charging Liens under the Indentures, PTL will distribute to the Indenture Trustees on the Effective Date, or as soon thereafter as practicable, Cash equal to the amount of the Allowed Indenture Trustee Fee Claims; provided, however, that with respect to Claims to which the Debtors or PTL shall have objected as set forth in subsection 10.07(b) of the Plan, no distribution, solely in respect of the disputed portion of such Claim, shall be payable by the Debtors or PTL hereunder until such objection has been resolved. To the extent the Indenture Trustees incur fees or expenses after the Effective Date, the Indenture Trustees shall be compensated and reimbursed for such fees and expenses as Wind-Down Expenses, subject to the conditions set forth in subsection 10.07(b) of the Plan.

(b) As a condition to receiving payment thereof from the Debtors or PTL, each Holder of an Indenture Trustee Fee Claim shall deliver to the Debtors (or, if after the Effective Date, the Chief Officer), written copies of invoices in respect of such claims, with narrative descriptions of the services rendered (including appropriate redactions to preserve privileged matters) and itemization of expenses incurred in such detail and with supporting documentation as is customary for an Indenture Trustee. An Indenture Trustee Fee Claim shall be deemed Allowed and shall be promptly paid, except to the extent the Debtors (or, if after the Effective Date, the Chief Officer) object within fifteen (15) business days after receipt of such invoices and supporting documentation based upon a "reasonableness" standard in accordance with the applicable Indenture. If the Debtors or the Chief Officer timely object to the request

for payment of any Indenture Trustee Fee Claim, the undisputed amount of any Indenture Trustee Fee Claims with respect to which such objection(s) are pending shall be Allowed and paid by PTL on the Effective Date or as soon thereafter as reasonably practicable. PTL shall not be required to make any payments with respect to the disputed portion of an Indenture Trustee Fee Claim as to which the Debtors (or the Chief Officer) have objected until resolved or determined by the Bankruptcy Court. In the event such objector(s) are unable to resolve a dispute as to an Indenture Trustee Fee Claim, each Indenture Trustee may, in its sole discretion, elect to (i) submit any such dispute to the Bankruptcy Court for resolution by application requesting payment of the disputed portion of the Indenture Trustee Fee Claims in accordance with the reasonableness standards set forth in the applicable Indenture (and not subject to the requirements of sections 503(b)(3) and (4) of the Bankruptcy Code, which shall not apply) or (ii) assert its Charging Lien to obtain payment of a disputed portion of the Indenture Trustee Fee Claim in lieu of Bankruptcy Court resolution described in subsection (i).

(c) As soon as practicable after the Effective Date, the applicable Indenture Trustee or the Claims and Voting Agent shall transmit a notice to holders of Notes via DTC, advising such holders of the effectiveness of the Plan and providing instructions to such holders to tender their Notes in accordance with the applicable Indenture in exchange for the Distributions to be made pursuant to the Plan. Delivery of any Note will be effected, and risk of loss and title thereto shall pass, only upon delivery of such Note to the applicable Indenture Trustee in accordance with the terms and conditions of such notice to holders of Notes, such notice to holders of Notes to be in such form and have such other provisions as the Debtors may reasonably request. Each holder of any Note shall surrender such Note to the applicable Indenture Trustee. No Distribution hereunder shall be made to or on behalf of any such holder unless and until such Note is received by the relevant Indenture Trustee, or the loss, theft or destruction of such Note is established to the satisfaction of the relevant Indenture Trustee, including requiring such holder (i) to submit a lost instrument affidavit and an indemnity bond, and (ii) to hold the Debtors and the relevant Indenture Trustee harmless in respect of such Note and any Distributions made in respect thereof. Upon compliance with this Section by a holder of any Note, such holder shall, for all purposes under the Plan, be deemed to have surrendered such Note. Any such holder that fails to surrender such Note or satisfactorily explain its non-availability to the applicable Indenture Trustee within three (3) months of the Effective Date shall be deemed to have no further Claim against the Debtors, the Debtors' estates, the Debtors' property, PTL or the applicable Indenture Trustee in respect of such Claim and shall not participate in any Distributions under the Plan, and the Distribution that would otherwise have been made to such holder shall be distributed by the applicable Indenture Trustee to all applicable holders who have surrendered their Notes or satisfactorily explained their non-availability to the applicable Indenture Trustee within three (3) months of the Effective Date.

(d) All Distributions to be made under the Plan (i) to Holders of Allowed Convertible Note Claims shall be made to the Convertible Notes Indenture Trustee and (ii) to Holders of Allowed Second Lien Note Claims shall be made to the Second Lien Notes Indenture Trustee, unless the applicable Indenture Trustee consents to the direct distribution through DTC, and, subject at all times to the applicable Indenture Trustee's Charging Lien, the Indenture Trustees shall transmit such Distributions to their respective Holders of such Allowed

Claims, to be applied as follows: first, to any principal or premium then outstanding on the relevant Notes, and second, to any interest or other amounts then outstanding on such Notes. Notwithstanding the foregoing, nothing in the Plan shall modify or impair any Indenture Trustee's rights relating to such Indenture Trustee's Indenture Trustee Fee Claims. All payments to such Holders shall only be made after the surrender by each such holder of the Note certificates representing such Claim, or in the event that such certificate is lost, stolen, mutilated or destroyed, upon the holder's compliance with the requirements set forth in §10.07(c) of the Plan. Upon surrender of such Note certificates, the applicable Indenture Trustee shall cancel and destroy such Notes. As soon as practicable after surrender of Note certificates evidencing such Allowed Note Claims, the applicable Indenture Trustee shall distribute to the holder thereof such holder's pro rata share of the Distribution, but subject to the rights of such Indenture Trustee to assert its Charging Lien against such Distribution.

(e) Consistent with Bankruptcy Rule 3003(c), the Debtors shall recognize a proof of claim filed by any Indenture Trustee (or if no proof of claim is filed, the applicable Allowed Claims described in the Plan), in respect of any of the Notes, and any proof of claim which is filed by the registered or beneficial holder of such Notes may be disallowed as duplicative of the Claim of the applicable Indenture Trustee without need for any further action or order by the Bankruptcy Court.

## **ARTICLE VII.**

### **PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE PLAN**

#### **7.1. Nonconsensual Confirmation.**

If any impaired Class of Claims entitled to vote shall not accept the Plan by the requisite statutory majority provided in section 1126(c) of the Bankruptcy Code, the Debtors shall have the right to amend the Plan in accordance with Section 17.09 of the Plan or to ask the Bankruptcy Court to confirm the Plan under section 1129(b) of the Bankruptcy Code, or both. With respect to impaired Classes of Claims and Equity Interests that are deemed to reject the Plan, the Debtors shall request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code.

#### **7.2. Elimination of Vacant Classes.**

Any Class of Claims or Equity Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Equity Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

#### **7.3. Voting Classes.**

Except for Holders of Claims or Interest in Classes that are deemed to have accepted or rejected the Plan pursuant to the terms of the Plan, if, at the time of the Confirmation Hearing, there are any Holders of Claims or Interests in a particular Impaired Class of Claims or Interests that were given the opportunity to vote to accept or reject the Plan and were notified that a failure of any Holders of Claims or Interests in such Impaired Class of Claims or Interests to vote to accept or reject the Plan would result in such Impaired Class of Claims or Interests being deemed to have accepted the Plan, but no Holders of Claims or Interests in such Impaired Class of Claims or Interests voted to accept or reject the Plan, then the Debtors reserve the right to seek, on reasonable notice to parties in interest with an opportunity to object and be heard, to have such Class of Claims or Interests deemed to have accepted the Plan. If there is no impaired accepting Class with respect to any of the Filed Subsidiary Debtors 6 through 10, the Debtors reserve the right to effect mergers and dissolutions with respect to Filed Subsidiary Debtors 6 through 10 and to take and cause to be taken such actions in order to carry out such mergers and dissolutions, on such terms and conditions the Debtors may deem necessary or desirable.

#### 7.4. Distributions.

Pursuant to the terms and provisions of the Plan, PTL or the Liquidation Trustee or, with respect to Second Lien Note Claim, the Second Lien Notes Indenture Trustee and with respect to Convertible Note Claim, the Convertible Notes Indenture Trustee, shall make the required Distributions specified under the Plan, on or as soon as practicable after the Initial Distribution Date, Interim Distribution Date, or Final Distribution Date, as the case may be, under the Plan. Any payment of Cash made by PTL or the Liquidation Trustee pursuant to the Plan shall, at the option of PTL or the Liquidation Trustee, as applicable, be made by check drawn on a domestic bank or wire transfer.

#### 7.5. Insurance Claims.

That portion of each Allowed Claim that is an Insurance Claim shall be paid by PTL solely and exclusively: (a) from the proceeds of insurance relating to such Insurance Claim as and when such proceeds are received; or (b) by the applicable insurance carrier to the extent of such insurance. Notwithstanding the foregoing, an Allowed Claim, or any portion thereof, for which insurance coverage may be available shall not be treated as an Insurance Claim under the Plan until the Holder of such Allowed Claim has actually received payment from the applicable insurance carrier, its assignee, successor or affiliate (collectively, the “Insurer”), in respect of such Claim or portion thereof. If the Holder of an Allowed Claim does not receive payment from the applicable Insurer for any reason (other than as a result of the Holder’s willful misconduct or gross negligence), distributions under the Plan to such Holder, if any, shall not be reduced on account of the insured portion of such Claim; provided, that, as a condition to any distribution from PTL to the Holder of an Allowed Claim, all or some of which may be covered by insurance, the Holder of such Claim shall be deemed to have assigned to PTL such Holder’s right to receive payments on the Claim from the Insurer to the extent of the distribution under the Plan and shall pay to PTL any amounts paid by the Insurer to or on behalf of such Holder to the extent of the distribution (except to the extent such amounts have been paid by the Insurer to PTL). If a Holder reasonably determines to abandon attempts to collect insurance from an Insurer, the Holder shall give 10 Business Days’ notice thereof to PTL, and at the expiration of

such notice period may abandon attempts to collect such amounts from the Insurer and PTL shall thereupon be entitled to all rights of the Holder against the Insurer with respect to such amounts.

7.6. Timing of Distributions.

In the event that any payment, distribution, or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or distribution or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Any requirement under the Plan that PTL or Liquidation Trustee make a payment or distribution on a date shall mean that such party is required to commence the process of making a payment or distribution on such date or as soon as reasonably practicable thereafter.

7.7. Holders as of the Distribution Record Date.

As of the close of business on the Distribution Record Date: (i) the claims register maintained in the Chapter 11 Cases shall be closed; (ii) the transfer of books and records of the Notes as maintained by the applicable Indenture Trustee or its agent shall be closed; and (iii) any transfer of any Claim or any interest therein, including, without limitation, any of the Notes, shall be prohibited. Neither the Debtors, PTL, nor the Indenture Trustees, if applicable, shall have any obligation to recognize any transfer of any Claim or any interest therein, including, without limitation, any of the Notes, occurring after 5:00 p.m. (prevailing Eastern Time) on the Distribution Record Date, and instead may, in their sole discretion, recognize and deal for all purposes under the Plan with only those holders of record as of 5:00 p.m. (prevailing Eastern Time) on the Distribution Record Date.

7.8. Distribution to Address of Record.

Subject to Bankruptcy Rule 9010, and except as set forth in Section 11.08 of the Plan, all distributions under the Plan to Holders of Allowed Claims shall be made to the Holder of each Allowed Claim at the address of such Holder as listed on the Schedules as of the Distribution Record Date, unless the Debtors or, on and after the Effective Date, PTL and the Liquidation Trustee, have been notified in writing of a change of address, including, without limitation, by the timely filing of a proof of claim by such Holder that provides an address for such Holder different from the address reflected on the Schedules. In the event that any distribution to any such Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the appropriate PTL or the Liquidation Trustee, as applicable, has been notified of the then current address of such Holder, at which time or as soon as reasonably practicable thereafter, such distribution shall be made to such Holder without interest; provided, however, that, at the later of the expiration of one (1) year from the Effective Date and the date a Claim becomes an Allowed Claim, such distributions shall be deemed unclaimed property and shall revert in PTL or the Liquidation Trust, as applicable, and be distributed to other Holders of Allowed Claims, in accordance with the Plan or otherwise ordered by the Bankruptcy Court.

7.9. Minimum Distributions.

PTL or the Liquidation Trustee shall not be obligated to make any payment of Cash of less than one hundred dollars to any Holder of an Allowed Claim. Notwithstanding anything contained in the Plan to the contrary, if, on any Distribution Date there remains \$10,000 or less available for distribution to Holders of Allowed General Unsecured Claims, in lieu of making any further distributions to the Holders of such Claims, PTL or the Liquidation Trust may distribute such Cash to the charity of its choice.

7.10. Unclaimed Distributions.

All distributions to Holders of Allowed Claims under the Plan that are unclaimed for a period of one (1) year after distribution thereof shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code, and any entitlement of any Holder of any Claim to such distributions shall be extinguished and forever barred. All such unclaimed property shall revert in PTL or the Liquidation Trust and be distributed to other Holders of Allowed Claims or donated in accordance with the Plan or otherwise ordered by the Bankruptcy Court.

7.11. Setoffs.

PTL may, but shall not be required to, set off against any Claim (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any Causes of Action of any nature whatsoever that the Debtors may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or PTL of any such Causes of Action that the Debtors or PTL may have against the Holder of such Claim.

7.12. Allocation of Plan Distributions Between Principal and Interest.

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

7.13. Estimation of Claims; Certain Reserves.

For purposes of calculating and making distributions under the Plan, PTL shall be entitled to estimate, in good faith and with due regard to litigation risks associated with Disputed Claims that are contingent and/or unliquidated and the maximum dollar amount of Allowed and Disputed Claims that are contingent and/or unliquidated Claims in a particular class. PTL also shall be entitled to seek one or more estimation orders from the Bankruptcy Court for such purposes, which requests may be joined with objections to the Claims that are subject to any such request. Appropriate Disputed Claims reserves shall be established for each category of Claims as to which estimates are utilized or sought. With respect to Insurance Claims, PTL shall not be required to establish a PTL Reserve on account of any portion of an Insurance Claim that in Chief Officer's good faith will be paid from available insurance coverage. Notwithstanding the foregoing or anything else in the Plan or the Confirmation Order: (i) neither PTL nor the



Chief Officer shall be obligated to physically segregate and maintain separate accounts for PTL Reserves; and (ii) unless otherwise ordered by the Bankruptcy Court, PTL Reserves shall not be required to be established or maintained with respect to Claims or Administrative Expense Claims filed after the applicable Bar Date. The PTL Reserves may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time and evergreen in nature, as appropriate.

7.14. Non Recourse.

Notwithstanding that the Allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is Allowed in an amount for which after application of the payment priorities established by the Plan there is insufficient value to provide a recovery equal to that received by other Holders of Allowed Claims in the respective Class, no Claim Holder shall have recourse against PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, the Debtors, or any of their respective professionals, consultants, officers, directors, employees or members or their successors or assigns, or any of their respective property. THE ESTIMATION OF CLAIMS AND THE ESTABLISHMENT OF RESERVES UNDER THE PLAN MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.

7.15. Satisfaction of Claims and Equity Interests.

Unless otherwise provided in the Plan or the Confirmation Order, any distributions and deliveries to be made on account of Allowed Claims under the Plan shall be in complete settlement, satisfaction and release of any right to distributions from the Debtors' Estates on account of such Allowed Claims.

7.16. Withholding and Reporting Requirements.

In connection with the Plan and all distributions thereunder, PTL and the Liquidation Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Distributions hereunder shall be subject to any such withholding and reporting requirements. PTL and the Liquidation Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of any Distribution to generate sufficient funds to pay applicable withholding taxes or establishing any other mechanisms PTL or the Liquidation Trustee believe are reasonable and appropriate, including requiring a Holder of a Claim to submit appropriate tax and withholding certifications. Notwithstanding any other provision of the Plan, (a) each Holder of an Allowed Claim or Allowed Interest that is to receive a distribution under the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations on account of such distribution, and (b) no Distributions shall be required to be made to or on behalf of such Holder pursuant to the Plan unless and until such Holder has made arrangements satisfactory to PTL and

the Liquidation Trustee for the payment and satisfaction of such tax obligations or has, to the PTL's and the Liquidation Trustee's satisfaction, established an exemption therefrom.

## **ARTICLE VIII.**

### **PROCEDURES RELATING TO DISPUTED CLAIMS**

#### **8.1. Objections to Administrative Expense Claims and Claims.**

Following the Effective Date, PTL, through the Chief Officer, shall be entitled to object to Administrative Expense Claims and Claims. Any objections to Administrative Expense Claims and Claims shall be filed and served on or before the later of (i) one hundred and twenty (120) days after the Effective Date, and (ii) such later date as may be fixed by the Bankruptcy Court, which later date may be fixed before or after the date specified in clause (i) above. No objection shall be required with respect to a proof of Claim or proof of Administrative Expense Claim filed after the applicable Bar Date, and any and all such Claims and Administrative Expense Claims shall be deemed disallowed unless otherwise ordered by the Bankruptcy Court after notice and a hearing. Any objections to Administrative Expense Claims and Claims shall be handled by PTL through the Chief Officer.

#### **8.2. Amendments to Claims.**

After the Confirmation Date, a proof of Claim or Administrative Expense Claim may not be amended without the authorization of the Bankruptcy Court. Any amendment to a proof of Claim or Administrative Expense Claim submitted after the Confirmation Date shall be deemed disallowed in full and expunged without any action by the Debtors or PTL, unless the holder of the Claim or Administrative Expense Claim has obtained prior Bankruptcy Court authorization to file the amendment.

#### **8.3. No Distributions Pending Allowance.**

Notwithstanding any other provision of the Plan, if any portion of a Claim or Administrative Expense Claim is Disputed, no payment or distribution provided hereunder shall be required to be made on account of such Claim or Administrative Expense Claim unless and until such Disputed Claim or Administrative Expense Claim becomes Allowed in its entirety.

#### **8.4. Resolution of Disputed Claims.**

On and after the Effective Date, PTL, through the Chief Officer, shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims without approval of the Bankruptcy Court. The reasonable fees and expenses (including reasonable attorneys' fees and costs) that are incurred by PTL and the Chief Officer shall be borne by PTL.

#### **8.5. Resolution of Disputed Insurance Claims.**

All Insurance Claims not previously Allowed shall be considered to be Disputed Claims as of the Effective Date such that no objection to an Insurance Claim is required to be filed. All Insurance Claims shall be litigated to an order of a court of competent jurisdiction over such claim except to the extent that PTL, through the Chief Officer, in conjunction with the Debtors' applicable insurer, and the Holder of the Disputed Insurance Claim compromise, settle or otherwise resolve the respective Insurance Claim or agree to another method of claim resolution such as mediation or arbitration, in which event they may settle, compromise or otherwise resolve any Disputed Claim without further order of the Bankruptcy Court or any other court.

## ARTICLE IX.

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

#### 9.1. Rejection or Assumption and Retention or Assignment.

(a) Assumption or Rejection of Executory Contracts and Unexpired Leases.  
Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code:

(1) all executory contracts and unexpired leases of the Debtors shall be deemed to be rejected by the applicable Debtor as of the Confirmation Date, subject to the occurrence of the Effective Date, except for any executory contract or unexpired lease: (a) that previously has been assumed and/or assigned pursuant to an order of the Bankruptcy Court entered prior to the Effective Date; (b) as to which a motion for approval of the assumption and/or assignment of such executory contract or unexpired lease has been filed and served prior to the Confirmation Date; or (c) that is specifically designated as a contract or lease to be assumed and/or assigned or retained on Schedule 13.01, which schedule shall be contained in the Plan Supplement and shall list corresponding Cure Amounts;

(2) notwithstanding anything otherwise in the Plan to the contrary, the Debtors reserve the right, on or prior to the Effective Date, to amend Schedule 13.01 to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be, as applicable, rejected, assumed and/or assigned or retained. The Debtors shall provide notice of any amendments to Schedule 13.01 to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document on Schedule 13.01 shall not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder.

(b) Approval of Assumptions, Retentions and Rejections by Confirmation Order. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections, retentions, assumptions and/or assignments contemplated by the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed pursuant to Section 13.01(a) shall vest in and be fully enforceable by PTL in accordance with its terms, except as modified by the provisions of the Plan, or any order of the Bankruptcy Court authorizing or providing for its assumption or applicable federal law. The

Debtors reserve the right to file a motion on or before the Confirmation Date to assume or reject any executory contract or unexpired lease.

9.2. Cure of Defaults.

(a) Generally. Except as may otherwise be agreed to by the Debtors or the Chief Officer, as the case may be, and the non-Debtor party to the contract or lease, within thirty (30) days after the Effective Date, PTL shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed by the Debtors pursuant to the Plan, in accordance with section 365(b) of the Bankruptcy Code. Subject to the last sentence of Section 13.02(b) of the Plan, all disputed defaults that are required to be cured shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of PTL's liability with respect thereto, or as may otherwise be agreed to by the parties.

(b) Notice of Proposed Cure. The Debtors shall, prior to the conclusion of the Confirmation Hearing, file and serve on parties to executory contracts and unexpired leases that may be assumed pursuant to Section 13.01 of the Plan a notice (the "Cure Notice") listing the proposed Cure Amount to be paid in connection with the executory contracts and unexpired leases that may be Assumed, retained, assumed and/or assigned pursuant to Section 13.01(a) of the Plan. The non-Debtor parties to such contracts and leases shall have until fifteen (15) days following service of the Cure Notice to object in writing to the proposed cure and to propose an alternative cure. In the event that no objection is timely filed, the applicable party shall be deemed to have consented to the cure proposed by the Debtors (including amounts of compensation for actual pecuniary loss) and shall be forever enjoined and barred from seeking from the Debtors, PTL, the Chief Officer and the Liquidation Trustee any additional amount on account of the Debtors' cure obligations under section 365 of the Bankruptcy Code. If an objection is timely filed with respect to the Cure Amount proposed by the Debtors for an executory contract or unexpired lease, the Bankruptcy Court shall hold a hearing to determine the amount of any disputed cure amount not settled by the parties. Notwithstanding anything otherwise to the contrary, at all times through the date that is thirty (30) days after the entry of a Final Order resolving and fixing the amount of a disputed cure amount, whether such date is before or after the Effective Date, each of the Debtors and PTL shall be authorized to reject such executory contract or unexpired lease by notice to the non-debtor party to such executory contract or unexpired lease.

9.3. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 13.01 of the Plan must be filed with the Bankruptcy Court and served upon the Debtors in accordance with the Bar Date Order. All such Claims not filed within such time will be forever barred from assertion against the Debtors and their estates, and PTL.

**ARTICLE X.**

**EFFECT OF CONFIRMATION AND INDEMNIFICATION,  
RELEASE, INJUNCTIVE AND RELATED PROVISIONS**

10.1. **Binding Effect.**

From and after the Confirmation Date, but subject to the occurrence of the Effective Date, the Plan shall be binding and inure to the benefit of the Debtors, all present and former Holders of Claims and Equity Interests, and their respective assigns, including PTL.

10.2. **Vesting of Assets.**

Upon the Effective Date and the transfer of the PTL Assets to PTL and the Liquidation Trust Assets to the Liquidation Trust, as applicable, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, any assets of the Debtors and Estates shall vest in PTL or the Liquidation Trust, as applicable, in each case free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as otherwise provided in the Plan or in the Confirmation Order. Pursuant to section 1123(b)(3) of the Bankruptcy Code and the terms of the Plan, PTL shall retain and shall have the exclusive rights, in its discretion to enforce against any Person any and all Causes of Action that constitute PTL Assets.

10.3. **Term of Pre-Confirmation Injunctions or Stays.**

Unless otherwise provided in the Plan, the Confirmation Order, or a separate order from the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases in accordance with 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 the later of (i) the Effective Date, (ii) the date indicated in such applicable order, (iii) the dissolution of PTL, or (iv) the dissolution of the Liquidation Trust.

10.4. **Injunction Against Interference with Plan.**

Upon the entry of the Confirmation Order, all Holders of Claims and Equity Interests and other parties in interest, along with their respective present or former affiliates, employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

10.5. **Injunction.**

Except as otherwise expressly provided in the Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Liens, Claims, liabilities or encumbrances against or Equity Interests in, any or all of the Debtors, along with their respective present or former employees, agents, officers, directors, or principals, are permanently enjoined, with respect to any such

Liens, Claims, liabilities or encumbrances or Equity Interests, as of the Confirmation Date but subject to the occurrence of the Effective Date, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor; (b) enforcing, levying, attaching (including any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtors, PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, or any of their property (including, without limitation, the PTL Assets and the Liquidation Trust Assets, as applicable), or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, or any of their property (including, without limitation, the PTL Assets and the Liquidation Trust Assets, as applicable), or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (d) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; (e) taking any actions to interfere with the implementation or consummation of the Plan; and (f) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan, such as commencing or continuing in any manner any action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to the Plan; provided, however, that nothing contained in the Plan shall preclude such Persons from exercising their rights arising under and consistent with the terms of the Plan.

#### 10.6. Releases.

(a) **Releases by the Debtors.** Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, the Debtors, in their individual capacities and as debtors in possession, and PTL shall be deemed to forever release and waive all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, which are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or before the Effective Date in any way relating to the Debtors, PTL, the Canadian Debtor, the Chapter 11 Cases, the Plan or the Disclosure Statement, the Canadian Proceeding and that could have been asserted by or on behalf of the Debtors, or PTL, whether directly, indirectly, derivatively or in any representative or any other capacity, against any Released Party; provided, however, that in no event shall anything in this Section be construed as (i) a

release of any Person's fraud, willful misconduct or gross negligence, (ii) a release or waiver of the Debtors' or PTL's right or ability to assert or raise certain claims against any Released Party as defense to a claim or suit brought against them or their assets by any Released Party, (iii) with respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the Apex Transaction or the Knight Transaction, (iv) with respect to Knight and its affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the Knight Transaction, or (v) with respect to the Debtors and their subsidiaries, a release or waiver of claims, causes of action, or culpability arising out of or related to the improper disclosure, the failure to disclose, or insufficient disclosures of certain nonaccrual receivables collateralized by certain illiquid assets pledged to PFSI by Call Now, Inc. in relation to Call Now, Inc.'s margin trading account at PFSI, including, among other assets, the so-called Retama Park Development Corporation Bonds.

(b) *Releases by Holders of Claims.* Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, all Holders of Claims, in consideration for the obligations of the Debtors and PTL under the Plan, and other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, and each entity (other than the Debtors) that has held, holds or may hold a Claim, as applicable, will be deemed to have consented to the Plan for all purposes and the restructuring embodied in the Plan and will be deemed to forever release, waive and discharge all claims, demands, debts, rights, causes of action or liabilities (other than the right to enforce the obligations of any party under the Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with the Plan), including as a result of the Plan being consummated, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise from the beginning of time through and including the Effective Date in any way relating to the Debtors, PTL, the Canadian Debtor, the Chapter 11 Cases, the Plan or the Disclosure Statement, the Canadian Proceeding against the Released Parties in their respective capacities as such; provided, however, that the foregoing releases shall apply only to any Holder of a Claim that (a) is entitled to vote on the Plan and (b) "opts-in" to the releases provided in Section 14.06(b) of the Plan in a timely and properly submitted Ballot. Notwithstanding the foregoing, in no event shall anything in this Section be construed as (i) a release of any Person's fraud, willful misconduct or gross negligence; (ii) a release or waiver of any Released Party's right or ability to assert or raise claims against any Released Party as defense to a claim or suit brought against them or their assets by any Released Party, (iii) with respect to the Debtors and their subsidiaries, a release or waiver of claims, causes of action, or culpability arising out of or related to the improper disclosure, the failure to disclose, or insufficient disclosures of certain nonaccrual receivables collateralized by certain illiquid assets pledged to PFSI by Call Now, Inc. in relation to Call Now, Inc.'s margin trading account at PFSI, including, among other assets, the so-called Retama Park Development

Corporation Bonds, (iv) with respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the Apex Transaction or the Knight Transaction, and (v) with respect to Knight and its affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the or the Knight Transaction.

(c) Notwithstanding anything otherwise to the contrary, no provision of the Plan or of the Confirmation Order, including any release or exculpation provision, shall modify, release or otherwise limit the liability of any Person not specifically released hereunder, including any Person that is a co-obligor or joint tortfeasor of a Released Party, that otherwise is liable under theories of vicarious or other derivative liability.

(d) Notwithstanding any language to the contrary contained in the Disclosure Statement, Plan and/or Confirmation Order, no provision of the Plan or of the Confirmation Order shall preclude the U.S. Securities and Exchange Commission from enforcing its police or regulatory powers and no provision shall release any non-Debtor from liability in connection with any legal action or claim brought by the U.S. Securities and Exchange Commission.

(e) Notwithstanding any language to the contrary contained in the Disclosure Statement, Plan and/or Confirmation Order, to the extent the Class Action Stipulation is not approved by entry of final, non-appealable orders of this Court and the United States District Court for the Northern District of Texas, nothing in the Plan or the Confirmation Order shall or is intended to (i) affect, release, enjoin or impact in any way the prosecution of the claims of the Lead Plaintiff or the Putative Class asserted or to be asserted against any non-Debtor in the Putative Class Action, or (ii) preclude Lead Plaintiff or the Putative Class from seeking discovery from the Debtors, PTL, the Liquidation Trust or any transferee of the Debtors' assets.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in the Plan pursuant to Bankruptcy Rule 9019 and its finding that they are: (a) in exchange for good and valuable consideration, representing a good faith settlement and compromise of the Claims and Causes of Action thereby released; (b) in the best interests of the Debtors and all Holders of Claims; (c) fair, equitable and reasonable; (d) approved after due notice and opportunity for hearing; and (e) a bar to any of the Debtors or Released Parties asserting any Claim or Cause of Action thereby released.

#### 10.7. Exculpation and Limitation of Liability.

None of the Debtors, PTL, the Board of Managers, the individual members of the Board of Managers, the Committee, the Indenture Trustees, the individual members of the Committee, or any of their respective current or former members, partners, officers, directors, employees, advisors, professionals, affiliates, or agents and advisors of any of the foregoing (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons, but solely in their capacities as such) shall have or incur any liability to any



Holder of any Claim or Equity Interest for any act or omission in connection with, related to, or arising out of the Chapter 11 Cases, the Canadian Proceeding, the Prepetition Restructuring, the negotiation and execution of the Plan, the Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan, and the property to be distributed under the Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all prepetition activities leading to the promulgation and confirmation of the Plan except fraud, willful misconduct or gross negligence as determined by a Final Order. Notwithstanding the foregoing, nothing in Section 14.07 of the Plan shall: (i) be construed as a release of any Person's or entity's fraud, gross negligence or willful misconduct with respect to matters set forth in Section 14.07 of the Plan; (ii) limit the liability of attorneys for the Debtors, the Indenture Trustees, PTL, the Chief Officer or the Liquidation Trust to their respective clients pursuant to DR 6-102 of the Code of Professional Responsibility; (iii) be construed as a release or waiver of the Debtors' or PTL's right or ability to assert or raise certain claims against any party as defense to a claim or suit brought against them by such party; or (iv) constitute a release, waiver, or exculpation of any claims, causes of action, or culpability arising out of or relating to the Prepetition Restructuring with respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates. As consideration for, and as an express condition of, the exculpation provided in Section 14.07 of the Plan, each officer and director of the Debtors receiving exculpation under Section 14.07 of the Plan agrees to provide reasonable cooperation and assistance to the Debtors, PTL, and the Chief Officer, as applicable, and their successors and assigns, in connection with the Chapter 11 Cases and the pursuit of any claims, causes of action, or liabilities. Such cooperation and assistance shall not involve or require any out-of-pocket expense by such officer or director. Notwithstanding the foregoing, in the event any officer or director of the Debtors fails to provide reasonable cooperation or assistance as requested by the Debtors, PTL, or the Chief Officer, as applicable, or their successors and assigns, the remedy shall be that all exculpations provided to such Person under the Plan with respect to the Prepetition Restructuring shall be null and void.

#### 10.8. Limitation on Releases and Exculpation.

Notwithstanding anything to the contrary in the Plan, nothing in Sections 14.06 or 14.07 of the Plan shall waive or release (i) any claims, causes of action, or culpability of any Person based upon or arising out of such Person's knowingly or willfully failing to disclose, knowingly or willfully improperly disclosing, or intentionally or willfully providing insufficient disclosure of, any material fact, including, without limitation, disclosures arising out of or related to any Debtor's nonaccrual receivables or disclosures arising out of or relating to the value of the so-called Retama Park Development Corporation, Cambridge, Dade County, and Will County municipal bonds; (ii) without limiting the foregoing, any claims, causes of action, or culpability of any Person arising out of or relating to any Debtor's nonaccrual receivables or disclosures arising out of or related to the so-called Retama Park Development Corporation, Cambridge, Dade County, and Will County municipal bonds to the extent that after January 2, 2013, any Holder of a claim discovers any fact or circumstance not previously known to such Holder, which materially affects such claim, cause of action or culpability; or (iii) any claims, causes of action, or culpability of any Person arising out of or related to such Person's knowingly or

intentionally providing false or misleading financial information to the Holder of any claim to the extent not included in clause (i) or (ii) above.

10.9. Injunction Related to Releases and Exculpation.

Except as otherwise provided in the Plan, the Confirmation Order shall permanently enjoin the commencement or prosecution by any Person, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities satisfied, released or discharged pursuant to the Plan, including the Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released in Sections 14.06 and 14.07 of the Plan.

10.10. Releases of Liens and Encumbrances.

(a) Each Lien or encumbrance on the Debtors' assets, other than a permitted encumbrance (excluding a permitted encumbrance securing a financial obligation that is not an Assumed Liability), including Liens or encumbrances securing: (w) any Second Lien Note Claim, Second Lien Note Guarantee Claim, Convertible Note Claim, Other Secured Claim or Administrative Expense Claim arising under or related to the Debtors' Indentures; (x) any Claim that is purportedly secured; or (y) any judgment, personal property or ad valorem tax, or other tax of any kind or character, mechanic's or similar lien Claim, in each case regardless of whether such Claim is an Allowed Claim, shall, regardless of whether such Claim has been scheduled or proof of such Claim has been filed:

(1) if such Lien or encumbrance secures a Priority tax Claim or Other Secured Claim, upon payment of the consideration set forth in Article IV-VIII of the Plan, as the case may be, automatically, and without further action by the Debtors or PTL, be deemed released; or

(2) in all other cases, automatically, and without further action by the Debtors or PTL, be deemed released immediately upon the occurrence of the Effective Date, and without further action by the Debtors or PTL, be deemed released.

(b) The Holder of any such Lien or encumbrance shall execute such documents and instruments as PTL, the Chief Officer or the Liquidation Trustee, as the case may be, require to evidence such Claim Holder's release of such property or Lien or encumbrance, and if such Holder refuses to execute appropriate documents or instruments, the Debtors, PTL, or the Chief Officer (as applicable) may, in their discretion, file a copy of the Confirmation Order in the appropriate recording office, which shall serve to release any Claim Holder's rights in such property; and

(c) On the Effective Date, except as expressly provided in the Plan, all right, title and interest in Estate property subject to a Lien or an encumbrance immediately prior to the Effective Date shall be transferred as a PTL Asset to PTL.

**ARTICLE XI.**

**CONDITIONS PRECEDENT TO THE EFFECTIVE DATE**

11.1. Conditions to Confirmation.

The following are conditions precedent to confirmation of the Plan that may be satisfied or waived in accordance with Section 15.03 of the Plan:

(a) the Bankruptcy Court shall have approved the Disclosure Statement with respect to the Plan in an order in form and substance reasonably acceptable to the Debtors, the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders;

(b) the Confirmation Order and Plan Documents shall be in form and substance reasonably acceptable to the Debtors, the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders;

(c) in each case subject to the occurrence of the Effective Date, to the extent necessary or appropriate, the Plan Documents, including the PTL LLC Agreement and the Liquidation Trust Agreement, to be entered into by PTL shall have been entered and delivered, all actions, documents, and agreements necessary to implement the Plan shall have been effected or executed and the Debtors shall have received all material authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions, or documents that are reasonably necessary to implement the Plan and that are required by law, regulation, or order.

11.2. Effectiveness.

The Plan shall not become effective unless and until: (i) the Confirmation Order shall have been entered by the Bankruptcy Court and become final and non-appealable; (ii) the Plan Documents shall have been executed and become effective; and (iii) the order approving the SunGard Settlement Agreement shall have become final and non-appealable.

11.3. Waiver of Conditions.

The Debtors, with the consent of the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders (in each case, such consent not to be unreasonably withheld or delayed), to the extent not prohibited by applicable law, may waive one or more of the conditions precedent: (i) to effectiveness of the Plan set forth in Section 15.02 of the Plan in whole or part, upon five Business Days' notice to the Bankruptcy Court without a hearing, provided, however, that waiver of the condition precedent to effectiveness of the Plan set forth in Section 15.02(iii) of the Plan shall also require the consent of SunGard Financial Systems LLC (such consent not be unreasonably withheld or delayed); or (ii) to confirmation of the Plan set forth in Section 15.01 of the Plan prior to the Confirmation Date without any hearing. The failure to satisfy or waive any condition to the Confirmation Date or the Effective Date may be asserted by the Debtors in their sole discretion regardless of the circumstances giving rise to the failure of such conditions to be satisfied (including any action or inaction by the Debtors in their

sole discretion). The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

## ARTICLE XII.

### VOTING REQUIREMENTS, ACCEPTANCE AND CONFIRMATION OF THE PLAN

The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Debtors, including that (i) the Plan has classified Claims and Equity Interests in a permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Debtors have complied with applicable provisions of the Bankruptcy Code; (iv) the Debtors have proposed the Plan in good faith and not by any means forbidden by law; (v) the disclosure required by section 1125 of the Bankruptcy Code has been made; (vi) the Plan has been accepted by the requisite votes of creditors (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vii) the Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor under the Plan unless such liquidation or reorganization is proposed in the Plan; (viii) the Plan is in the “best interests” of all Holders of Claims or Equity Interests in an impaired Class by providing to such Holders on account of their Claims or Equity Interests property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain in a chapter 7 liquidation, unless each Holder of a Claim or Equity Interest in such Class has accepted the Plan; (ix) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date; and (x) the Plan provides for the continuation after the Effective Date of all retiree benefits, as defined in section 1114 of the Bankruptcy Code, at the level established at any time prior to confirmation pursuant to sections 1114(e)(1)(B) or 1114(g) of the Bankruptcy Code, for the duration of the period that the Debtors have obligated themselves to provide such benefits, provided, however, that upon motion by the Debtors, the Bankruptcy Court may enter an order pursuant to sections 1114(e)(1) and 1114(g) providing for the modification in the payment of retiree benefits, under certain circumstances.

#### 12.1. Parties in Interest Entitled to Vote.

Pursuant to the Bankruptcy Code, only Classes of Claims and Equity Interests that are “impaired” (as defined in section 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the Plan. A Class is impaired if the legal, equitable or contractual rights to which the Claims or Equity Interests of that Class are entitled are modified, other than by curing defaults and reinstating the debt. Classes of Claims and Equity Interests that are not impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes of Claims and Equity Interests that receive no distributions under the Plan are not entitled to vote on the Plan and are deemed to not have accepted the Plan.

#### 12.2. Classes Impaired Under the Plan.

The following Classes of Claims are or may be impaired under the Plan and are entitled to vote on the Plan (the “Voting Classes”):

<b>IMPAIRED CREDITORS ENTITLED TO VOTE</b>	
<u><b>Class</b></u>	<u><b>Designation</b></u>
Class 3A	General Unsecured Claims
Class 4A	Second Lien Note Claims
Class 5A	Convertible Note Claims
Class 3B	General Unsecured Claims
Class 4B	Subordinated Loan Claims
Class 3C	General Unsecured Claims
Class 4C	Second Lien Note Guarantee Claims
Class 3D	General Unsecured Claims
Class 3E	General Unsecured Claims

Acceptances of the Plan are being solicited only from those Holders of Claims in Impaired Classes that will or may receive a distribution under the Plan. Accordingly, the Debtors are soliciting acceptances from Holders of Claims in the Classes listed above. The Debtors are not seeking votes from the Holders of Securities Law Claims or Equity Interests in Classes 7A, 8A, 6B, 6C, 5D and 5E because those Claims and Interests are Impaired under the Plan and the Holders are receiving no distribution on account of such Claims and Interests. These Holders will be deemed to have voted to reject the Plan.

THE DEBTORS INTEND TO SEEK TO SATISFY THE REQUIREMENTS FOR CONFIRMATION OF THE PLAN IN THE CHAPTER 11 CASES UNDER THE CRAMDOWN PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE AS TO ANY CLASS DEEMED TO REJECT, OR AS TO ANY CLASS THAT VOTES TO REJECT, THE PLAN, AND, IF REQUIRED, MAY AMEND THE PLAN TO CONFORM TO THE STANDARDS OF SUCH SECTION.

#### 12.3. Voting Procedures and Requirements.

**VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED TO VOTE ON THE PLAN IS IMPORTANT. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD COMPLETE, SIGN AND RETURN EACH BALLOT YOU RECEIVE.**

(a) Ballots. In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this Disclosure Statement. If you are a member of a Voting Class and did not receive a Ballot, if your Ballot is damaged or lost or if you have any questions concerning voting procedures, please call the Claims and Voting Agent at (877) 709-4754. Each Ballot enclosed with this Disclosure Statement has been encoded with the amount of your Claim for voting purposes and the Class in which your Claim has been classified. If your Claim is a Disputed Claim this amount may not be the amount ultimately allowed for purposes of distributions under the Plan. **PLEASE FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT CAREFULLY.**

(b) Returning Ballots.

**IF YOU ARE A HOLDER OF A CLASS 3A, CLASS 4A, CLASS 5A, CLASS 3B, CLASS 4B, CLASS 3C, CLASS 4C, CLASS 3D OR CLASS 3E CLAIM ENTITLED TO VOTE, YOU SHOULD COMPLETE AND SIGN YOUR BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE IN ACCORDANCE WITH INSTRUCTIONS SET FORTH IN YOUR BALLOT. IF YOU HAVE ANY QUESTIONS ON THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CALL THE CLAIMS AND VOTING AGENT AT (877) 709-4754.**

**IF YOU RECEIVED A BALLOT FROM A BROKER, NOMINEE OR OTHER AGENT (COLLECTIVELY, AN “INTERMEDIARY”), RETURN THE COMPLETED BALLOT(S) TO SUCH INTERMEDIARY PROMPTLY SO THAT IT CAN RECEIVE, TABULATE AND FORWARD YOUR BALLOT TO THE DEBTORS’ CLAIMS AND VOTING AGENT AT THE ADDRESS LISTED IMMEDIATELY ABOVE.**

TO BE COUNTED, YOUR ORIGINAL BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND VOTING AGENT NO LATER THAN **5:00 P.M. (PREVAILING EASTERN TIME) ON JULY 24, 2013**, UNLESS EXTENDED BY THE DEBTORS. YOUR BALLOT MAY BE SENT VIA U.S. FIRST CLASS MAIL, OVERNIGHT COURIER OR MESSENGER. ALL BALLOTS MUST BE SIGNED. IF YOU ARE SENDING YOUR BALLOT TO AN INTERMEDIARY FOR INCLUSION IN A MASTER BALLOT, THE ***INTERMEDIARY*** MUST RECEIVE YOUR PROPERLY COMPLETED BALLOT IN SUFFICIENT TIME TO PERMIT YOUR INTERMEDIARY TO DELIVER A MASTER BALLOT INCLUDING YOUR VOTE TO THE CLAIMS AND VOTING AGENT BY THE VOTING DEADLINE.

In accordance with Bankruptcy Rule 3017(d), the Debtors will send Ballots to the Intermediaries holding Claims for, or acting on behalf of, beneficial Holders of Claims in Class 4A, Class 5A, and Class 4C. Each Intermediary will be entitled to receive, upon request of the Debtors, a reasonably sufficient number of Ballots to distribute to the beneficial owners of the Claims for which it is an Intermediary, and the Debtors will be responsible for and pay each such Intermediary’s reasonable costs and expenses associated with the distribution of Ballots to beneficial owners of such Claims and the tabulations of the Ballots. Additionally, each Intermediary must receive returned Ballots in sufficient time to enable them to complete the “master” ballot in a form approved by the Bankruptcy Court (the “Master Ballot”) by the Voting Deadline, indicating the number and dollar amount of cast Ballots in the group of Claim Holders for which it was an Intermediary and indicating whether the Claim Holder has opted in to the releases. The Intermediaries must certify that each beneficial Holder has not cast more than one vote with respect to any given Claim for any purpose, including for determining both the number of votes and the amount of the Claim, even if such Holder holds securities of the same type in more than one account. However, persons who hold such Claims in more than one voting Class will be entitled to one vote in such Class, subject to the applicable voting rules.

Prior to deciding whether and how to vote on the Plan, each Holder in a voting class should consider carefully all of the information in this Disclosure Statement.

**IMPORTANT – VOTING BY INTERMEDIARY**

- If your vote is being processed by an Intermediary, please allow time for transmission of your Ballot to your Intermediary for preparation and delivery to the Claims and Voting Agent of a Master Ballot reflecting your vote and the votes of other Claims tabulated by the Intermediary.
- To be counted, your vote must be received *either* (a) directly by the Claims and Voting Agent on or before the Voting Deadline, or (b) if your vote is processed by an Intermediary, *by your Intermediary*, in sufficient time to permit your Intermediary to deliver a Master Ballot including your vote to the Claims and Voting Agent on or before the Voting Deadline.
- Receipt by the *Intermediary* on or close to the Voting Deadline may not allow sufficient time for the Intermediary to include your vote in the Master Ballot that it prepares and delivers to the Claims and Voting Agent by the Voting Deadline.
- If you have a question concerning the voting procedures, please contact your Intermediary directly, or the Claims and Voting Agent at (877) 709-4754.

12.4. Confirmation Hearing.

Section 1128 of the Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing with respect to whether the Plan and the Debtors have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. The Confirmation Hearing has been scheduled for **July 31, 2013 at 10:00 a.m. (prevailing Eastern Time)** before the Honorable Peter J. Walsh, United States Bankruptcy Judge, United States Bankruptcy Court, 824 N. Market Street, Wilmington, Delaware 19801. Objections, if any, to confirmation of the Plan must be served and filed so that they are received on or before **July 24, 2013 at 5:00 p.m. (prevailing Eastern Time)**, in the manner set forth in the Disclosure Statement Order. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement at the Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

12.5. Confirmation.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. As noted above, among the requirements for confirmation are that the plan (i) is accepted by the requisite Holders of Claims and Equity Interests or, if not so accepted, is “fair and equitable” and “does not discriminate unfairly” as to the non-accepting Class of Claims or Equity Interests, (ii) is in the

“best interests” of each Holder of a Claim or Equity Interest that does not vote to accept the Plan in each impaired Class under the Plan, (iii) is feasible, and (iv) complies with the applicable provisions of the Bankruptcy Code.

#### 12.6. Acceptance of Plan.

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims or interests vote to accept a plan, except under certain circumstances. See “*Confirmation Without Acceptance of All Impaired Classes*” below. A plan is accepted by an impaired class of claims if Holders of at least two-thirds in dollar amount and more than one-half in number of claims of that class vote to accept the plan. A plan is accepted by an impaired class of interests if Holders of at least two-thirds of the number of shares in such class vote to accept the plan. Only those Holders of claims or interests who actually vote count in these tabulations. Holders of claims who fail to vote are not counted as either accepting or rejecting a plan.

In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each Holder of a claim or interest in an impaired class or that the plan otherwise be found by the Bankruptcy Court to be in the best interests of each Holder of a claim or interest in such class. See “*Best Interests Test*” below. In addition, each impaired class must accept the plan for the plan to be confirmed without application of the “fair and equitable” and “unfair discrimination” tests in section 1129(b) of the Bankruptcy Code discussed below. See “*Confirmation Without Acceptance of All Impaired Classes*” below.

#### 12.7. Confirmation Without Acceptance of All Impaired Classes.

The Bankruptcy Code contains provisions for confirmation of a plan even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. These so-called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code.

A plan may be confirmed under the cramdown provisions if, in addition to satisfying all other requirements of section 1129(a) of the Bankruptcy Code, it (a) “does not discriminate unfairly,” and (b) is “fair and equitable,” with respect to each class of claims or interests that is impaired under, and has not accepted, the plan. As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and equitable” have specific meanings unique to bankruptcy law.

In general, the cramdown standard requires that a dissenting class receive full compensation for its allowed claim or interest before any junior class receives any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed under that section if: (a) with respect to a secured class, (i) the Holders of such claims retain the liens securing such claims to the extent of the allowed amount of such claims and that each Holder of a claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the plan’s effective date or (ii) such Holders realize the indubitable equivalent of such claims; (b) with respect to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to the amount of its allowed claim, or (ii) the Holders of claims and interests that are junior to the claims of the dissenting class may not receive any property under the plan; or (c) with respect to a class of interests, either (i) each Holder of an



interest of such class must receive or retain on account of such interest property of a value, equal to the greater of the allowed amount of any fixed liquidation preference to which such Holder is entitled, any fixed redemption price to which such Holder is entitled or the value of such interest, or (ii) the Holder of any interest that is junior to the interest of such class may not receive or retain any property on account of such junior interest.

The “fair and equitable” standard, also known as the “absolute priority rule,” requires, among other things, that unless a dissenting unsecured class of claims or a class of interests receives full compensation for its allowed claims or allowed interests, no Holder of claims or interests in any junior class may receive or retain any property on account of such claims or interests. With respect to a dissenting class of secured claims, the “fair and equitable” standard requires, among other things, that Holders either (i) retain their liens and receive deferred cash payments with a value as of the plan’s effective date equal to the value of their interest in property of the estate, or (ii) otherwise receive the indubitable equivalent of these secured claims. The “fair and equitable” standard has also been interpreted to prohibit any class senior to a dissenting class from receiving under a plan more than 100% of its allowed claims. The requirement that a plan not “discriminate unfairly” means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal rank.

#### 12.8. Best Interests Test.

In order to confirm a plan, a bankruptcy court must independently determine that the plan is in the best interests of each Holder of a claim or interest in any such impaired class who has not voted to accept the plan. Accordingly, if an impaired class does not unanimously accept the plan, the best interests test requires the bankruptcy court to find that the plan provides to each member of such impaired class a recovery on account of the class member’s claim or interest that has a value, as of the effective date, at least equal to the value of the distribution that each such member would receive if the debtor was liquidated under chapter 7 (“Chapter 7”) of the Bankruptcy Code on such date.

#### 12.9. Liquidation Analysis.

The Debtors could be liquidated under Chapter 7 of the Bankruptcy Code. A discussion of the effect that a Chapter 7 liquidation would have on the recoveries of the Holders of Claims is set forth in the hypothetical liquidation analysis (the “Liquidation Analysis”) annexed hereto as Exhibit 5.

#### 12.10. Feasibility.

Under section 1129(a)(11) of the Bankruptcy Code, the Debtors must demonstrate that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors, unless such liquidation or reorganization is proposed in the Plan. The Plan clearly complies with this requirement because on the Effective Date, the Debtors will transfer the PTL Assets to PTL. PTL will distribute the PTL Assets to Holders of Allowed Claims pursuant to the terms of the Plan and, provided that the Plan is confirmed and consummated, the Debtors’ Estates will no longer exist to be subject to future reorganization or liquidation.

12.11. Compliance with the Applicable Provisions of the Bankruptcy Code.

Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable provisions of the Bankruptcy Code. The Debtors have considered each of these issues in the development of the Plan and believe that the Plan complies with all applicable provisions of the Bankruptcy Code.

**ARTICLE XIII.**

**ALTERNATIVE TO CONFIRMATION  
AND CONSUMMATION OF THE PLAN**

The Debtors believe the Plan affords Holders of Claims and Equity Interests the potential for the greatest realization on the Debtors' remaining assets and, therefore, is in the best interests of such Holders. If the Plan is not confirmed, the only viable alternatives are dismissal of the Chapter 11 Cases or conversion to Chapter 7 of the Bankruptcy Code. Neither of these alternatives is preferable to confirmation and consummation of the Plan.

If the Chapter 11 Cases were dismissed, Holders of Claims would revert to a "race to the courthouse," the result being that claimants would not receive a fair and equitable distribution as contemplated by the Plan. As set forth in the Liquidation Analysis, the Plan provides a greater recovery to Holders of Claims than would be achieved in a case under Chapter 7 of the Bankruptcy Code. Therefore, a Chapter 7 case is not an attractive or superior alternative to the Plan. Thus, the Plan represents the best available alternative for maximizing returns to creditors.

**ARTICLE XIV.**

**RISK FACTORS AND CERTAIN FEDERAL  
INCOME TAX CONSEQUENCES OF THE PLAN**

14.1. Allowed Claims May Exceed Estimates.

The projected Distributions are based upon the Debtors' good faith estimate of the amount of Wind-Down Expenses that will be incurred and total amount of Claims that will ultimately be allowed. The actual amount of such expenses could be greater than expected for a variety of reasons, including greater than anticipated administrative and litigation costs associated with resolving disputed claims. Additionally, the actual amount of Allowed Claims in any Class could be greater than anticipated, which will impact the distributions to be made to Holders of Claims.

The Debtors reserve the right to object to the amount or classification of any Claim. Thus, the estimates set forth in this Disclosure Statement cannot be relied upon by any creditor whose Claim is subject to a successful objection. Any such creditor may not receive the estimated Distributions set forth in the Plan.

14.2. Plan May Not Be Accepted or Confirmed.

While the Debtors believe the Plan is confirmable under the standards set forth in section 1129 of the Bankruptcy Court, there can be no guarantee that the Bankruptcy Court will agree.

14.3. Certain Federal Income Tax Consequences of the Plan.

A detailed discussion of the potential federal income tax consequences of the plan can be found in the Analysis of Certain Federal Income Tax Consequences of the Plan annexed hereto as Exhibit 6.

**ARTICLE XV.**

**RETENTION OF JURISDICTION**

15.1. Retention of Jurisdiction.

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the purposes set forth in Section 16.01 of the Plan.

**ARTICLE XVI.**

**MISCELLANEOUS PROVISIONS**

16.1. Notices.

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

Notice Parties

<b>Young Conaway Stargatt &amp; Taylor, LLP</b> Pauline K. Morgan Kenneth J. Enos Rodney Square 1000 North King Street Wilmington, Delaware 19801 Telephone: (302) 571-6600 Facsimile: (302) 576-3312 <i>Co-Counsel for the Debtors and the Debtors in Possession</i>	<b>Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP</b> Andrew N. Rosenberg Oksana Lashko 1285 Avenue of the Americas New York, New York 10019 Telephone: (212) 373-3000 Facsimile: (212) 492-0158 <i>Co-Counsel for the Debtors and the Debtors in Possession</i>
<b>Fried, Frank, Harris, Shriver &amp; Jacobson LLP</b> Gary Kaplan Garrett Ledgerwood One New York Plaza New York, New York 10004 Telephone: (212) 859-8000 Facsimile: (212) 859-4000 Counsel for the Second Lien Noteholders Committee	<b>Sidley Austin LLP</b> Larry J. Nyhan Bojan Guzina One South Dearborn Chicago, IL 60603 Telephone: (312) 853-7323 Facsimile: (312) 853-7036 Counsel for the Convertible Noteholders Committee
<b>Penson Worldwide, Inc., et al.</b> Attn: Bryce Engel 800 Klein Road Suite 200 Plano, Texas 75074	<b>Hahn &amp; Hessen LLP</b> Mark T. Power, Esq. 488 Madison Avenue New York, New York 10022 Telephone: (212) 478-7200 Facsimile: (212) 478-7400 Counsel for the Creditors' Committee

## ARTICLE XVII.

### RECOMMENDATION AND CONCLUSION

THE DEBTORS BELIEVE THAT CONFIRMATION AND CONSUMMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND HOLDERS OF EQUITY INTERESTS AND THAT THE PLAN SHOULD BE CONFIRMED. THE DEBTORS ALSO BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ALL OTHER ALTERNATIVES BECAUSE IT WILL PROVIDE RECOVERIES TO CREDITORS IN EXCESS OF THOSE WHICH WOULD OTHERWISE BE AVAILABLE IF THE CHAPTER 11 CASES WERE DISMISSED OR CONVERTED TO CASE UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. THE DEBTORS STRONGLY RECOMMEND THAT ALL CREDITORS RECEIVING A BALLOT VOTE IN FAVOR OF THE PLAN.

THE COMMITTEE HAS INDEPENDENTLY CONCLUDED THAT THE PLAN IS IN THE BEST INTERESTS OF ALL UNSECURED CREDITORS AND HAS RECOMMENDED THAT UNSECURED CREDITORS VOTE IN FAVOR OF THE PLAN.

Dated: Wilmington, Delaware  
June 6, 2013

Respectfully submitted,

**Penson Worldwide, Inc., et al.**

By: /s/ Bryce B. Engel  
Bryce B. Engel  
Penson Worldwide, Inc., on behalf of itself  
and its affiliated Debtors

## **Exhibit 1**

### **List of Debtors and Debtors in Possession**

- (1) Penson Worldwide, Inc.
- (2) Penson Financial Services, Inc.
- (3) SAI Holdings, Inc.
- (4) Penson Holdings, Inc.
- (5) Nexa Technologies, Inc.
- (6) Penson Execution Services, Inc.
- (7) Penson Financial Futures, Inc.
- (8) GHP1, Inc.
- (9) GHP2, LLC
- (10) Penson Futures

## **Exhibit 2**

### **The Plan**

**THIS PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT FOR DISSEMINATION, UNTIL APPROVED, IT SHOULD NOT BE RELIED UPON BY ANY PERSON OR ENTITY, NOR MAY IT BE USED IN CONNECTION WITH ANY SOLICITATION OF VOTES.**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

-----X	
In re	: Chapter 11
	:
Penson Worldwide, Inc.,	: Case No. 13 – 10061 (PJW)
<u>et al.</u> ,	:
	:
Debtors. <sup>1</sup>	: Jointly Administered
-----X	

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**FOURTH AMENDED JOINT LIQUIDATION PLAN OF PENSON WORLDWIDE, INC.,  
AND ITS AFFILIATED DEBTORS**

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Dated: Wilmington, Delaware  
June 6, 2013

<b>YOUNG CONAWAY STARGATT &amp; TAYLOR, LLP</b> Pauline K. Morgan M. Blake Cleary Rodney Square 1000 North King Street Wilmington, Delaware 19801 Telephone: (302) 571-6600  <i>Co-Counsel for the Debtors and the Debtors in Possession</i>	<b>PAUL, WEISS, RIFKIND, WHARTON &amp; GARRISON LLP</b> Andrew N. Rosenberg Oksana Lashko 1285 Avenue of the Americas New York, New York 10019 Telephone: (212) 373-3000  <i>Co-Counsel for the Debtors and the Debtors in Possession</i>
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<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Penson Worldwide, Inc. (6356); SAI Holdings, Inc. (3657); Penson Financial Services, Inc. (3990); Penson Financial Futures, Inc. (6207); Penson Holdings, Inc. (4821); Penson Execution Services, Inc. (9338); Nexa Technologies, Inc. (7424); GHP1, Inc. (1377); GHP2, LLC (1374), Penson Futures (6207).



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## **INTRODUCTION**

Penson Worldwide, Inc., and the other debtors and debtors in possession in the above-captioned cases, as set forth on Exhibit A hereto propose the following joint Chapter 11 Plan of liquidation for the resolution of the outstanding Claims against and Equity Interests in the Debtors. Reference is made to the Disclosure Statement for a summary and analysis of the Plan, and certain related matters including, among other things, establishment of a limited liability company and a trust for the benefit of creditors, as set forth herein, and certain tax matters related to the consideration to be issued and/or distributed under this Plan. The Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan.

Parties are encouraged to read the Plan and the Disclosure Statement and their respective exhibits and schedules in their entirety before voting to accept or reject the Plan. No materials other than the Disclosure Statement and the respective schedules and exhibits attached thereto and referenced therein have been authorized by the Bankruptcy Court for use in soliciting acceptances or rejections of the Plan.

## **ARTICLE I**

### **DEFINITIONS AND CONSTRUCTION OF TERMS**

A. Definitions. As used herein, the following terms have the respective meanings specified below:

1.01. Administrative Expense Claim means any right to payment constituting a cost or expense of administration of any of the Chapter 11 Cases<sup>2</sup> under sections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the estates of the Debtors and, any actual and necessary costs and expenses of operating the business of the Debtors, any indebtedness or obligations incurred or assumed by the Debtors in Possession in connection with the conduct of their business (including postpetition intercompany transfers), but not including Fee Claims or U.S. Trustee Fees.

1.02. Affiliate shall have the meaning ascribed to such term in section 101(2) of the Bankruptcy Code, and when used with reference to any Debtor, shall include, but not be limited to, each of the other Debtors.

1.03. Allowed means, with reference to any Claim or Administrative Expense Claim against the Debtors: (i) any Claim that has been listed by the Debtors in their respective Schedules, as such Schedules have been or may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed; provided, however, that any such Claim listed in the Schedules that has been paid by the Debtors after the Petition Date pursuant to an order of the Bankruptcy Court shall not be considered an Allowed Claim; (ii) any Claim or Administrative Expense Claim allowed pursuant to the Plan; (iii) any Claim or Administrative Expense Claim that is not Disputed; (iv) any Claim or Administrative Expense Claim that is compromised, settled, or otherwise resolved pursuant to the authority granted to the Debtors

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<sup>2</sup> All capitalized terms used but not defined herein shall have the meanings set forth in Article I herein.

pursuant to a Final Order of the Bankruptcy Court or under the Plan; or (v) any Claim or Administrative Expense Claim that has been Allowed by Final Order. Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, “Allowed Administrative Expense Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest on such Administrative Expense Claim or Claim from and after the Petition Date. Any Distribution to the Holder of an Allowed Claim under this Plan shall be net of any setoff amount of any Cause of Action that may be asserted by any Debtor against the Holder of such Claim.

1.04. Amended SunGard Claim means SunGard Financial Systems LLC’s general unsecured claim in the aggregate amount of \$16.0 million, as set forth in the SunGard Settlement Agreement, which is classified and treated in Class 3B of this Plan.

1.05. Apex Avoidance Action means any Avoidance Action arising as a result of or in connection with the Apex Transaction.

1.06. Apex Clearing means Apex Clearing Corporation.

1.07. Apex Holding means Apex Clearing Holdings LLC, the parent company of Apex Clearing.

1.08. Apex Transaction means that certain transaction, and all documents, agreements and transactions related thereto, pursuant to which, among other things, on June 5, 2012, PFSI’s customer and correspondent accounts, related contractual rights, and other related assets were sold and transferred to Apex Clearing and net assets were contributed towards the regulatory capital of Apex Clearing in consideration for, among other things, the issuance of membership interests in Apex Holding to PFSI.

1.09. Assigned Causes of Action means any and all Causes of Action other than those released under the Plan, including, without limitation, the Apex Avoidance Action, the Knight Avoidance Action, all patent infringement claims, and the Debtors’ claims against their auditors, underwriters, officers, directors, and agents relating to the Debtors’ financial statements and securities offerings.

1.10. Avoidance Action means any avoidance or equitable subordination or recovery actions under (i) sections 105, 502(d), 510, 542 through 551, and 553 of the Bankruptcy Code or (ii) any other applicable similar state or federal law concerning the avoidance of fraudulent transfers, fraudulent conveyances, preferential transfers, or prohibited distributions.

1.11. Ballot means the form distributed to each Holder of an impaired Claim that is entitled to vote to accept or reject the Plan, on which is to be indicated acceptance or rejection of the Plan and which shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders and the Required Consenting Convertible Noteholders.

1.12. Bankruptcy Code means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

1.13. Bankruptcy Court means the United States Bankruptcy Court for the District of Delaware, or any other court exercising jurisdiction over the Chapter 11 Cases or any proceeding therein.

1.14. Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and any local rules of the Bankruptcy Court.

1.15. Bar Date means any deadline for filing proofs of Claim and administrative expense request forms against a Debtor with respect to (a) Claims that arose on or prior to the Petition Date, or (b) Administrative Expense Claims, including 503(b)(9) Claims, as established by an order of the Bankruptcy Court.

1.16. Bar Date Order means the order entered by the Court approving the Bar Dates (as defined in the Bar Date Order) and form and manner of notice thereof.

1.17. Board of Managers shall have the meaning set forth in Article IX of this Plan.

1.18. Books and Records shall have the meaning set forth in Article XVII of this Plan.

1.19. Business Day means any day other than a Saturday, Sunday, or any "legal holiday" as defined in Bankruptcy Rule 9006(a).

1.20. Canadian Debtor means Penson Financial Services Canada, Inc.

1.21. Canadian Proceeding means the Canadian Debtor's liquidation proceeding under applicable Canadian law.

1.22. Cash means legal tender of the United States of America and equivalents thereof.

1.23. Causes of Action means, without limitation, any and all actions, causes of action, Avoidance Actions, controversies, liabilities, obligations, rights, suits, damages, judgments, Claims, and demands whatsoever owned by any of the Debtors, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, whether assertable directly, indirectly, derivatively or in any representative or other capacity, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act, failure to act, error, omission, transaction, occurrence or other event arising or occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.

1.24. Chapter 11 Cases means the cases under chapter 11 of the Bankruptcy Code commenced by the Debtors, which are being jointly administered under case caption Penson Worldwide, Inc., et al., Chapter 11 Case No. 13-10061 (PJW), which are currently pending before the Bankruptcy Court.

1.25. Charging Lien means any Lien or priority granted to, and held by, (i) the Second Lien Notes Indenture Trustee, for payment on account of the Second Lien Notes Indenture

Trustee Fee Claim; and (ii) the Convertible Notes Indenture Trustee, for payment on account of the Convertible Notes Indenture Trustee Fee Claim.

1.26. Chief Officer means an individual designated by the Board of Managers, who shall serve as a manager of PTL, from and after the Effective Date in accordance with the terms of the PTL LLC Agreement.

1.27. Claim means “claim” as defined in section 101(5) of the Bankruptcy Code.

1.28. Claims and Voting Agent means Kurtzman Carson Consultants LLC.

1.29. Class means a class of Holders of Claims or Equity Interests as set forth in Article III of the Plan.

1.30. Class A Units means a class of membership interests created pursuant to the PTL LLC Agreement. Class A Units will be distributed to and held by the Holders of Second Lien Notes in exchange for their (A) Second Lien Note Secured Claims; (B) Second Lien Note Deficiency Claims; (C) Second Lien Notes Guarantee Secured Claims; and (D) Second Lien Notes Guarantee Deficiency Claims, in each case, as set forth in this Plan.

1.31. Class Action Stipulation means the Stipulation of Settlement dated as of December 28, 2012 entered by the parties to the Putative Class Action to resolve the Putative Class Action.

1.32. Class B Units means a class of membership interests created pursuant to the PTL LLC Agreement. Class B Units will be distributed to and held by (A) the Holders of Convertible Notes in exchange for their Convertible Note Claims; and (B) the Holders of General Unsecured Claims against PWI in exchange for such General Unsecured Claims against PWI, in each case, as set forth in this Plan.

1.33. Class C Units means a class of membership interests created pursuant to the PTL LLC Agreement. Class C Units will be held by the Liquidation Trust for the benefit of Holders of General Unsecured Claims of any Debtor other than PWI. Any recoveries with respect to Class C Units will be distributed by the Liquidation Trust to the Holders of Allowed General Unsecured Claims against any Debtor other than PWI in exchange for such General Unsecured Claims against any Debtor other than PWI, as set forth in this Plan.

1.34. Class D Expiration Date shall mean the fifth anniversary of the Effective Date, on which date all Class D Units and all rights and interests of the Holders of Class D Units shall expire; provided, however, that if all Claims of the Holders of Class A Units, Class B Units, and Class C Units are paid in full on or prior to such fifth anniversary, then the Class D Expiration Date shall mean the date on which a certificate of cancellation for PTL is filed with the Secretary of State of the State of Delaware.

1.35. Class D Units means a class of membership interests created pursuant to the PTL LLC Agreement. Class D Units will be held by the Liquidation Trust for the benefit of Holders of Securities Law Claims and Equity Interests in PWI. Any recoveries with respect to Class D



Units will be distributed by the Liquidation Trust to the Holders of Allowed Securities Law Claims and Allowed Equity Interests in PWI, as set forth in this Plan.

1.36. Collateral means any property or interest in property of the estates of the Debtors subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable state law.

1.01. Committee means the statutory committee of creditors appointed pursuant to section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases.

1.37. Company means PWI and its direct and indirect subsidiaries as set forth on Exhibit C annexed hereto.

1.38. Confirmation Date means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

1.39. Confirmation Hearing means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.40. Confirmation Order means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code and which shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders and the Required Consenting Convertible Noteholders.

1.41. Consenting Convertible Noteholders means (a) those Holders of Convertible Note Claims that are signatories to the Restructuring Support Agreement as of the Petition Date and (b) any Holders of Convertible Note Claims that become parties to the Restructuring Support Agreement (in accordance with the terms thereof) prior to the Confirmation Date.

1.42. Consenting Second Lien Noteholders means (a) those Holders of Second Lien Note Claims that are signatories to the Restructuring Support Agreement as of the Petition Date and (b) any Holders of Second Lien Note Claims that become parties to the Restructuring Support Agreement (in accordance with the terms thereof) prior to the Confirmation Date.

1.43. Convertible Notes means those certain notes issued pursuant to the Convertible Notes Indenture.

1.44. Convertible Note Claim means any Claim arising from, or related to, the Convertible Notes, which Claims shall be deemed Allowed in the aggregate amount of \$63,017,400.00 through the Petition Date; provided, however, that no Distribution shall be made under this Plan on account of the Convertible Note Claims held by any Holder until any Claims or Causes of Action arising out of or related to the Apex Transaction that have been asserted by the Debtors or PTL on or prior to the applicable Distribution Date against such Holder or any of its affiliates or subsidiaries have been resolved.

1.45. Convertible Noteholders Committee means the informal committee of certain Holders of Convertible Notes who are parties to the Restructuring Support Agreement.

1.46. Convertible Notes Indenture means that certain indenture dated June 3, 2009, as may have been amended, supplemented or modified from time to time, pursuant to which PWI issued 8.0% unsecured Convertible Notes due 2014, which are unsecured obligations, in the principal amount of \$60 million, and all documents ancillary thereto.

1.47. Convertible Notes Indenture Trustee Fee Claim means the claim of the Convertible Notes Indenture Trustee for compensation and reimbursement of fees, expenses and indemnity claims pursuant to the terms of the Convertible Notes Indenture, whether prior to or after the Petition Date and whether prior to or after the Effective Date.

1.48. Convertible Notes Trustee means Wells Fargo N.A. as successor to U.S. Bank National Association, as indenture trustee pursuant to the Convertible Notes Indenture.

1.49. Corporate Transactions shall have the meaning set forth in Section 10.02 of this Plan.

1.50. Creditor Sub-Trust shall have the meaning set forth in Section 9.02(e) of this Plan.

1.51. Debtors means each of the debtors and debtors in possession listed on Exhibit A annexed hereto.

1.52. Deficiency Claim means, with respect to a Claim that is partially secured by a Lien on, or security interest in, property of any of the Debtors, or that has the benefit of partial rights of setoff under § 553 of the Bankruptcy Code, the amount by which the Allowed amount of such Claim exceeds the value of the property of the Debtors securing such Claim or the amount subject to setoff, as applicable, as determined by the Bankruptcy Court pursuant to §§ 506(a), 553, and/or 1129(b)(2)(A)(i)(II) of the Bankruptcy Code.

1.53. Disclosure Statement means the disclosure statement relating to the Plan, either in its present form or as the same may be altered, amended, or modified from time to time, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, and which shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders and the Required Consenting Convertible Noteholders.

1.54. Disclosure Statement Order means the order of the Bankruptcy Court approving the Disclosure Statement and which shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders and the Required Consenting Convertible Noteholders.

1.55. Disputed means, with reference to any Claim or Administrative Expense Claim that is not an Allowed Claim, (i) any Claim or Administrative Expense Claim proof of which was timely and properly filed, and which is disputed under the Plan or as to which the Debtors or PTL have interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, and (ii) any Claim or

Administrative Expense Claim, proof of which was required to be filed by order of the Bankruptcy Court but as to which a proof of claim was not timely or properly filed.

1.56. Distribution means a distribution of Cash or other property pursuant to the Plan.

1.57. Distribution Date means any date that is (a) the Effective Date, (b) the Initial Distribution Date, (c) any Interim Distribution Date, or (d) the Final Distribution Date.

1.58. Distribution Record Date means the Confirmation Date, or such other date as shall be set forth in the Confirmation Order.

1.59. Effective Date means such day that is the business day as soon as reasonably practicable after all conditions to the occurrence of the effective date set forth in Section 15.02 hereof have been satisfied or waived.

1.60. Equity Interest means any share of common or preferred stock or other instrument evidencing an ownership interest in any of the Debtors, whether or not transferable, and any option, warrant, or right, contractual or otherwise, to acquire any such interest.

1.61. Equity Interest Sub-Trust shall have the meaning set forth in Section 9.02(e) of this Plan.

1.62. Estate means each estate created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

1.63. Fee Claim means any request for allowance and payment of claims for Professional Fees.

1.64. Filed Subsidiary Debtors means, individually or collectively, the Debtors listed on Exhibit B annexed hereto.

1.65. Final Distribution Date means the date on which the final Distributions are made under the Plan to the Holders of Allowed Claims.

1.66. Final Order means an order, ruling or judgment that (a) is in full force and effect, (b) is not stayed, and (c) is no longer subject to review, reversal and modification or amendment, by appeal or writ of certiorari; provided, however, that the possibility that a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Civil Procedure or the Bankruptcy Rules, may be filed relating to such order, ruling or judgment shall not cause such order, ruling or judgment not to be a Final Order.

1.67. General Unsecured Claim means an unsecured nonpriority claim against a Debtor (including an Insurance Claim) that is not an Administrative Expense Claim, Fee Claim, Priority Tax Claim, Subordinated Loan Claim, Second Lien Note Claim, Second Lien Note Guarantee Claim, Convertible Note Claim, Securities Law Claim, or Intercompany Claim.

1.68. Guarantor Debtors means, individually or collectively, SAI and PHI, each of whom guaranteed PWI's obligations under the Second Lien Notes Indenture.

1.69. Holder means any Person that holds a Claim or Equity Interest.

1.70. Illiquid Instruments means the 9.70% Cambridge Student Housing Series C Finance Bonds, the 9.70% Cambridge Student Housing Series D Finance Bonds, the 10.25% Dade County Housing Junior Finance Bonds, the 7.625% Leon County Educational Facility Series B Bonds, the 6.625% Will County Student Housing Series A Revenue Bonds, and the 7.75 % Will County Student Housing Series B Revenue Bonds held by SAI.

1.71. Indentures means the Second Lien Notes Indenture and the Convertible Notes Indenture.

1.72. Indenture Trustees means the Second Lien Notes Indenture Trustee and the Convertible Notes Indenture Trustee.

1.73. Indenture Trustee Fee Claims means the claims of the Indenture Trustees for compensation and reimbursement of fees, expenses and indemnity claims pursuant to the terms of the Indentures and/or documents ancillary thereto, whether prior to or after the Petition Date and whether prior to or after the Effective Date.

1.74. Initial Distribution Date means the first Business Day that is 20 days after the Effective Date, or such later date as may be reasonably selected by the Chief Officer or Board of Managers of PTL or the Liquidation Trustee, as applicable, to make the initial Distributions under the Plan to Holders of Allowed Claims.

1.75. Insurance Claim means any Claim arising from an incident or occurrence that is covered under one or more of the Debtors' insurance policies, and is: (a) asserted or which can be asserted against the Debtors and/or the Debtors' insurers; or (b) asserted or which can be asserted against any current or former officer, director or employee of the Debtors, any insureds or any additional insureds (to the extent the Claim against such officer, director or employee and additional insured, as applicable, is covered under such insurance policies).

1.76. Intercompany Claim means, prior to the Petition Date, (a) any account reflecting intercompany book entries by one Debtor with respect to any other Debtor, the non-Debtor Affiliates or the Canadian Debtor; and (b) any Claim that is not reflected in such book entries and is held by a Debtor against any other Debtor, any non-Debtor Affiliates or the Canadian Debtor, but excluding the Subordinated Loans.

1.77. Intercompany Claims Settlement shall have the meaning set forth in Section 9.04(b) of this Plan.

1.78. Interim Distribution Date means any date, other than the Final Distribution Date, after the Initial Distribution Date on which the Chief Officer or the Board of Managers of PTL, or the Liquidation Trustee, as applicable, determines that an interim Distribution should be made to Holders of Allowed Claims in light of, *inter alia*, resolutions of Disputed Claims and the administrative costs of such a Distribution.

1.79. Knight Avoidance Action means any Avoidance Action arising as a result of or in connection with the Knight Transaction.

1.80. Knight Transaction means that certain transaction, and all documents, agreements and transactions related thereto, pursuant to which, among other things, on May 31, 2012 (i) PFSI sold certain assets of PFSI's futures clearing business, including but not limited to, customer contracts, segregated customer account assets, assets relating to the foreign currency exchange business, certain membership seats and licenses for clearing exchanges, and other related assets to Knight Execution & Clearing Services LLC; and (ii) Knight Execution & Clearing Services LLC assumed, subject to specified exceptions, certain liabilities and obligations under customer contracts in the futures clearing business.

1.81. Lead Plaintiff shall have the meaning set forth in Article XVII of this Plan.

1.82. Lien shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

1.83. Liquidation Trust means the trust created pursuant to the Plan and Liquidation Trust Agreement.

1.84. Liquidation Trust Agreement means the agreement governing, among other things, the retention and duties of the Liquidation Trustee, as described in Article IX of the Plan, which shall be in substantially the form and substance filed in the Plan Supplement.

1.85. Liquidation Trust Assets means collectively, the Class C Units and Class D Units, issued by PTL to the Liquidation Trust on the Effective Date, together with all Distributions from PTL received in connection with such Units and any other proceeds received by the Liquidation Trust in connection with such Units.

1.86. Liquidation Trust Beneficiaries mean (i) with respect to the Creditor Sub-Trust, the Holders of General Unsecured Claims of any Debtor other than PWI, and (ii) with respect to the Equity Interest Sub-Trust, the Holders of Securities Law Claims and the Holders of Equity Interests, in each case that are entitled to a Distribution under this Plan, solely to the extent that such Claims or Equity Interests have not been Paid in Full.

1.87. Liquidation Trustee means the trustee appointed by the Debtors, in consultation with Second Lien Noteholders Committee and the Convertible Noteholders Committee, to administer the Liquidation Trust.

1.88. Nexa means Nexa Technologies, Inc., an indirect subsidiary of PWI.

1.89. Net Distributable Assets means the net proceeds received by PTL from the disposition of any PTL Asset, that is available for Distribution to the Holders of Allowed Claims, including Allowed Deficiency Claims, after the payment in full of Allowed Administrative Expense Claims, Allowed Fee Claims, U.S. Trustee Fees, Allowed Priority Tax Claims, Allowed Non-Tax Priority Claims, Allowed Other Secured Claims, Allowed Second Lien Note Secured Claims, Allowed Second Lien Note Guarantee Secured Claims, and the Wind-Down Expenses of PTL.

1.90. Non-Tax Priority Claim means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

- 1.02. Notes mean, collectively, the Convertible Notes and the Second Lien Notes.
- 1.91. Other Secured Claim against a Debtor means any Secured Claim other than a Second Lien Note Secured Claim or Second Lien Note Guarantee Secured Claim.
- 1.92. Paid in Full, Payment in Full, or Pay in Full means, with respect to an Allowed Claim, payment in Cash or other consideration in an aggregate amount equal to the Allowed amount thereof.
- 1.93. Person means an individual, a corporation, a partnership, a limited liability company, an association, a trust, a governmental authority, a labor union or other entity or organization.
- 1.94. Petition Date means January 11, 2013.
- 1.95. PFSC means Penson Financial Services Canada, Inc., an indirect subsidiary of PWI and a Canadian Debtor.
- 1.96. PFSI means Penson Financial Services, Inc., an indirect subsidiary of PWI.
- 1.97. PHI means Penson Holdings, Inc., an indirect subsidiary of PWI.
- 1.98. Plan means this Chapter 11 liquidation plan, including the Plan Supplement and all exhibits, supplements, appendices, and schedules hereto, either in its present form or as the same may be altered, amended, or modified from time to time and which shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders and the Required Consenting Convertible Noteholders.
- 1.99. Plan Documents means those documents necessary to effectuate the Plan following entry of the Confirmation Order, and to be contained in the Plan Supplement (which shall be subject to revision and modification prior to the Effective Date), each of which shall be in form and substance reasonably acceptable to the Debtors, the Required Consenting Second Lien Noteholders, and the Required Consenting Convertible Noteholders.
- 1.100. Plan Supplement means the supplemental appendix to this Plan, to be filed on or prior to the date that is five (5) days prior to the Voting Deadline, which will contain, as the case may be and to the extent applicable under the Plan as of the Confirmation Date, draft forms or signed copies, or the material terms, of the following: the PTL LLC Agreement, the Liquidation Trust Agreement, and list of executory contracts and unexpired leases, if any, to be assumed by the Debtors.
- 1.101. Plan Support Parties means each of the Consenting Second Lien Noteholders, each of the Consenting Convertible Noteholders, and any other Person who has executed the Restructuring Support Agreement with the Debtors.
- 1.102. PTL Assets means all rights, title and interest in the Debtors' assets (including Nexa assets to the extent not sold during the Chapter 11 Cases) as of the day prior to the Effective Date, including, without limitation, the Debtors' Cash, the Assigned Causes of Action,

and the transferred Third-Party Securities Laws Causes of Action; provided, however, that at the discretion of the Debtors or the Chief Officer, the PTL Assets may include the stock of a reorganized Debtor and specific assets of such Debtor shall remain in such reorganized Debtor. The PTL Assets shall be transferred by the Debtors to PTL on the Effective Date, free and clear of all liens, claims and encumbrances.

1.103. PTL shall have the meaning set forth in Section 9.02(a) of this Plan.

1.104. PTL LLC Agreement shall have the meaning set forth in Section 9.02(a) of this Plan.

1.105. PTL Reserve means any reserve established by PTL on account of Claims that are Disputed.

1.106. Prepetition Restructuring means the Apex Transaction, the Knight Transaction and all agreements, documents and transactions related thereto.

1.107. Priority Tax Claim means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.108. Professional(s) means each Person retained by order of the Bankruptcy Court in connection with the Chapter 11 Cases pursuant to sections 327, 328, 330, or 1103 of the Bankruptcy Code, excluding any ordinary course professionals retained pursuant to an order of the Bankruptcy Court.

1.109. Professional Fees means fees and expenses for legal, financial advisory, accounting and other services and reimbursement of expenses related thereto that are awardable and allowable under sections 328, 330(a), 331, 503(b) or 1103(a) of the Bankruptcy Code or otherwise and that are rendered (a) prior to the Effective Date, or (b) thereafter in connection with applications filed pursuant to section 330, 331, 503(b) or 1103(a) of the Bankruptcy Code. To the extent that the Bankruptcy Court or any higher court denies by a Final Order any amount of a Professional's fees or expenses, then those amounts shall no longer be Professional Fees.

1.110. Promissory Note means the promissory note, dated as of May 15, 2012, between SAI, as the borrower, and PFSI, as the lender thereunder, in the principal amount of \$5,500,000.

1.111. Promissory Note Claim means a claim arising from, or related to, the Promissory Note.

1.112. Pro Rata means proportionate as determined on a Debtor by Debtor basis, so that, for example, the ratio of (A)(x) the amount of all consideration distributed on account of an Allowed Claim to (y) the amount of such Allowed Claim as against any Debtors is the same as the ratio of (i) the amount of all consideration distributed on account of all Allowed Claims in the Class in which such Claim is classified with respect to such Debtor to (ii) the amount of all Allowed Claims in such Class with respect to such Debtor or (B) (x) the amount of all consideration distributed from Net Distributable Assets of any Debtor on account of all Allowed Claims in a Class of such Debtor to (y) the amount of such Allowed Claims in a Class of such Debtor is the same as the ratio of (i) the amount of all consideration distributed from Net

Distributable Assets of such Debtor to all Classes of Allowed Claims against such Debtor which are pari passu with respect to such Class with respect to such Debtor to (ii) the amount of all Allowed Claims in each of such Classes with respect to such Debtor.

1.113. Putative Class shall have the meaning set forth in Article XVII of this Plan.

1.114. Putative Class Action means the securities litigation entitled *Friedman v. Penson Worldwide, Inc., et al.*, Case No. 11-cv-2098-O, pending in the United States District Court for the Northern District of Texas.

1.115. PWI means Penson Worldwide, Inc., which is the direct or indirect parent of each of the other Debtors.

1.116. PWI Assets means assets of PWI transferred to PTL.

1.117. PWI Subordinated Loan means the five-year loan in the aggregate amount of \$70 million made pursuant to that certain Subordinated Loan Agreement dated as of May 6, 2010 between PWI, as the lender, and PFSI, as the borrower.

1.118. PWI Subordinated Loan Claim means any Claim arising from, or related to, the PWI Subordinated Loan, which Claim shall be deemed Allowed in the aggregate amount of \$45 million.

1.119. Released Parties means, collectively: (a) the Debtors, the Company, and their directors, officers, employees, agents, members, liquidators, monitors, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by such Persons), each solely in its capacity as such, and only if such Persons occupied such positions at any time on or after the Petition Date; (b) the Second Lien Noteholders Committee, the Second Lien Notes Indenture Trustee and each of their respective advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by the Second Lien Noteholders Committee or the Second Lien Notes Indenture Trustee), each solely in its capacity as such; (c) the Convertible Noteholders Committee, the Convertible Notes Indenture Trustee, and each of their respective advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by the Convertible Noteholders Committee or the Convertible Notes Indenture Trustee), each solely in its capacity as such; and (d) the Plan Support Parties (including, without limitation, each Consenting Second Lien Noteholder and each Consenting Convertible Noteholder) and each of their respective officers, partners, directors, employees, agents, members, shareholders, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by such Persons), each solely in its capacity as such; and (e) the Committee, each of the Committee's members, and each of their directors, officers, employees, agents, members, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by the Committee or the Committee's members), each solely in their capacities as such.

1.120. Required Consenting Convertible Noteholders means the Consenting Convertible Noteholders holding greater than 50% of the aggregate amount of Convertible Note Claims held by all of the Convertible Noteholders.



1.121. Required Consenting Second Lien Noteholders means the Consenting Second Lien Noteholders holding greater than 50% of the aggregate amount of Second Lien Note Claims held by all of the Second Lien Noteholders.

1.122. Restructuring Support Agreement means the agreement, including all exhibits and supplements annexed thereto, dated as of January 10, 2013 (as it may be amended, supplemented or otherwise modified from time to time, in accordance with the terms thereof, both as to substance and parties thereto) by and between the Debtors and the Plan Support Parties, a copy of which is attached to the Disclosure Statement.

1.123. Restructuring Support Agreement Professional Fees means the reasonable and documented fees and expenses due and owing to (i) Fried, Frank, Harris, Shriver & Jacobson LLP, counsel to the Second Lien Noteholders Committee and one (1) local counsel for the Second Lien Noteholders Committee, and (ii) Sidley Austin LLP, counsel to the Convertible Noteholders Committee and one (1) local counsel for the Convertible Noteholders Committee, in each case, in accordance with their existing engagement or fee letters.

1.124. SAI Subordinated Loan means collectively, the loans made through certain assignment agreements between SAI, as the lender, and PFSI, as the borrower, under that certain Subordinated Loan Agreement, dated as of June 29, 2011, in the principal amount of \$5 million and that certain Subordinated Loan Agreement, dated as of June 30, 2011, in the principal amount of \$10 million, which matured on June 29 and June 30, 2012, respectively. As of the Petition Date, the principal amount outstanding under the SAI Subordinated Loan is \$13.5 million plus accrued interest.

1.125. SAI Subordinated Loan Claim means any Claim arising from, or related to, the SAI Subordinated Loan, which Claim shall be deemed Allowed in the aggregate amount of \$12 million.

1.126. Schedules means the schedules of assets and liabilities, the lists of Holders of Equity Interests, and the statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto filed with the Bankruptcy Court through and including the Confirmation Date.

1.127. Second Lien Notes means those certain notes issued pursuant to the Second Lien Notes Indenture.

1.128. Second Lien Note Claim means any Claim arising from, or related to, the Second Lien Notes, other than a Securities Law Claim, which Claims shall be deemed Allowed in the aggregate principal amount of \$216,940,625.00 through the Petition Date; provided, however, that the Holders of Second Lien Note Claims shall also be entitled to receive post-petition interest on account of the Second Lien Note Secured Claims to the extent permitted under section 506(b) of the Bankruptcy Code.

1.129. Second Lien Note Collateral means (i) with respect to PWI, 100% of the Equity Interests in SAI, (ii) with respect to SAI, 100% of the Equity Interests in PFSI, GHP1, Inc., and PHI, and (iii) with respect to PHI, 65% of the Equity Interests in PFSC.

1.130. Second Lien Note Deficiency Claim means with respect to each applicable Debtor, the Unsecured Claims or Deficiency Claims of Second Lien Noteholders arising from, or related to the Second Lien Notes.

1.131. Second Lien Note Guarantee Claim means the Second Lien Note Claim against each applicable Guarantor Debtor arising from, or related to, SAI's and PHI's guarantee of PWI's obligations under the Second Lien Notes Indenture.

1.132. Second Lien Note Guarantee Deficiency Claim means with respect to each applicable Guarantor Debtor, the Unsecured Claims or Deficiency Claims of Second Lien Noteholders arising from, or related to SAI's and PHI's guarantee of PWI obligations under the Second Lien Notes Indenture.

1.133. Second Lien Note Guarantee Secured Claim means with respect to each applicable Guarantor Debtor, the Second Lien Note Secured Claim against Guarantor Debtors arising from, or related to, SAI's and PHI's guarantee of PWI's obligations under the Second Lien Notes Indenture.

1.134. Second Lien Note Secured Claim means that portion of the Second Lien Note Claim against a Debtor that is secured by the Second Lien Note Collateral granted by such Debtor, to the extent of the value thereof.

1.135. Second Lien Noteholders Committee means the informal committee of certain Holders of Second Lien Notes who are parties to the Restructuring Support Agreement.

1.136. Second Lien Notes Indenture means that certain indenture dated May 6, 2010, as may have been amended, supplemented or modified from time to time, pursuant to which PWI issued 12.5% Senior Second Lien Secured Notes due 2017 in the aggregate principal amount of \$200 million, and all documents ancillary thereto.

1.137. Second Lien Notes Indenture Trustee means U.S. Bank National Association, as trustee and collateral agent under the Second Lien Notes Indenture.

1.138. Second Lien Notes Indenture Trustee Fee Claim means the claim of the Second Lien Notes Indenture Trustee for compensation and reimbursement of fees, expenses, and indemnity claims pursuant to the terms of the Second Lien Notes Indenture and/or documents ancillary thereto, whether prior to or after the Petition Date and whether prior to or after the Effective Date.

1.139. Second Lien Pledge Agreement means that certain pledge agreement dated as of May 6, 2010 by and among PWI and certain subsidiaries thereof and U.S. Bank National Association, as collateral agent, as it may have been amended, supplemented or modified from time to time.

1.140. Secured Claim means any Claim that is: (a) secured by a valid, perfected and enforceable lien on property in which the Estates have an interest and that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, to the extent of the value of the Claim Holder's interest in the Estate, interest in such property as of the Confirmation Date; or (b)

subject to setoff under section 553 of the Bankruptcy Code, or to the extent of the amount subject to setoff, each as determined pursuant to sections 506(a) and 1111(b) of the Bankruptcy Code.

1.141. Securities Law Claim means any Claim against a Debtor, whether or not the subject of an existing lawsuit (a) arising from rescission of a purchase or sale of any shares, notes or any other securities of any Debtor or an affiliate of any Debtor, (b) for damages arising from the purchase or sale of any such security, (c) for violations of the securities laws, misrepresentations, or any similar Claims against a Debtor, including, to the extent related to the foregoing or otherwise subject to subordination under section 510(b) of the Bankruptcy Code, any attorneys' fees, other charges, or costs incurred on account of the foregoing Claims against a Debtor, or (d) except as otherwise provided for in this Plan, for reimbursement, contribution, or indemnification allowed under section 502 of the Bankruptcy Code on account of any such Claim against a Debtor, including, without limitation (i) any prepetition indemnification, reimbursement or contribution obligations of the Debtors, pursuant to the Debtors' corporate charters, by-laws, agreements entered into any time prior to the Petition Date, or otherwise, and relating to Claims against a Debtor otherwise included in the foregoing clauses (a) through (c), and (ii) Claims against a Debtor based upon allegations that the Debtors made false and misleading statements or engaged in other deceptive acts in connection with the sale of equity securities, or otherwise subject to section 510(b) of the Bankruptcy Code.

1.142. Settlement shall have the meaning set forth in Section 9.04(a) of this Plan.

1.143. Subordinated Loan Claims means collectively, the PWI Subordinated Loan Claim and the SAI Subordinated Loan Claim.

1.144. SunGard Settlement Agreement means that certain settlement agreement by and among the Debtors and SunGard Financial Systems LLC, which, among other things, fully and finally allows for all purposes, the Amended SunGard Claim.

1.145. Third-Party Cause of Action means any actions, causes of action, or suits, owned by any Holder of a Claim, whether assertable directly, indirectly, or in any representative or other capacity, occurring prior to the Effective Date, arising in law, equity, or otherwise, other than against the Debtor or released under Section 14.06(b) against a Released Party, (a) for damages arising from the purchase or sale of any security of the Debtor or the Debtor's affiliates or (b) for violations of the securities laws, misrepresentations, or any similar actions or liabilities arising from the purchase or sale of any such security.

1.146. Third-Party Cause of Action Transferor shall have the meaning set forth in Section 9.02(k) of this Plan.

1.147. Units shall have the meaning set forth in Section 9.02(a) of this Plan.

1.148. Unsecured Claim means a Claim that is not an Other Secured Claim, Administrative Claim, Priority Tax Claim, Non-Tax Priority Claim, Second Lien Note Secured Claim, or Second Lien Note Guarantee Secured Claim, provided that Unsecured Claims shall include, without limitation, any Deficiency Claims.

1.149. U.S. Trustee Fees means fees arising under 28 U.S.C. § 1930(a)(6) or accrued interest thereon arising under 31 U.S.C. § 3717.

1.150. Voting Deadline means the date specified in the Disclosure Statement, the Disclosure Statement Order, the ballots, or related solicitation documents approved by the Bankruptcy Court as the last date, as such date has been, and may be further, extended for Holders of impaired Claims entitled to vote to submit their ballots with respect to this Plan.

1.151. Wind-Down Expenses means: (a) any costs and expenses of winding down the Estates and/or the Debtors after the Effective Date and until the entry of a final decree closing the Chapter 11 Cases, including, without limitation, any compensation paid to the Chief Officer, professionals and consultants retained by the Chief Officer, and payment of statutory fees and taxes required to be paid in connection with dissolving each of the former Debtors; (b) any costs and expenses of PTL and the Liquidation Trust, including, without limitation, any compensation paid to the Chief Officer and the Liquidation Trustee, professionals and consultants retained by PTL and the Liquidation Trust, and any fees and expenses associated with maintaining the PTL Assets and the Liquidation Trust Assets, making Distributions in accordance with this Plan, and otherwise administering PTL and the Liquidation Trust; (c) the reasonable fees and expenses (including reasonable attorneys' fees and costs) that are incurred by PTL; and (d) fees and expenses of professional Persons incurred by PTL in connection with the implementation and consummation of this Plan, and incurred by PTL and any official committee of creditors in preparing, prosecuting or objecting to final fee applications, as provided in Section 17.07 of the Plan.

B. Interpretation; Application of Definitions and Rules of Construction. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter. Unless otherwise specified, all section, article, schedule, or exhibit references in the Plan are to the respective Section in, Article of, Schedule to, or Exhibit to, the Plan. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. Except for the rule contained in section 102(5) of the Bankruptcy Code, which shall not apply, the rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan. To the extent there is any inconsistency between any of the provisions of this Plan and any of the provisions contained in the Plan Documents to be entered into as of the Effective Date, the Plan Documents shall control.

C. Appendices and Plan Documents. All Plan Documents and appendices to the Plan are incorporated into this Plan by reference and are a part of this Plan as if set forth in full herein. The documents contained in the exhibits and the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. Holders of Claims and Equity Interests may inspect a copy of the Plan Documents, once filed, in the Office of the Clerk of the Bankruptcy Court during normal business hours, or at <http://www.kccllc.net/penson>, or obtain a

copy of the Plan Documents by sending a written request to the following address: Kurtzman Carson Consultants, 2335 Alaska Avenue, El Segundo, CA 90245.

## ARTICLE II

### **TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

2.01. Administrative Expense Claims. Except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment, each Holder of an Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim.

2.02. Time for Filing Administrative Expense Claims. The Holder of an Administrative Expense Claim accruing on or after January 11, 2013, other than: (a) a Fee Claim; (b) an Administrative Expense Claim that has been Allowed on or before the Effective Date; and (c) a claim for U.S. Trustee Fees, must submit to the Claims and Voting Agent and serve on PTL and its counsel and the Liquidation Trustee and counsel to the Liquidation Trust, a request for such Administrative Expense Claim so as to be received by 5:00 p.m. (prevailing Eastern Time) on the date that is forty (40) days after service of notice of occurrence of the Effective Date. Such request must include at a minimum: (i) the name of the Debtor(s) that are purported to be liable for the Administrative Expense Claim; (ii) the name of the Holder of the Administrative Expense Claim; (iii) the amount of the Administrative Expense Claim; (iv) the basis of the Administrative Expense Claim; and (v) supporting documentation for the Administrative Expense Claim. For the avoidance of doubt, this Section 2.02 of the Plan shall not be applicable to any claims arising under section 503(b)(9) of the Bankruptcy Code, or Indenture Trustee Fee Claims or any Restructuring Support Agreement Professional Fees, which Fee Claims shall be paid pursuant to Sections 10.07 and 17.02 of the Plan, respectively. **FAILURE TO FILE AND SERVE SUCH NOTICE OR REQUEST TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED AND EXTINGUISHED.**

2.03. Professional Compensation and Reimbursement Claims.

All requests for allowance of Fee Claims on a final basis must be filed with the Bankruptcy Court and served on PTL and its counsel, and the U.S. Trustee, no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, the allowed amounts of such Fee Claims shall be determined by the Bankruptcy Court. For the avoidance of doubt, this Section 2.03 of the Plan shall not be applicable to any Indenture Trustee Fee Claim or any Restructuring Support Agreement Professional Fees, which Fee Claims shall be paid pursuant to Sections 10.07 and 17.02 of the Plan, respectively. **FAILURE TO FILE AND SERVE FINAL FEE APPLICATIONS TIMELY AND PROPERLY SHALL RESULT IN THE UNDERLYING FEE CLAIMS BEING FOREVER BARRED AND EXTINGUISHED.**

Objections to Fee Claims, if any, must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than sixty (60) days after the Effective Date or such other date as may be established by the Bankruptcy Court.

Upon final allowance by the Bankruptcy Court of any Fee Claim, PTL shall pay from the PTL Assets the amount of all Allowed but unpaid Professional Fees promptly and directly to the applicable Professional.

2.04. Priority Tax Claims. Except to the extent that a Holder of an Allowed Priority Tax Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim shall receive, at the sole option of PTL, either (a) on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) calendar days after the date a Priority Tax Claim becomes an Allowed Claim, Cash in an amount equal to such Allowed Claim, or (b) deferred Cash payments following the Effective Date, over a period ending not later than five (5) years after the Petition Date, in an aggregate amount equal to the Allowed amount (plus post-petition interest due thereon, to the extent legally entitled thereto) of such Priority Tax Claim. Any Claim or demand for fines or penalties related to a Priority Tax Claim shall be disallowed and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect any such fine or penalty from PTL, the Chief Officer or the Liquidation Trustee.

### ARTICLE III

#### CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Claims and Equity Interests, other than Administrative Expense Claims, Fee Claims, and Priority Tax Claims, are classified in the Classes set forth below for all purposes, including voting, confirmation, and distributions pursuant to the Plan, as follows:

##### Identification of Classes Against PWI (Debtor 1)

Class <sup>3</sup>	Designation	Impairment	Entitled to Vote
Class 1A	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)
Class 2A	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
Class 3A	General Unsecured Claims	Impaired	Yes
Class 4A	Second Lien Note Claims	Impaired	Yes
Class 5A	Convertible Note Claims	Impaired	Yes

<sup>3</sup> The following chart assigns letter "A" to each Class of Claims and Interests against PWI for purposes of identifying each separate Class of Claims and Interests against PWI.

Class 6A	Intercompany Claims	Impaired	No (deemed to reject)
Class 7A	Securities Law Claims	Impaired	No (deemed to reject)
Class 8A	Equity Interests	Impaired	No (deemed to reject)

**Identification of Classes Against PFSI (Debtor 2)**

<b>Class<sup>4</sup></b>	<b>Designation</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
Class 1B	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)
Class 2B	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
Class 3B	General Unsecured Claims	Impaired	Yes
Class 4B	Subordinated Loan Claims	Impaired	Yes
Class 5B	Intercompany Claims	Impaired	No (deemed to reject)
Class 6B	Equity Interests	Impaired	No (deemed to reject)

**Identification of Classes Against Guarantor Debtors SAI and PHI (Debtors 3 and 4)**

<b>Class<sup>5</sup></b>	<b>Designation</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
Class 1C	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)
Class 2C	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
Class 3C	General Unsecured Claims	Impaired	Yes
Class 4C	Second Lien Note Guarantee Claims	Impaired	Yes
Class 5C	Intercompany Claims	Impaired	No (deemed to reject)
Class 6C	Equity Interests	Impaired	No (deemed to reject)

<sup>4</sup> The following chart assigns letter “B” to each Class of Claims and Interests against PFSI for purposes of identifying each separate Class of Claims and Interests against PFSI.

<sup>5</sup> The following chart assigns letter “C” to each Class of Claims and Interests against Guarantor Debtors SAI and PHI for purposes of identifying each separate Class of Claims and Interests against SAI and PHI.

**Identification of Classes Against Nexa (Debtor 5)**

<b>Class<sup>6</sup></b>	<b>Designation</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
Class 1D	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)
Class 2D	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
Class 3D	General Unsecured Claims	Impaired	Yes
Class 4D	Intercompany Claims	Impaired	No (deemed to reject)
Class 5D	Equity Interests	Impaired	No (deemed to reject)

**Identification of Classes Against Remaining Filed Subsidiary Debtors (Debtors 6 through 10)**

<b>Class<sup>7</sup></b>	<b>Designation</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
Class 1E	Non-Tax Priority Claims	Unimpaired	No (conclusively presumed to accept)
Class 2E	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
Class 3E	General Unsecured Claims	Impaired	Yes
Class 4E	Intercompany Claims	Impaired	No (deemed to reject)
Class 5E	Equity Interests	Impaired	No (deemed to reject)

The Claims and Equity Interests against the Debtors shall be classified as specified above (other than Administrative Claims, Fee Claims and Priority Tax Claims). Consistent with § 1122 of the Bankruptcy Code, a Claim or Equity Interest is classified by the Plan in a particular Class

<sup>6</sup> The following chart assigns letter “D” to each Class of Claims and Interests against Nexa for purposes of identifying each separate Class of Claims and Interests against Nexa.

<sup>7</sup> The following chart assigns letter “E” to each Class of Claims and Interests against the remaining Filed Subsidiary Debtors for purposes of identifying each separate Class of Claims and Interests against the remaining Filed Subsidiary Debtors. The remaining Filed Subsidiary Debtors are Penson Execution Services, Inc., Penson Financial Futures, Inc., GHP1, Inc., GHP2, LLC, and Penson Futures.



only to the extent the Claim or Equity Interest is within the description of the Class, and a Claim or Equity Interest is classified in a different Class to the extent it is within the description of that different Class. This Plan does not effect a substantive consolidation of the Debtors.

The treatment in this Plan is in full and complete satisfaction of the legal, contractual, and equitable rights that each entity holding an Allowed Claim or an Allowed Equity Interest may have in or against PTL or the PTL Assets or the Liquidation Trust or the Liquidation Trust Assets, as applicable, contributed by the applicable Debtor. This treatment supersedes and replaces any agreements or rights those entities have in or against the applicable Debtor or its property. To the extent that asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Claims or Equity Interests that is not entitled to retain anything under the Plan prior to the Class D Expiration Date, the Liquidation Trustee shall give effect to the priority scheme under the Bankruptcy Code and file a motion on notice to interested Holders of Claims or Equity Interests to effectuate such Distributions. All Distributions under the Plan will be tendered to the Person holding the Allowed Claim or Allowed Equity Interest in accordance with the terms of this Plan. EXCEPT AS SPECIFICALLY SET FORTH IN THIS PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF (I) ANY CLAIM THAT IS NOT AN ALLOWED CLAIM; (II) SECURITIES LAW CLAIMS; AND (III) EQUITY INTERESTS, EXCEPT AS SET FORTH IN THIS PLAN.

ALLOWED CLAIMS AGAINST ANY ONE DEBTOR WILL BE SATISFIED SOLELY FROM THE ASSETS OF SUCH DEBTOR AND THAT DEBTOR'S ESTATE AND PAID BY SUCH DEBTOR AND ITS ESTATE, PTL OR THE LIQUIDATION TRUST, AS APPLICABLE. NOTHING IN THE PLAN OR THE DISCLOSURE STATEMENT SHALL CONSTITUTE OR BE DEEMED TO CONSTITUTE AN ADMISSION THAT ANY ONE OF

THE DEBTORS IS SUBJECT TO OR LIABLE FOR ANY CLAIM AGAINST ANY OTHER DEBTOR. A CLAIM AGAINST MULTIPLE DEBTORS CO-LIABLE ON SUCH CLAIM, TO THE EXTENT ALLOWED IN EACH DEBTOR'S CASE, WILL BE TREATED AS A SEPARATE CLAIM AGAINST EACH DEBTOR'S ESTATE FOR ALL PURPOSES (INCLUDING, BUT NOT LIMITED TO, VOTING AND DISTRIBUTION). NO HOLDER OF A CLAIM AGAINST MULTIPLE DEBTORS CO-LIABLE ON SUCH CLAIM SHALL RECEIVE MORE THAN 100% OF THE ALLOWED AMOUNT OF SUCH CLAIM, EXCEPT AS OTHERWISE PROVIDED IN THIS PLAN.

#### ARTICLE IV

##### **CLASSIFICATION AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN PWI (DEBTOR 1)**

###### 4.01. CLASS 1A - NON-TAX PRIORITY CLAIMS.

(a) Impairment and Voting. Class 1A is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Allowed Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

###### 4.02. CLASS 2A - OTHER SECURED CLAIMS.

(a) Impairment and Voting. Class 2A is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the

Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

4.03. CLASS 3A - GENERAL UNSECURED CLAIMS.

(a) Impairment and Voting. Class 3A is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of this Plan and the PTL LLC Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the Class B Units, in full and final satisfaction, settlement, release, and compromise of and in exchange for its Allowed General Unsecured Claim against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Distributions under Section 4.03(b), 4.04(b)(ii) and 4.05(b) shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims, Allowed Second Lien Note Deficiency Claims, and Allowed Convertible Note Claims.

4.04. CLASS 4A – SECOND LIEN NOTE CLAIMS.

(a) Impairment and Voting. Class 4A is impaired by the Plan. Each Holder of a Second Lien Note Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. On or as soon as practicable after the applicable Distribution Date, subject to the terms of this Plan and the PTL LLC Agreement, each Holder of an Allowed Second Lien Note Claim against PWI shall receive its Pro Rata share of Class A Units, in full and final satisfaction, settlement, release and compromise of and in exchange for, (i) its Allowed Second Lien Note Secured Claim against the PWI Estate, to the extent of the value of the security granted by PWI, and (ii) its Allowed Second Lien Note Deficiency Claim, payable from the Net Distributable Assets of the PWI Estate. Distributions under Section 4.03(b), 4.04(b)(ii) and 4.05(b) shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims, Allowed Second Lien Note Deficiency Claims, and Allowed Convertible Note Claims.

4.05. CLASS 5A – CONVERTIBLE NOTE CLAIMS.

(a) Impairment and Voting. Class 5A is impaired by the Plan. Each Holder of a Convertible Note Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. On or as soon as practicable after the applicable Distribution Date, subject to the terms of this Plan and the PTL LLC Agreement, each Holder of an Allowed Convertible Note Claim against PWI shall receive its Pro Rata share of Class B Units, in full and final satisfaction, settlement, release and compromise of and in exchange for its Allowed Convertible Note Claim against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Distributions under Section 4.03(b), 4.04(b)(ii) and 4.05(b) shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims, Allowed Second Lien Note Deficiency Claims, and Allowed Convertible Note Claims.

4.06. CLASS 6A – INTERCOMPANY CLAIMS.

(a) Impairment and Voting. Class 6A is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

4.07. CLASS 7A – SECURITIES LAW CLAIMS.

(a) Impairment and Voting. Class 7A is impaired by the Plan. Each Holder of a Securities Law Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Each holder of an Allowed Securities Law Claim as of the Distribution Record Date shall not receive any distributions on account of such Allowed Securities Law Claims, provided, however, that, to the extent that asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Securities Law Claims, then after the payment in full of all Allowed Claims of the Holders of the Class A Units and the Class B Units (plus, where applicable, post-petition interest due thereon until payment in full), PTL will distribute amounts then available to the Liquidation Trust as the Holder of the Class D Units for the benefit of the Holders of Securities Law Claims against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Notwithstanding the foregoing proviso, if distributions on account of the Class D Units do not commence prior to the Class D Expiration Date, the Class D Units shall be cancelled and the Net Distributable Assets of the PWI Estate shall continue to be distributed to the Holders of Class A Units and Class B Units in proportion to the Allowed Unsecured Claims of such Holders after payment of any applicable secured claims. Distributions to holders of Securities Law Claims on account of such Holders' Class D Units shall be in accordance with the priorities of the Bankruptcy Code.

4.08. CLASS 8A - EQUITY INTERESTS.

(a) Impairment and Voting. Class 8A is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, to the extent that asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests, then after the payment in full of all Allowed Claims of the Holders of the Class A Units and the Class B Units (plus, where applicable, post-petition interest due thereon until payment in full, PTL will distribute amounts then available to the Liquidation Trust as the holder of the Class D Units for the benefit of the Holders of Equity Interests against the PWI Estate, payable from the Net Distributable Assets of the PWI Estate. Notwithstanding the foregoing proviso, if distributions on account of the Class D Units do not commence prior to

the Class D Expiration Date, the Class D Units shall be cancelled and the Net Distributable Assets of the PWI Estate shall continue to be distributed to the Holders of Class A Units and Class B Units in proportion to the Allowed Unsecured Claims of such holders after payment of any applicable secured claims. On the Effective Date, all Equity Interests in PWI shall be deemed cancelled. Distributions to Holders of Equity Interests on account of such Holders' Class D Units shall be in accordance with the priorities of the Bankruptcy Code.

## ARTICLE V

### **CLASSIFICATION AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN PFSI (DEBTOR 2)**

#### 5.01. CLASS 1B - NON-TAX PRIORITY CLAIMS.

(a) Impairment and Voting. Class 1B is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

#### 5.02. CLASS 2B - OTHER SECURED CLAIMS.

(a) Impairment and Voting. Class 2B is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date or the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

#### 5.03. CLASS 3B - GENERAL UNSECURED CLAIMS.

(a) Impairment and Voting. Class 3B is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of this Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust, plus, to the extent solvent (excluding the Subordinated Note Claims and Intercompany Claims), post-Effective Date interest on the amounts outstanding on such Allowed General Unsecured Claims as of six months after the Effective Date at a rate equal to 5% per annum, such interest to begin accruing six months after the Effective Date, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim against the PFSI Estate. Distributions shall be payable from the Net Distributable Assets of the PFSI Estate.

5.04. CLASS 4B – SUBORDINATED LOAN CLAIMS.

(a) Impairment and Voting. Class 4B is impaired by the Plan. Each Holder of an Allowed Subordinated Loan Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of this Plan and the PTL LLC Agreement, and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Subordinated Loan Claim, each Holder of an Allowed Subordinated Loan Claim shall receive, after payment in full of all Allowed General Unsecured Claims against the PFSI Estate (including post-Effective Date interest), its Pro Rata share of the Net Distributable Assets of the PFSI Estate. Such Distributions will constitute property of the PWI Estate and the SAI Estate, as applicable, and will be distributed in accordance with Article IV and Article VI of this Plan, respectively, and the PTL LLC Agreement.

5.05. CLASS 5B – INTERCOMPANY CLAIMS.

(a) Impairment and Voting. Class 5B is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

5.06. CLASS 6B - EQUITY INTERESTS.

(a) Impairment and Voting. Class 6B is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, to the extent that, after payment in full of all Allowed General Unsecured Claims and Allowed Subordinated Loan Claims against the PFSI Estate, asset recoveries exceed expectations in an amount that would

permit a Distribution to a Class of Equity Interests in PFSI, such Distributions will be paid to the SAI Estate (on account of its Equity Interests in PFSI), and will otherwise constitute property of the SAI Estate, and will be distributed in accordance with Article VI of this Plan.

## ARTICLE VI

### **CLASSIFICATION AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN GUARANTOR DEBTORS - SAI AND PHI (DEBTORS 3 AND 4)<sup>8</sup>**

#### 6.01. CLASS 1C - NON-TAX PRIORITY CLAIMS.

(a) Impairment and Voting. Class 1C is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Allowed Non-Tax Priority Claim becomes an Allowed Non-Tax Priority Claim, or as soon thereafter as is practicable.

#### 6.02. CLASS 2C - OTHER SECURED CLAIMS.

(a) Impairment and Voting. Class 2C is unimpaired by the Plan. Each Holder of an Other Secured Claim, including a Promissory Note Claim, is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim, including a Holder of an Allowed Promissory Note Claim, agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim and Allowed Promissory Note Claim, each Holder of an Allowed Other Secured Claim and Allowed Promissory Note Claim, shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Claim; (ii) the collateral securing any such Allowed Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter, provided, that in full satisfaction of the Promissory Note Claim, 40% of all proceeds from the Illiquid Instruments, up to \$3,500,000, shall be distributed to the PFSI Estate and no further distributions on account of the Promissory Note Claim will be made.

<sup>8</sup> The inclusion of SAI and PHI in the same class is for convenience purposes only. Notwithstanding the inclusion of SAI and PHI in the same class, nothing herein shall be deemed to substantively consolidate these Debtors. All votes shall be tabulated on a Debtor by Debtor basis and all claims shall be paid only from the assets of the applicable Debtor that is obligated on account of such Allowed Claim.

6.03. CLASS 3C - GENERAL UNSECURED CLAIMS.

(a) Impairment and Voting. Class 3C is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of this Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim against the SAI and PHI Estates. PTL shall make Pro Rata Distributions to the Liquidation Trust as the Holder of the Class C Units from the Net Distributable Assets of the SAI and PHI Estates, as applicable. Distributions under Section 6.03(b) and 6.04(b)(ii) shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims and Allowed Second Lien Note Guarantee Deficiency Claims.

6.04. CLASS 4C – SECOND LIEN NOTE GUARANTEE CLAIMS.

(a) Impairment and Voting. Class 4C is impaired by the Plan. Each Holder of a Second Lien Note Guarantee Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. On or as soon as practicable after the applicable Distribution Date, subject to the terms of this Plan and the PTL LLC Agreement, each Holder of an Allowed Second Lien Note Guarantee Claim against SAI and PHI shall receive its Pro Rata share of Class A Units, in full and final satisfaction, settlement, release and compromise of and in exchange for, (i) its Allowed Second Lien Note Guarantee Secured Claim against the SAI and PHI Estates, to the extent of the value of the security granted by SAI and PHI, and (ii) its Allowed Second Lien Note Guarantee Deficiency Claim against the SAI and PHI Estates, payable from the Net Distributable Assets of the SAI and PHI Estates, as applicable. Distributions under Sections 6.03(b) and 6.04(b)(ii) shall be shared Pro Rata among the Holders of Allowed General Unsecured Claims and Allowed Second Lien Note Guarantee Deficiency Claims.

6.05. CLASS 5C – INTERCOMPANY CLAIMS.

(a) Impairment and Voting. Class 5C is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

6.06. CLASS 6C - EQUITY INTERESTS.

(a) Impairment and Voting. Class 6C is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.



(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, to the extent that, after payment in full of all Allowed General Unsecured Claims and Allowed Second Lien Note Guarantee Claims against the SAI and PHI Estates, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in SAI and PHI, such Distributions will be paid to the PWI Estate (on account of its Equity Interests in SAI) and the SAI Estate (on account of its Equity Interests in PHI), will constitute property of the PWI Estate and SAI Estate, as applicable, and will be distributed in accordance with Article IV and Article VI of this Plan, respectively.

## ARTICLE VII

### CLASSIFICATION AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN NEXA (DEBTOR 5)

#### 7.01. CLASS 1D - NON-TAX PRIORITY CLAIMS.

(a) Impairment and Voting. Class 1D is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

#### 7.02. CLASS 2D - OTHER SECURED CLAIMS.

(a) Impairment and Voting. Class 2D is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

7.03. CLASS 3D - GENERAL UNSECURED CLAIMS.

(a) Impairment and Voting. Class 3D is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of this Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust on the later of the Effective Date and the date such Claim becomes an Allowed General Unsecured Claim, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim against the Nexa Estate. Distributions shall be payable from the Net Distributable Assets of the Nexa Estate within thirty (30) days of the Effective Date or as reasonably practicable thereafter.

7.04. CLASS 4D – INTERCOMPANY CLAIMS.

(a) Impairment and Voting. Class 4D is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

7.05. CLASS 5D - EQUITY INTERESTS.

(a) Impairment and Voting. Class 5D is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, after payment in full of all Allowed General Unsecured Claims against the Nexa Estate, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in Nexa, such Distributions will be paid to the SAI Estate (on account of its Equity Interests in Nexa), will constitute property of the SAI Estate, and will be distributed in accordance with Article VI of this Plan.

ARTICLE VIII

**CLASSIFICATION AND TREATMENT OF CLAIMS AGAINST AND EQUITY  
INTERESTS IN REMAINING FILED SUBSIDIARY DEBTORS (DEBTORS 6  
THROUGH 10)<sup>9</sup>**

8.01. CLASS 1E - NON-TAX PRIORITY CLAIMS.

(a) Impairment and Voting. Class 1E is unimpaired by the Plan. Each Holder of an Allowed Non-Tax Priority Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Non-Tax Priority Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release and compromise of each Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive Cash in an amount equal to such Allowed Non-Tax Priority Claim on the later of the Effective Date and the date such Claim becomes an Allowed Non-Tax Priority Claim, or as soon as reasonably practicable thereafter.

8.02. CLASS 2E - OTHER SECURED CLAIMS.

(a) Impairment and Voting. Class 2E is unimpaired by the Plan. Each Holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan because it is unimpaired and conclusively deemed to have accepted the Plan, pursuant to section 1126(f) of the Bankruptcy Code.

(b) Treatment. Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a different treatment, subject to the terms of this Plan and in exchange for full and final satisfaction, settlement, release, and compromise of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall, at the option of the Debtors (and after the Effective Date, at the option of PTL), receive (i) Cash in an amount equal to such Allowed Other Secured Claim; (ii) the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment rendering such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code, in each case on the later of the Effective Date and the date such Claim becomes an Allowed Other Secured Claim, or as soon as reasonably practicable thereafter.

8.03. CLASS 3E - GENERAL UNSECURED CLAIMS.

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<sup>9</sup> Remaining Filed Subsidiary Debtors are Penson Execution Services, Inc., Penson Financial Futures, Inc., GHP1, Inc., GHP2, LLC, and Penson Futures. The inclusion of the remaining Filed Subsidiary Debtors in the same class is for convenience purposes only. Notwithstanding the inclusion of the remaining Filed Subsidiary Debtors in the same class, nothing herein shall be deemed to substantively consolidate these Debtors. All votes shall be tabulated on a Debtor by Debtor basis and all claims shall be paid only from the assets of the applicable Debtor that is obligated on account of such Allowed Claim.

(a) Impairment and Voting. Class 3E is impaired by the Plan. Each Holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. Subject to the terms of this Plan, the PTL LLC Agreement and the Liquidation Trust Agreement, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the beneficial interest in the Creditor Sub-Trust, in full and final satisfaction, settlement, release, and compromise of, and in exchange for, its Allowed General Unsecured Claim. Distributions shall be payable from the Net Distributable Assets of the Estate against which the Holder's claim is Allowed.

#### 8.04. CLASS 4E – INTERCOMPANY CLAIMS.

(a) Impairment and Voting. Class 4E is impaired by the Plan. Each Holder of an Allowed Intercompany Claim is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan, pursuant to section 1126(g) of the Bankruptcy Code.

(b) Treatment. On the Effective Date, all net Intercompany Claims (taking into account any setoffs of Intercompany Claims) held by the Debtors between and among the Debtors, or between and among the Debtors and one or more of the non-Debtor Affiliates or the Canadian Debtor, shall be Allowed in the amount of \$0.

#### 8.05. CLASS 5E - EQUITY INTERESTS.

(a) Impairment and Voting. Class 5E is impaired by the Plan. Each Holder of an Equity Interest is deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Holders of Equity Interests shall not receive any distributions on account of such interests, provided, however, that, after payment in full of all Allowed General Unsecured Claims against Estates of the Filed Subsidiary Debtors, asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Equity Interests in the remaining Filed Subsidiary Debtors, such Distributions will be paid to SAI Estate, as the parent of the remaining Filed Subsidiary Debtors, will constitute property of the SAI Estate, and will be distributed in accordance with Article VI of this Plan.

### ARTICLE IX

#### IMPLEMENTATION OF THE PLAN

##### 9.01. No Substantive Consolidation of the Debtors.

Notwithstanding anything to the contrary set forth herein, although the Plan is presented as a joint plan of liquidation, the Plan does not provide for the substantive consolidation of the Debtors' Estates, and on the Effective Date the Debtors' Estates shall not be deemed to be substantively consolidated for any reason. Allowed Claims held against one Debtor will be satisfied solely from the Cash and assets of such Debtor and that Debtor's Estate, even after such Debtor's assets are transferred to PTL. Except as specifically set forth herein, nothing in the Plan, the Plan Documents or the Disclosure Statement shall constitute or

be deemed to constitute an admission that any one or all of the Debtors is subject to or liable for any Claims against any other Debtor. A Claim against multiple Debtors will be treated as a separate Claim against each Debtor's Estate and the secured portion of such Claim will be determined based on the value of the assets pledged by that Debtor, for all purposes including, but not limited to, voting and distributions made by PTL or the Liquidation Trust; provided, however, that no Claim will receive value in excess of 100% of the Allowed amount of such Claim except upon the Class D Expiration Date if there are sufficient Distributions to provide for such recovery.

9.02. Limited Liability Company and Liquidation Trust.

(a) Formation of Limited Liability Company. On or before the Effective Date, PTL will be formed as a Delaware limited liability company and all assets of the Debtors will be conveyed and transferred to PTL. In connection with the vesting and transfer of the PTL Assets, including the Causes of Action, any attorney-client privilege, work-product protection, common interest privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to PTL shall vest in PTL. The Debtors and the Chief Officer are authorized to take all necessary actions to effectuate the transfer of such privileges, protections and immunities. The Limited Liability Company Agreement of PTL (the "PTL LLC Agreement") will provide for the creation of four classes of membership interests: (i) Class A Units, (ii) Class B Units, (iii) Class C Units, and (iv) Class D Units (collectively "Units"). The PTL LLC Agreement shall be in form and substance reasonably acceptable to the Required Consenting Second Lien Noteholders, the Required Consenting Convertible Noteholders and the Committee. PTL will be managed by a board of managers (the "Board of Managers") selected by the Holders of Class A Units, Class B Units and the Committee in accordance with the terms of the PTL LLC Agreement. The initial Board of Managers will consist of one member appointed by the Committee, one member appointed by the Convertible Noteholders Committee, and two members appointed by the Second Lien Noteholders Committee. Class A Units will be distributed to the Second Lien Notes Indenture Trustee, or if the Second Lien Notes Indenture Trustee consents to the direct distribution to Holders through the facilities of the DTC, to each Holder of an Allowed Second Lien Note Claim, in exchange for their Second Lien Note Claims; provided, that without constituting a waiver of its Charging Lien, the Second Lien Notes Indenture Trustee Fee Claim shall be paid in accordance with Section 10.07 of the Plan. Class B Units will be distributed to and held by (A) the Holders of Convertible Notes in exchange for their Convertible Note Claims; and (B) the Holders of General Unsecured Claims against PWI in exchange for such General Unsecured Claims. Class C Units will be distributed to and held by the Liquidation Trust for the benefit of Holders of General Unsecured Claims of any Debtor other than PWI in exchange for such General Unsecured Claims. Class D Units will be distributed to and held by the Liquidation Trust for the benefit of (i) the Holders of Equity Interests in PWI, in exchange for such Equity Interests, and (ii) the Holders of Securities Law Claims, in exchange for such Claims. All rights of the Holders of Class D Units and the Class D Units themselves shall expire on the Class D Expiration Date and no distributions shall be made by PTL on account of such Units after that date.

(b) Management of PTL.

(i) PTL will be managed by the Chief Officer and a Board of Managers consisting of four managers, two of whom, after the initial appointment, shall be elected by the Holders of Class A Units, one of whom shall be elected by the Holders of Class B Units, and a fourth member shall be elected by the Committee, in accordance with the terms of the PTL LLC Agreement. After payment in full of all amounts payable to the Holders of the Class A Units and Class B Units in connection with such Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full), the Board of Managers of PTL will be appointed by the Liquidation Trust in accordance with the PTL LLC Agreement; provided, however, that the Liquidation Trust shall have no rights to appoint the Board of Managers if such power does not vest prior the Class D Expiration Date. With the exception of amounts distributable to the Holders of Class C Units, which amounts shall be distributed as soon as reasonably practicable after receipt by PTL, the Chief Officer shall have the discretion to determine the timing and amount of any Distributions to the various Holders of Units and to determine the amount of any reserves or other amounts to be retained to fund operating and other expenses of PTL; provided, however, that the Chief Officer shall make Distributions at the timing and in the amount as directed by majority vote of the Board of Managers, as provided in the PTL LLC Agreement. PTL will have authority to retain, on behalf of PTL, any counsel, financial advisors, claims agents, auditors, or other such professionals as PTL deems appropriate at all times. PTL may select any of the foregoing professionals in PTL's sole discretion, and prior employment in any capacity in the Chapter 11 Cases on behalf of the Debtors and the Debtors' estates shall not preclude PTL's retention of such professionals. The relative duties and responsibilities of the Board of Managers and the Chief Officer shall be set forth in the PTL LLC Agreement.

(ii) After the Effective Date, all property of PTL shall be managed and administered by PTL in a manner reasonably designed to maximize values. PTL is authorized to prosecute the Assigned Causes of Action for the benefit of any Holders of Allowed Claims who shall be entitled to receive a Distribution hereunder. If PTL, in the discretion of the Chief Officer, decides not to sell any non-Cash property or if such property cannot, in the judgment of the Chief Officer, be sold or liquidated in a commercially reasonable manner prior to the Final Distribution Date, PTL shall have the right to abandon or otherwise dispose of such property with the prior approval of the Bankruptcy Court. Absent willful misconduct or fraud in connection therewith, no party in interest shall have a cause of action against PTL, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, or the Debtors, or their respective directors, officers, employees, consultants, trustees or professionals arising from or related to the disposition of non-Cash property in accordance with this Section 9.02(b)(ii).

(c) Distributions With Respect to PTL Units. The PTL LLC Agreement will provide that:

(i) Subject to the allocation of those amounts payable in connection with (A) the Class B Units and (B) the Class C Units, the Holders of Class A Units will be entitled to receive from PTL, out of amounts available for Distributions, their Pro Rata share from the liquidation of applicable PTL Assets in an amount not to exceed the Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full);

provided, however, that upon the occurrence of the Class D Expiration Date, Holders of the Class A Units shall be entitled to additional distributions as provided herein;

(ii) Subject to the allocation of those amounts payable in connection with (A) the Class A Units and (B) the Class C Units, the Holders of Class B Units will be entitled to receive from PTL, out of amounts available for Distributions, their Pro Rata share from the liquidation of applicable PTL Assets in an amount not to exceed the Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full); provided, however, that upon the occurrence of the Class D Expiration Date, Holders of the Class B Units shall be entitled to additional distributions as provided herein;

(iii) Subject to the allocation of those amounts payable in connection with (A) the Class A Units and (B) the Class B Units, the Holders of the Class C Units will be entitled to receive from PTL, out of amounts available for Distributions and payable to the Liquidation Trust on each Holders' behalf, their Pro Rata share from the liquidation of applicable PTL Assets in an amount not to exceed the Holders' Allowed Claims (plus, where applicable, post-petition interest due thereon until Payment in Full); and

(iv) The Holders of Class D Units will be entitled to receive any amounts received by PTL from the liquidation of PTL Assets after the payment in full of all Allowed Claims of the Holders of the Class A Units and the Class B Units; provided, however, that after the Class D Expiration Date, any amounts received by PTL from the liquidation of the PTL Assets shall be distributed to the Holders of Class A Units and Class B Units in proportion to the Allowed Unsecured Claims of the Holders of Class A Units and the Holders of Class B Units after payment of any applicable secured claims.

(d) Creation of the Liquidation Trust. On or before the Effective Date, the Liquidation Trust shall be formed pursuant to the Liquidation Trust Agreement and the filing of a certificate of trust with the Delaware Secretary of State. The Liquidation Trustee will have authority to retain, on behalf of the Liquidation Trust, any counsel, financial advisors, claims agent, auditors, or other such professionals as it deems appropriate at all times. The Liquidation Trust may select any of the foregoing professionals in the Liquidation Trustee's sole discretion, and prior employment in any capacity in the Chapter 11 Cases on behalf of the Debtors and the Debtors' estates shall not preclude the Liquidation Trust's retention of such professionals. The Liquidation Trust Beneficiaries' interests in the Liquidation Trust shall be uncertificated and, subject to applicable law, shall only be transferrable upon the death of the applicable Liquidation Trust Beneficiary or pursuant to applicable law.

(e) Purpose of the Liquidation Trust. On the Effective Date, (i) the Claims of Holders of General Unsecured Claims against the Debtors other than PWI shall be deemed to be transferred to the Liquidation Trust and the Liquidation Trust shall, in turn, exchange such Claims for the Class C Units in PTL; and (ii) all Securities Claims and Claims with respect to Equity Interests in PWI shall be deemed to be transferred to the Liquidation Trust and the Liquidation Trust shall, in turn, exchange such Claims for the Class D Units in PTL. The Liquidation Trust shall be established as a liquidation trust for the primary purpose of monetizing and distributing the Liquidation Trust Assets to the Liquidation Trust Beneficiaries. Under the terms of the Liquidation Trust, the Liquidation Trustee will establish two sub-trusts:

(i) a sub-trust to hold the Class C Units of PTL (the “Creditor Sub-Trust”) and (ii) a sub-trust to hold the Class D Units of PTL (the “Equity Interest Sub-Trust”). Amounts held in the Creditor Sub-Trust will be distributed in accordance with the Liquidation Trust Agreement to Liquidation Trust Beneficiaries who formerly held unsecured claims against Debtors other than PWI. The Liquidation Trust shall not distribute any Class C Units thereunder but will only distribute the applicable Distributions received on account of such Class C Units to the applicable Holders of the beneficial interest in the Creditor Sub-Trust. Amounts held in the Equity Interest Sub-Trust, if any, shall be distributed in accordance with the Liquidation Trust Agreement, with payments first made Pro Rata to the Holders of Securities Claims, until Paid in Full, and thereafter Pro Rata to the former Holders of Equity Interests in PWI. The Liquidation Trust shall not distribute any Class D Units thereunder but will only distribute the applicable Distributions received on account of such Class D Units to the applicable Holders of the beneficial interest in the Equity Interest Sub-Trust.

(f) Transfer Taxes. Any transfer of the PTL Assets to PTL or the Liquidation Trust Assets to the Liquidation Trust shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax to the extent permitted under section 1146(a) of the Bankruptcy Code.

(g) Federal Income Tax Treatment.

(i) PTL shall be taxable as a partnership for all federal and state income tax purposes and no member or manager of PTL shall be permitted to make any election inconsistent with such treatment.

(ii) The Liquidation Trust will be established for the sole purpose of distributing the Liquidation Trust Assets, and any proceeds therefrom, in accordance with Treasury Regulation section 301.7701-4(d) and Revenue Procedure 94-45, with no objective to continue or engage in the conduct of a trade or business. The Liquidation Trust is intended to qualify as a liquidation trust for U.S. federal income tax purposes. In general, a liquidation trust is not a separate taxable entity for U.S. federal income tax purposes, but is instead treated as a grantor trust, *i.e.*, pass-through entity. All parties must treat the transfer of the portion of the Liquidation Trust Assets attributable to the Liquidation Trust Beneficiaries as a transfer of such assets directly to the Liquidation Trust Beneficiaries. Consistent therewith, all parties must treat the Liquidation Trust as a grantor trust of which the Liquidation Trust Beneficiaries are the owners and grantors. Subject to the terms of the Liquidation Trust Agreement, the Liquidation Trustee will determine the fair market value of the Liquidation Trust Assets as soon as possible after the Effective Date, and the Liquidation Trust Beneficiaries and the Liquidation Trustee must consistently use this valuation for all U.S. federal income tax purposes, including for determining gain, loss or tax basis.

(h) Reserves. PTL shall establish a PTL Reserve on account of Claims against any Debtor that are Disputed. PTL may, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), (i) make an election pursuant to Treasury Regulation section 1.468B-9 to treat the PTL Reserve as a “disputed ownership fund” within the meaning of that section, (ii) allocate taxable income or loss to the PTL Reserve, with respect to any given taxable year (but only for the portion of the taxable



year with respect to which such Claims are Disputed), and (iii) distribute assets from the PTL Reserve as, when, and to the extent, such Claims that are Disputed cease to be Disputed, whether by virtue of becoming Allowed or otherwise resolved. Unit Holders shall be bound by such election, if made by the Board of Managers of PTL, and as such shall, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

(i) Dissolution.

(i) PTL shall continue in existence until such time as PTL is dissolved in accordance with the terms of the PTL LLC Agreement.

(ii) The Liquidation Trust shall be dissolved no later than five (5) years from the Effective Date; provided, however, that the term of the Liquidation Trust may be extended if the Class D Unit Expiration Date does not occur on the fifth anniversary of the Effective Date.

(j) Securities Law Matters. To the extent the interests in PTL or the Liquidation Trust are deemed to be “securities,” the issuance of such interests under the Plan are exempt, pursuant to section 1145 of the Bankruptcy Code, from registration under the Securities Act of 1933, as amended, and any applicable state and local laws requiring registration of securities.

(k) Transferred Third-Party Securities Laws Cause of Action. Any Holder of a Claim may elect to assign to PTL, by written instrument executed by such Holder, any Third-Party Cause of Action that such Holder may have (such Holder a “Third-Party Cause of Action Transferor”). A Third-Party Cause of Action Transferor executing such instrument shall be deemed to transfer any Third-Party Cause of Action such Holder may have to PTL as of the date of such transfer. PTL shall not be obligated to pursue any transferred Third-Party Cause of Action and, as assignee of such transferred Third-Party Causes of Action, all decisions with respect to such transferred Third-Party Causes of Action, including, without limitation, decisions with respect to the prosecution and settlement of such transferred Third Party Causes of Action, shall belong solely to PTL. For purposes of distributions, the proceeds of any transferred Third-Party Causes of Action shall be deemed general property of PWI’s estate and any proceeds thereof shall be distributed in accordance with Article IV herein without regard to the identity or status of the Third-Party Cause of Action Transferor. For avoidance of doubt, after the transfer of a Third-Party Cause of Action, Transferor shall have no direct interest in such transferred Third-Party Cause of Action, and any right to distributions of proceeds from such transferred Third-Party Cause of Action by a Third-Party Cause of Action Transferor will be solely by virtue of the terms of this Plan and such Third-Party Cause of Action Transferor’s status as a Unit holder in PTL.

9.03. Approval of Plan Documents. The solicitation of votes on the Plan shall be deemed a solicitation for the approval of the Plan Documents and all transactions contemplated hereunder. Entry of the Confirmation Order shall constitute approval of the Plan Documents and such transactions. On the Effective Date, the PTL shall be authorized to enter into, file, execute and/or deliver each of the Plan Documents and any other agreement or instrument issued in

connection with any Plan Document without the necessity of any further corporate, board or shareholder action.

#### 9.04 Settlement of Claims and Controversies.

(a) Settlement Under the Plan: Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all released claims against the Released Parties, and the Plan constitutes a request for the Bankruptcy Court to authorize and approve such compromise and settlement, to release all of the released claims belonging to the Debtors' Estates and any other Person that is deemed to have given a release pursuant to Section 14.06 of this Plan against each and every and all Released Parties (the "Settlement"). Distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Settlement. Entry of the Confirmation Order shall confirm the Bankruptcy Court's approval, as of the Effective Date of the Plan, of all components of the Settlement and the Bankruptcy Court's finding that the Settlement is in the best interests of the Debtors, their respective Estates, PTL, the Liquidation Trust, and the Holders of Claims and interests, and is fair, equitable and reasonable.

(b) Intercompany Claims Settlement Under the Plan. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Intercompany Claims, including, without limitation, the PWI Subordinated Loan Claim, the SAI Subordinated Loan Claim, and the Promissory Note Claim (the "Intercompany Claims Settlement"), and the Plan constitutes a request to authorize and approve the Intercompany Claims Settlement. Pursuant to the Intercompany Claims Settlement, in full satisfaction of the Promissory Note Claim 40% of all proceeds from the Illiquid Instruments, up to \$3,500,000, shall be distributed to the PFSI Estate. No further distributions on account of the Promissory Note Claim will be made. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the Intercompany Claims Settlement and the Bankruptcy Court's finding that the Intercompany Claims Settlement is in the best interests of the Debtors, their respective Estates, PTL, the Liquidation Trust and the Holders of Claims and interests, and is fair, equitable and reasonable.

### ARTICLE X

#### CORPORATE GOVERNANCE AND ACTIONS

10.01. Post-Effective Date Corporate Existence. On the later of the Effective Date and the transfer of all the Debtors' assets to PTL as provided in Section 9.02 of this Plan, except to the extent that the Debtors or the Chief Officer determine otherwise, each of the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that each Debtor shall file with the Office of the Secretary of State for the state of its incorporation or formation a certificate of dissolution which may be executed by an officer of such Debtor or the Chief Officer on behalf of such Debtor without the need for approval by any board of directors, stockholders, members, or managers, as applicable. From and after the

Effective Date, the Debtors shall not be required to file any document, or take any other action, or obtain any approval from any Debtor's board of directors, stockholders, members, or managers to withdraw such Debtor's business operations from any states in which the Debtors previously conducted the Company's business operations.

10.02. Corporate Action. On or prior to the Effective Date, any Debtor and, after the Effective Date, PTL, may enter into or undertake any corporate transactions or other entity transactions (collectively, "Corporate Transactions") and may take such actions as may be determined by such Debtor or PTL to be necessary or appropriate to effect such corporate transactions. The actions to effect the corporate transactions may include, without limitation: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, conversion, restructuring, recapitalization, disposition, liquidation or dissolution containing terms that are consistent with the terms herein and that satisfy the requirements of applicable law and such other terms to which the applicable entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, disposition, or delegation of any asset, property, right, liability, duty or obligation on terms consistent with the terms herein and having such other terms to which the applicable entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, conversion or dissolution (or similar instrument) pursuant to applicable law; and (iv) all other actions which the applicable entities may determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with such Corporate Transactions. The Corporate Transactions may include one or more mergers, consolidations, conversions, restructurings, recapitalizations, dispositions, liquidations or dissolutions, as may be determined by the applicable Debtors or Chief Officer to be necessary or appropriate to effect the purposes of such Corporate Transactions for the benefit of PTL. In each case in which the surviving, resulting or acquiring Person in any such transaction is a successor to a Debtor, such surviving, resulting or acquiring Person will perform the obligations of the applicable Debtor pursuant to this Plan to pay or otherwise satisfy the Allowed Claims against such Debtor, except as provided in any contract, instrument or other agreement or document effecting a disposition to such surviving, resulting or acquiring Person, which may provide that another Debtor will perform such obligations. Implementation of the Corporate Transactions shall not affect any distributions, discharges, exculpations, releases or injunctions set forth in this Plan. On or prior to, or as soon as practicable after, the Effective Date, the Debtors or PTL may take such steps as the Debtors or PTL may deem necessary or appropriate to effectuate any Corporate Transactions that satisfy the requirements set forth in this Section 10.02. The Corporate Transactions shall be authorized and approved by the Confirmation Order pursuant to, among other provisions, sections 1123 and 1141 of the Bankruptcy Code and Title 6 and 8 of the Delaware Code, if applicable, without any further notice, action, third-party consents, court order or process of any kind, except as otherwise set forth herein or in the Confirmation Order.

10.03. Officers and Boards of Managers. Effective as of the Effective Date, the Board of Managers of PTL shall be comprised of two members appointed by the Second Lien Noteholders Committee, one member appointed by the Convertible Noteholders Committee and one member appointed by the Committee. The Chief Officer may be removed by majority vote of the Board of Managers. The relative duties and responsibilities of the Board of Managers and the Chief Officer shall be set forth in the PTL LLC Agreement. Effective as of the Effective Date, members of the board of directors of each Debtor prior to the Effective Date, in their capacities

as such, shall have no continuing obligations to the Debtor(s) or PTL on or after the Effective Date.

10.04. Payment of Wind-Down Expenses. PTL Wind-Down Expenses shall be paid by the Chief Officer from the PTL Assets, as set forth in the PTL LLC Agreement, and Liquidation Trust Wind-Down Expenses shall be paid by the Liquidation Trustee from the Liquidation Trust Assets, as set forth in the Liquidation Trust Agreement.

10.05. Cancellation of Existing Securities and Agreements. On the Effective Date, any document, agreement or instrument evidencing any Claim (including, but not limited to, the Indentures and the Notes (except to the extent otherwise provided in this Plan)) or Equity Interests in PWI and Filed Subsidiary Debtors shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the Debtors under such documents, agreements, or instruments evidencing such Claims and Equity Interests, as the case may be, shall be discharged.

10.06. Second Lien Notes and Convertible Notes. Notwithstanding anything herein to the contrary, the applicable provisions of the Indentures shall continue in effect solely for the purposes of permitting the Indenture Trustees to: (i) make the distributions to be made to Holders of Allowed Second Lien Note Claims and Allowed Convertible Note Claims, as contemplated by Article IV and Article VI of the Plan; and (ii) preserving the rights of the applicable Indenture Trustee under the applicable Indenture, including, without limitation: (a) such Indenture Trustee's rights to pursue claims or actions against non-Debtors, (b) such Indenture Trustee's Charging Lien, and (c) such Indenture Trustee's rights with respect to compensation, reimbursement of expenses (including attorney's fees), and indemnity under the applicable Indenture; provided, however, that, except as set forth in Section 10.07 of the Plan, such rights against the Debtors and Charging Liens are limited to the distributions, if any, to the Holders of the Allowed Second Lien Note Claims and Allowed Convertible Note Claims, as applicable. The Holders of or parties to such cancelled (or converted, as applicable) instruments, securities and other documentation will have no rights against the Debtors arising from or relating to such instruments, securities and other documentation or the cancellation (or conversion, as applicable) thereof, except the rights provided pursuant to the Plan.

10.07. Rights of the Indenture Trustees.

(a) In full satisfaction of any Allowed Indenture Trustee Fee Claims for fees and expenses incurred through the Effective Date, including to the extent such Allowed Indenture Trustee Fee Claims are secured by any Charging Liens under the Indentures, PTL will distribute to the Indenture Trustees on the Effective Date, or as soon thereafter as practicable, Cash equal to the amount of the Allowed Indenture Trustee Fee Claims; provided, however, that with respect to Claims to which the Debtors or PTL shall have objected as set forth in subsection 10.07(b) hereof, no distribution, solely in respect of the disputed portion of such Claim, shall be payable by the Debtors or PTL hereunder until such objection has been resolved. To the extent the Indenture Trustees incur fees or expenses after the Effective Date, the Indenture Trustees shall be compensated and reimbursed for such fees and expenses as Wind-Down Expenses, subject to the conditions set forth in subsection 10.07(b) hereof.

(b) As a condition to receiving payment thereof from the Debtors or PTL, each Holder of an Indenture Trustee Fee Claim shall deliver to the Debtors (or, if after the Effective Date, the Chief Officer), written copies of invoices in respect of such claims, with narrative descriptions of the services rendered (including appropriate redactions to preserve privileged matters) and itemization of expenses incurred in such detail and with supporting documentation as is customary for an Indenture Trustee. An Indenture Trustee Fee Claim shall be deemed Allowed and shall be promptly paid, except to the extent the Debtors (or, if after the Effective Date, the Chief Officer) object within fifteen (15) business days after receipt of such invoices and supporting documentation based upon a "reasonableness" standard in accordance with the applicable Indenture. If the Debtors or the Chief Officer timely object to the request for payment of any Indenture Trustee Fee Claim, the undisputed amount of any Indenture Trustee Fee Claims with respect to which such objection(s) are pending shall be Allowed and paid by PTL on the Effective Date or as soon thereafter as reasonably practicable. PTL shall not be required to make any payments with respect to the disputed portion of an Indenture Trustee Fee Claim as to which the Debtors (or the Chief Officer) have objected until resolved or determined by the Bankruptcy Court. In the event such objector(s) are unable to resolve a dispute as to an Indenture Trustee Fee Claim, each Indenture Trustee may, in its sole discretion, elect to (i) submit any such dispute to the Bankruptcy Court for resolution by application requesting payment of the disputed portion of the Indenture Trustee Fee Claims in accordance with the reasonableness standards set forth in the applicable Indenture (and not subject to the requirements of sections 503(b)(3) and (4) of the Bankruptcy Code, which shall not apply) or (ii) assert its Charging Lien to obtain payment of a disputed portion of the Indenture Trustee Fee Claim in lieu of Bankruptcy Court resolution described in subsection (i).

(c) As soon as practicable after the Effective Date, the applicable Indenture Trustee or the Claims and Voting Agent shall transmit a notice to holders of Notes via DTC, advising such holders of the effectiveness of this Plan and providing instructions to such holders to tender their Notes in accordance with the applicable Indenture in exchange for the Distributions to be made pursuant to this Plan. Delivery of any Note will be effected, and risk of loss and title thereto shall pass, only upon delivery of such Note to the applicable Indenture Trustee in accordance with the terms and conditions of such notice to holders of Notes, such notice to holders of Notes to be in such form and have such other provisions as the Debtors may reasonably request. Each holder of any Note shall surrender such Note to the applicable Indenture Trustee. No Distribution hereunder shall be made to or on behalf of any such holder unless and until such Note is received by the relevant Indenture Trustee, or the loss, theft or destruction of such Note is established to the satisfaction of the relevant Indenture Trustee, including requiring such holder (i) to submit a lost instrument affidavit and an indemnity bond, and (ii) to hold the Debtors and the relevant Indenture Trustee harmless in respect of such Note and any Distributions made in respect thereof. Upon compliance with this Section by a holder of any Note, such holder shall, for all purposes under this Plan, be deemed to have surrendered such Note. Any such holder that fails to surrender such Note or satisfactorily explain its non-availability to the applicable Indenture Trustee within three (3) months of the Effective Date shall be deemed to have no further Claim against the Debtors, the Debtors' estates, the Debtors' property, PTL or the applicable Indenture Trustee in respect of such Claim and shall not participate in any Distributions under this Plan, and the Distribution that would otherwise have been made to such holder shall be distributed by the applicable Indenture Trustee to all

applicable holders who have surrendered their Notes or satisfactorily explained their non-availability to the applicable Indenture Trustee within three (3) months of the Effective Date.

(d) All Distributions to be made under the Plan (i) to Holders of Allowed Convertible Note Claims shall be made to the Convertible Notes Indenture Trustee and (ii) to Holders of Allowed Second Lien Note Claims shall be made to the Second Lien Notes Indenture Trustee, unless the applicable Indenture Trustee consents to the direct distribution through DTC, and, subject at all times to the applicable Indenture Trustee's Charging Lien, the Indenture Trustees shall transmit such Distributions to their respective Holders of such Allowed Claims, to be applied as follows: first, to any principal or premium then outstanding on the relevant Notes, and second, to any interest or other amounts then outstanding on such Notes. Notwithstanding the foregoing, nothing herein shall modify or impair any Indenture Trustee's rights relating to such Indenture Trustee's Indenture Trustee Fee Claims. All payments to such Holders shall only be made after the surrender by each such holder of the Note certificates representing such Claim, or in the event that such certificate is lost, stolen, mutilated or destroyed, upon the holder's compliance with the requirements set forth in §10.07(c) above. Upon surrender of such Note certificates, the applicable Indenture Trustee shall cancel and destroy such Notes. As soon as practicable after surrender of Note certificates evidencing such Allowed Note Claims, the applicable Indenture Trustee shall distribute to the holder thereof such holder's pro rata share of the Distribution, but subject to the rights of such Indenture Trustee to assert its Charging Lien against such Distribution.

(e) Consistent with Bankruptcy Rule 3003(c), the Debtors shall recognize a proof of claim filed by any Indenture Trustee (or if no proof of claim is filed, the applicable Allowed Claims described herein), in respect of any of the Notes, and any proof of claim which is filed by the registered or beneficial holder of such Notes may be disallowed as duplicative of the Claim of the applicable Indenture Trustee without need for any further action or order by the Bankruptcy Court.

## ARTICLE XI

### **PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE PLAN**

11.01. Nonconsensual Confirmation. If any impaired Class of Claims entitled to vote shall not accept the Plan by the requisite statutory majority provided in section 1126(c) of the Bankruptcy Code, the Debtors shall have the right to amend the Plan in accordance with Section 17.09 hereof or to ask the Bankruptcy Court to confirm the Plan under section 1129(b) of the Bankruptcy Code, or both. With respect to impaired Classes of Claims and Equity Interests that are deemed to reject the Plan, the Debtors shall request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code.

11.02. Elimination of Vacant Classes. Any Class of Claims or Equity Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Equity Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for

purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

11.03. Voting Classes. Except for Holders of Claims or Interests in Classes that are deemed to have accepted or rejected this Plan pursuant to the terms of this Plan, if, at the time of the Confirmation Hearing, there are any Holders of Claims or Interests in a particular Impaired Class of Claims or Interests that were given the opportunity to vote to accept or reject this Plan and were notified that a failure of any Holders of Claims or Interests in such Impaired Class of Claims or Interests to vote to accept or reject this Plan would result in such Impaired Class of Claims or Interests being deemed to have accepted this Plan, but no Holders of Claims or Interests in such Impaired Class of Claims or Interests voted to accept or reject this Plan, then the Debtors reserve the right to seek, on reasonable notice to parties in interest with an opportunity to object and be heard, to have such Class of Claims or Interests deemed to have accepted this Plan. If there is no impaired accepting Class with respect to any of the Filed Subsidiary Debtors 6 through 10, the Debtors reserve the right to effect mergers and dissolutions with respect to Filed Subsidiary Debtors 6 through 10 and to take and cause to be taken such actions in order to carry out such mergers and dissolutions, on such terms and conditions the Debtors may deem necessary or desirable.

11.04. Distributions. Pursuant to the terms and provisions of the Plan, PTL or the Liquidation Trustee or, with respect to Second Lien Note Claim, the Second Lien Notes Indenture Trustee and with respect to Convertible Note Claim, the Convertible Notes Indenture Trustee, shall make the required Distributions specified under the Plan, on or as soon as practicable the Initial Distribution Date, Interim Distribution Date, or Final Distribution Date, as the case may be, under the Plan. Any payment of Cash made by PTL or the Liquidation Trustee pursuant to the Plan shall, at the option of PTL or the Liquidation Trustee, as applicable, be made by check drawn on a domestic bank or wire transfer.

11.05. Insurance Claims. That portion of each Allowed Claim that is an Insurance Claim shall be paid by PTL solely and exclusively: (a) from the proceeds of insurance relating to such Insurance Claim as and when such proceeds are received; or (b) by the applicable insurance carrier to the extent of such insurance. Notwithstanding the foregoing, an Allowed Claim, or any portion thereof, for which insurance coverage may be available shall not be treated as an Insurance Claim under the Plan until the Holder of such Allowed Claim has actually received payment from the applicable insurance carrier, its assignee, successor or affiliate (collectively, the “Insurer”), in respect of such Claim or portion thereof. If the Holder of an Allowed Claim does not receive payment from the applicable Insurer for any reason (other than as a result of the Holder’s willful misconduct or gross negligence), distributions under the Plan to such Holder, if any, shall not be reduced on account of the insured portion of such Claim; provided, that, as a condition to any distribution from PTL to the Holder of an Allowed Claim, all or some of which may be covered by insurance, the Holder of such Claim shall be deemed to have assigned to PTL such Holder’s right to receive payments on the Claim from the Insurer to the extent of the distribution under the Plan and shall pay to PTL any amounts paid by the Insurer to or on behalf of such Holder to the extent of the distribution (except to the extent such amounts have been paid by the Insurer to PTL). If a Holder reasonably determines to abandon attempts to collect insurance from an Insurer, the Holder shall give 10 Business Days’ notice thereof to PTL, and at the expiration of such notice period may abandon attempts to collect such amounts from the

Insurer and PTL shall thereupon be entitled to all rights of the Holder against the Insurer with respect to such amounts.

11.06. Timing of Distributions. In the event that any payment, distribution, or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or distribution or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Any requirement under the Plan that PTL or Liquidation Trustee make a payment or distribution on a date shall mean that such party is required to commence the process of making a payment or distribution on such date or as soon as reasonably practicable thereafter.

11.07. Holders as of the Distribution Record Date. As of the close of business on the Distribution Record Date: (i) the claims register maintained in the Chapter 11 Cases shall be closed; (ii) the transfer of books and records of the Notes as maintained by the applicable Indenture Trustee or its agent shall be closed; and (iii) any transfer of any Claim or any interest therein, including, without limitation, any of the Notes, shall be prohibited. Neither the Debtors, PTL, nor the Indenture Trustees, if applicable, shall have any obligation to recognize any transfer of any Claim or any interest therein, including, without limitation, any of the Notes, occurring after 5:00 p.m. (prevailing Eastern Time) on the Distribution Record Date, and instead may, in their sole discretion, recognize and deal for all purposes under this Plan with only those holders of record as of 5:00 p.m. (prevailing Eastern Time) on the Distribution Record Date.

11.08. Distributions to Address of Record. Subject to Bankruptcy Rule 9010, and except as set forth in this Section 11.08 of the Plan, all distributions under the Plan to Holders of Allowed Claims shall be made to the Holder of each Allowed Claim at the address of such Holder as listed on the Schedules as of the Distribution Record Date, unless the Debtors or, on and after the Effective Date, PTL and the Liquidation Trustee, have been notified in writing of a change of address, including, without limitation, by the timely filing of a proof of claim by such Holder that provides an address for such Holder different from the address reflected on the Schedules. In the event that any distribution to any such Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the appropriate PTL or the Liquidation Trustee, as applicable, has been notified of the then current address of such Holder, at which time or as soon as reasonably practicable thereafter, such distribution shall be made to such Holder without interest; provided, however, that, at the later of the expiration of one (1) year from the Effective Date and the date a Claim becomes an Allowed Claim, such distributions shall be deemed unclaimed property and shall revert in PTL or the Liquidation Trust, as applicable, and be distributed to other Holders of Allowed Claims, in accordance with the Plan or otherwise ordered by the Bankruptcy Court.

11.09. Minimum Distributions. PTL or the Liquidation Trustee shall not be obligated to make any payment of Cash of less than one hundred dollars to any Holder of an Allowed Claim. Notwithstanding anything contained herein to the contrary, if, on any Distribution Date there remains \$10,000 or less available for distribution to Holders of Allowed General Unsecured Claims, in lieu of making any further distributions to the Holders of such Claims, PTL or the Liquidation Trust may distribute such Cash to the charity of its choice.



11.10. Unclaimed Distributions. All distributions to Holders of Allowed Claims under the Plan that are unclaimed for a period of one (1) year after distribution thereof shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code, and any entitlement of any Holder of any Claim to such distributions shall be extinguished and forever barred. All such unclaimed property shall revert in PTL or the Liquidation Trust and be distributed to other Holders of Allowed Claims or donated in accordance with the Plan or otherwise ordered by the Bankruptcy Court.

11.11. Setoffs. PTL may, but shall not be required to, set off against any Claim (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any Causes of Action of any nature whatsoever that the Debtors may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or PTL of any such Causes of Action that the Debtors or PTL may have against the Holder of such Claim.

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

11.13. Estimation of Claims; Certain Reserves. For purposes of calculating and making distributions under the Plan, PTL shall be entitled to estimate, in good faith and with due regard to litigation risks associated with Disputed Claims that are contingent and/or unliquidated and the maximum dollar amount of Allowed and Disputed Claims that are contingent and/or unliquidated Claims in a particular class. PTL also shall be entitled to seek one or more estimation orders from the Bankruptcy Court for such purposes, which requests may be joined with objections to the Claims that are subject to any such request. Appropriate Disputed Claims reserves shall be established for each category of Claims as to which estimates are utilized or sought. With respect to Insurance Claims, PTL shall not be required to establish a PTL Reserve on account of any portion of an Insurance Claim that in Chief Officer's good faith will be paid from available insurance coverage. Notwithstanding the foregoing or anything else in this Plan or the Confirmation Order: (i) neither PTL nor the Chief Officer shall be obligated to physically segregate and maintain separate accounts for PTL Reserves; and (ii) unless otherwise ordered by the Bankruptcy Court, PTL Reserves shall not be required to be established or maintained with respect to Claims or Administrative Expense Claims filed after the applicable Bar Date. The PTL Reserves may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time and evergreen in nature, as appropriate.

11.14. No Recourse. Notwithstanding that the Allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is Allowed in an amount for which after application of the payment priorities established by this Plan there is insufficient value to provide a recovery equal to that received by other Holders of Allowed Claims in the respective Class, no Claim Holder shall have recourse against PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, the Debtors, or any of their respective professionals, consultants, officers, directors, employees or members or their

successors or assigns, or any of their respective property. THE ESTIMATION OF CLAIMS AND THE ESTABLISHMENT OF RESERVES UNDER THE PLAN MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.

11.15. Satisfaction of Claims and Equity Interests. Unless otherwise provided in the Plan or the Confirmation Order, any distributions and deliveries to be made on account of Allowed Claims under the Plan shall be in complete settlement, satisfaction and release of any right to distributions from the Debtors' Estates on account of such Allowed Claims.

11.16. Withholding and Reporting Requirements. In connection with this Plan and all distributions thereunder, PTL and the Liquidation Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Distributions hereunder shall be subject to any such withholding and reporting requirements. PTL and the Liquidation Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of any Distribution to generate sufficient funds to pay applicable withholding taxes or establishing any other mechanisms PTL or the Liquidation Trustee believe are reasonable and appropriate, including requiring a Holder of a Claim to submit appropriate tax and withholding certifications. Notwithstanding any other provision of this Plan, (a) each Holder of an Allowed Claim or Allowed Interest that is to receive a distribution under this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations on account of such distribution, and (b) no Distributions shall be required to be made to or on behalf of such Holder pursuant to this Plan unless and until such Holder has made arrangements satisfactory to PTL and the Liquidation Trustee for the payment and satisfaction of such tax obligations or has, to the PTL's and the Liquidation Trustee's satisfaction, established an exemption therefrom.

## ARTICLE XII

### PROCEDURES RELATING TO DISPUTED CLAIMS

12.01. Objections to Administrative Expense Claims and Claims. Following the Effective Date, PTL, through the Chief Officer, shall be entitled to object to Administrative Expense Claims and Claims. Any objections to Administrative Expense Claims and Claims shall be filed and served on or before the later of (i) one hundred and twenty (120) days after the Effective Date, and (ii) such later date as may be fixed by the Bankruptcy Court, which later date may be fixed before or after the date specified in clause (i) above. No objection shall be required with respect to a proof of Claim or proof of Administrative Expense Claim filed after the applicable Bar Date, and any and all such Claims and Administrative Expense Claims shall be deemed disallowed unless otherwise ordered by the Bankruptcy Court after notice and a hearing. Any objections to Administrative Expense Claims and Claims shall be handled solely by PTL through the Chief Officer.

12.02. Amendments to Claims. After the Confirmation Date, a proof of Claim or Administrative Expense Claim may not be amended without the authorization of the Bankruptcy

Court. Any amendment to a proof of Claim or Administrative Expense Claim submitted after the Confirmation Date shall be deemed disallowed in full and expunged without any action by the Debtors or PTL, unless the Holder of the Claim or Administrative Expense Claim has obtained prior Bankruptcy Court authorization to file the amendment.

12.03. No Distributions Pending Allowance. Notwithstanding any other provision hereof, if any portion of a Claim or Administrative Expense Claim is Disputed, no payment or distribution provided hereunder shall be required to be made on account of such Claim or Administrative Expense Claim unless and until such Disputed Claim or Administrative Expense Claim becomes Allowed in its entirety.

12.04. Resolution of Disputed Claims. On and after the Effective Date, PTL, through the Chief Officer, shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims without approval of the Bankruptcy Court. The reasonable fees and expenses (including reasonable attorneys' fees and costs) that are incurred by PTL and the Chief Officer shall be borne by PTL.

12.05. Resolution of Disputed Insurance Claims. All Insurance Claims not previously Allowed shall be considered to be Disputed Claims as of the Effective Date such that no objection to an Insurance Claim is required to be filed. All Insurance Claims shall be litigated to an order of a court of competent jurisdiction over such claim except to the extent that PTL, through the Chief Officer, in conjunction with the Debtors' applicable insurer, and the Holder of the Disputed Insurance Claim compromise, settle or otherwise resolve the respective Insurance Claim or agree to another method of claim resolution such as mediation or arbitration, in which event they may settle, compromise or otherwise resolve any Disputed Claim without further order of the Bankruptcy Court or any other court.

## ARTICLE XIII

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

#### 13.01. Rejection or Assumption and Retention or Assignment.

(a) Assumption or Rejection of Executory Contracts and Unexpired Leases.  
Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code:

(i) all executory contracts and unexpired leases of the Debtors shall be deemed to be rejected by the applicable Debtor as of the Confirmation Date, subject to the occurrence of the Effective Date, except for any executory contract or unexpired lease: (a) that previously has been assumed and/or assigned pursuant to an order of the Bankruptcy Court entered prior to the Effective Date; (b) as to which a motion for approval of the assumption and/or assignment of such executory contract or unexpired lease has been filed and served prior to the Confirmation Date; or (c) that is specifically designated as a contract or lease to be assumed and/or assigned or retained on Schedule 13.01, which schedule shall be contained in the Plan Supplement and shall list corresponding Cure Amounts;

(ii) notwithstanding anything otherwise herein to the contrary, the Debtors reserve the right, on or prior to the Effective Date, to amend Schedule 13.01 to delete

any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be, as applicable, rejected, assumed and/or assigned or retained. The Debtors shall provide notice of any amendments to Schedule 13.01 to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document on Schedule 13.01 shall not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder.

(b) Approval of Assumptions, Retentions and Rejections by Confirmation Order. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections, retentions, assumptions and/or assignments contemplated by this Plan pursuant to sections 365 and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed pursuant to Section 13.01(a) shall vest in and be fully enforceable by PTL in accordance with its terms, except as modified by the provisions of this Plan, or any order of the Bankruptcy Court authorizing or providing for its assumption or applicable federal law. The Debtors reserve the right to file a motion on or before the Confirmation Date to assume or reject any executory contract or unexpired lease.

### 13.02. Cure of Defaults.

(a) Generally. Except as may otherwise be agreed to by the Debtors or the Chief Officer, as the case may be, and the non-Debtor party to the contract or lease, within thirty (30) days after the Effective Date, PTL shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed by the Debtors pursuant to the Plan, in accordance with section 365(b) of the Bankruptcy Code. Subject to the last sentence of Section 13.02(b) of the Plan, all disputed defaults that are required to be cured shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of PTL's liability with respect thereto, or as may otherwise be agreed to by the parties.

(b) Notice of Proposed Cure. The Debtors shall, prior to the conclusion of the Confirmation Hearing, file and serve on parties to executory contracts and unexpired leases that may be assumed pursuant to Section 13.01 of the Plan a notice (the "Cure Notice") listing the proposed Cure Amount to be paid in connection with the executory contracts and unexpired leases that may be Assumed, retained, assumed and/or assigned pursuant to Section 13.01(a) of the Plan. The non-Debtor parties to such contracts and leases shall have until fifteen (15) days following service of the Cure Notice to object in writing to the proposed cure and to propose an alternative cure. In the event that no objection is timely filed, the applicable party shall be deemed to have consented to the cure proposed by the Debtors (including amounts of compensation for actual pecuniary loss) and shall be forever enjoined and barred from seeking from the Debtors, PTL, the Chief Officer and the Liquidation Trustee any additional amount on account of the Debtors' cure obligations under section 365 of the Bankruptcy Code. If an objection is timely filed with respect to the Cure Amount proposed by the Debtors for an executory contract or unexpired lease, the Bankruptcy Court shall hold a hearing to determine the amount of any disputed cure amount not settled by the parties. Notwithstanding anything otherwise to the contrary, at all times through the date that is thirty (30) days after the entry of a Final Order resolving and fixing the amount of a disputed cure amount, whether such date is before or after the Effective Date, each of the Debtors and PTL shall be authorized to reject

such executory contract or unexpired lease by notice to the non-debtor party to such executory contract or unexpired lease.

13.03. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 13.01 of the Plan must be filed with the Bankruptcy Court and served upon the Debtors in accordance with the Bar Date Order. All such Claims not filed within such time will be forever barred from assertion against the Debtors and their estates, and PTL.

#### ARTICLE XIV

##### **EFFECT OF CONFIRMATION & INDEMNIFICATION, RELEASE, INJUNCTIVE AND RELATED PROVISIONS**

14.01. Binding Effect. From and after the Confirmation Date, but subject to the occurrence of the Effective Date, this Plan shall be binding and inure to the benefit of the Debtors, all present and former Holders of Claims and Equity Interests, and their respective assigns, including PTL.

14.02. Vesting of Assets. Upon the Effective Date and the transfer of the PTL Assets to PTL and the Liquidation Trust Assets to the Liquidation Trust, as applicable, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, any assets of the Debtors and Estates shall vest in PTL or the Liquidation Trust, as applicable, in each case free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as otherwise provided herein or in the Confirmation Order. Pursuant to section 1123(b)(3) of the Bankruptcy Code and the terms of this Plan, PTL shall retain and shall have the exclusive rights, in its discretion to enforce against any Person any and all Causes of Action that constitute PTL Assets.

14.03. Term of Pre-Confirmation Injunctions or Stays. Unless otherwise provided in this Plan, the Confirmation Order, or a separate order from the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases in accordance with 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 the later of (i) the Effective Date, (ii) the date indicated in such applicable order, (iii) the dissolution of PTL, or (iv) the dissolution of the Liquidation Trust.

14.04. Injunction Against Interference with Plan. Upon the entry of the Confirmation Order, all Holders of Claims and Equity Interests and other parties in interest, along with their respective present or former affiliates, employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan.

14.05. Injunction. Except as otherwise expressly provided in this Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Liens, Claims, liabilities or encumbrances against or Equity Interests in, any or all of the Debtors, along with their respective present or former employees, agents, officers, directors, or principals, are permanently enjoined, with

respect to any such Liens, Claims, liabilities or encumbrances or Equity Interests, as of the Confirmation Date but subject to the occurrence of the Effective Date, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor; (b) enforcing, levying, attaching (including any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtors, PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, or any of their property (including, without limitation, the PTL Assets and the Liquidation Trust Assets, as applicable), or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, PTL, the Chief Officer, the Board of Managers, the individual members of the Board of Managers, the Liquidation Trust, the Liquidation Trustee, or any of their property (including, without limitation, the PTL Assets and the Liquidation Trust Assets, as applicable), or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (d) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the full extent permitted by applicable law; (e) taking any actions to interfere with the implementation or consummation of this Plan; and (f) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan, such as commencing or continuing in any manner any action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to this Plan; provided, however, that nothing contained herein shall preclude such Persons from exercising their rights arising under and consistent with the terms of this Plan.

#### 14.06. Releases.

(a) **Releases by the Debtors.** Except as otherwise provided in this Plan or the Confirmation Order, as of the Effective Date, the Debtors, in their individual capacities and as debtors in possession, and PTL shall be deemed to forever release and waive all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, which are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or before the Effective Date in any way relating to the Debtors, PTL, the Canadian Debtor, the Chapter 11 Cases, this Plan or the Disclosure Statement, the Canadian Proceeding and that could have been asserted by or on behalf of the Debtors, or PTL, whether directly, indirectly, derivatively or in any representative or any other capacity, against any Released Party; provided, however, that in no event shall anything in this Section be construed as (i) a release of any Person's fraud, willful misconduct or gross negligence, (ii) a release or waiver of the Debtors' or PTL's right or ability to assert or raise certain claims against

any Released Party as defense to a claim or suit brought against them or their assets by any Released Party, (iii) with respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the Apex Transaction or the Knight Transaction, (iv) with respect to Knight Execution & Clearing Services LLC and its affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the Knight Transaction, or (v) with respect to the Debtors and their subsidiaries, a release or waiver of claims, causes of action, or culpability arising out of or related to the improper disclosure, the failure to disclose, or insufficient disclosures of certain nonaccrual receivables collateralized by certain illiquid assets pledged to PFSI by Call Now, Inc. in relation to Call Now, Inc.'s margin trading account at PFSI, including, among other assets, the so-called Retama Park Development Corporation Bonds.

(b) Releases by Holders of Claims. Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, all Holders of Claims, in consideration for the obligations of the Debtors and PTL under this Plan, and other contracts, instruments, releases, agreements or documents executed and delivered in connection with this Plan, and each entity (other than the Debtors) that has held, holds or may hold a Claim, as applicable, will be deemed to have consented to this Plan for all purposes and the restructuring embodied herein and will be deemed to forever release, waive and discharge all claims, demands, debts, rights, causes of action or liabilities (other than the right to enforce the obligations of any party under this Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with this Plan), including as a result of this Plan being consummated, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise from the beginning of time through and including the Effective Date in any way relating to the Debtors, PTL, the Canadian Debtor, the Chapter 11 Cases, this Plan or the Disclosure Statement, the Canadian Proceeding against the Released Parties in their respective capacities as such; provided, however, that the foregoing releases shall apply only to any Holder of a Claim that (a) is entitled to vote on the Plan and (b) "opts-in" to the releases provided in this Section 14.06(b) in a timely and properly submitted Ballot. Notwithstanding the foregoing, in no event shall anything in this Section be construed as (i) a release of any Person's fraud, willful misconduct or gross negligence; (ii) a release or waiver of any Released Party's right or ability to assert or raise claims against any Released Party as defense to a claim or suit brought against them or their assets by any Released Party, (iii) with respect to the Debtors and their subsidiaries, a release or waiver of claims, causes of action, or culpability arising out of or related to the improper disclosure, the failure to disclose, or insufficient disclosures of certain nonaccrual receivables collateralized by certain illiquid assets pledged to PFSI by Call Now, Inc. in relation to Call Now, Inc.'s margin trading account at PFSI, including, among other assets, the so-called Retama Park Development Corporation Bonds, (iv) with respect to Knight Execution & Clearing Services LLC and its affiliates, a release or waiver of any claims, causes of action, or culpability arising out of or relating to the Knight Transaction, or (v) with respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates, a release or waiver of any claims,

**causes of action, or culpability arising out of or relating to the Apex Transaction or the Knight Transaction.**

**(c) Notwithstanding anything otherwise to the contrary, no provision of this Plan or of the Confirmation Order, including any release or exculpation provision, shall modify, release or otherwise limit the liability of any Person not specifically released hereunder, including any Person that is a co-obligor or joint tortfeasor of a Released Party, that otherwise is liable under theories of vicarious or other derivative liability.**

**(d) Notwithstanding any language to the contrary contained in the Disclosure Statement, Plan and/or Confirmation Order, no provision of the Plan or of the Confirmation Order shall preclude the U.S. Securities and Exchange Commission from enforcing its police or regulatory powers and no provision shall release any non-Debtor from liability in connection with any legal action or claim brought by the U.S. Securities and Exchange Commission.**

**(e) Notwithstanding any language to the contrary contained in the Disclosure Statement, Plan and/or Confirmation Order, to the extent the Class Action Stipulation is not approved by entry of final, non-appealable orders of this Court and the United States District Court for the Northern District of Texas, nothing in the Plan or the Confirmation Order shall or is intended to (i) affect, release, enjoin or impact in any way the prosecution of the claims of the Lead Plaintiff or the Putative Class asserted or to be asserted against any non-Debtor in the Putative Class Action, or (ii) preclude Lead Plaintiff or the Putative Class from seeking discovery from the Debtors, PTL, the Liquidation Trust or any transferee of the Debtors' assets.**

**14.07. Exculpation and Limitation of Liability.** None of the Debtors, PTL, the Board of Managers, the individual members of the Board of Managers, the Committee, the Indenture Trustees, the individual members of the Committee, or any of their respective current members, partners, officers, directors, employees, advisors, professionals, affiliates, or agents and advisors of any of the foregoing (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons, but solely in their capacities as such) shall have or incur any liability to any Holder of any Claim or Equity Interest for any act or omission in connection with, related to, or arising out of the Chapter 11 Cases, the Canadian Proceeding, the Prepetition Restructuring, the negotiation and execution of this Plan, the Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of this Plan, the consummation of this Plan, or the administration of this Plan, and the property to be distributed under this Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all prepetition activities leading to the promulgation and confirmation of this Plan except fraud, willful misconduct or gross negligence as determined by a Final Order. Notwithstanding the foregoing, nothing in this Section 14.07 shall: (i) be construed as a release of any Person's or entity's fraud, gross negligence or willful misconduct with respect to matters set forth in this Section 14.07; (ii) limit the liability of attorneys for the Debtors, the Indenture Trustees, PTL, the Chief Officer or the Liquidation Trust to their respective clients pursuant to DR 6-102 of the Code of Professional Responsibility; (iii) be construed as a release or waiver of the Debtors' or PTL's right or ability to assert or raise certain claims against any party as a defense to a claim or suit brought against them by such party; or



(iv) constitute a release, waiver, or exculpation of any claims, causes of action, or culpability arising out of or relating to the Prepetition Restructuring with respect to Peak6 Investments, L.P. and its affiliates, and Apex Clearing, Apex Holdings and their affiliates. As consideration for, and as an express condition of, the exculpation provided in this Section 14.07, each officer and director of the Debtors receiving exculpation under this Section 14.07 agrees to provide reasonable cooperation and assistance to the Debtors, PTL, and the Chief Officer, as applicable, and their successors and assigns, in connection with the chapter 11 cases and the pursuit of any claims, causes of action, or liabilities. Such cooperation and assistance shall not involve or require any out-of-pocket expense by such officer or director. In the event any officer or director of the Debtors fails to provide reasonable cooperation or assistance as requested by the Debtors, PTL, or the Chief Officer, as applicable, or their successors and assigns, the remedy shall be that all exculpations provided to such Person under this Plan with respect to the Prepetition Restructuring shall be null and void.

14.08. Limitation on Releases and Exculpation. Notwithstanding anything to the contrary in this Plan, nothing in Sections 14.06 or 14.07 of the Plan shall waive or release (i) any claims, causes of action, or culpability of any Person based upon or arising out of such Person's knowingly or willfully failing to disclose, knowingly or willfully improperly disclosing, or intentionally or willfully providing insufficient disclosure of, any material fact, including, without limitation, disclosures arising out of or related to any Debtor's nonaccrual receivables or disclosures arising out of or relating to the value of the so-called Retama Park Development Corporation, Cambridge, Dade County, and Will County municipal bonds; (ii) without limiting the foregoing, any claims, causes of action, or culpability of any Person arising out of or relating to any Debtor's nonaccrual receivables or disclosures arising out of or related to the so-called Retama Park Development Corporation, Cambridge, Dade County, and Will County municipal bonds to the extent that after January 2, 2013, any Holder of a claim discovers any fact or circumstance not previously known to such Holder, which materially affects such claim, cause of action or culpability; or (iii) any claims, causes of action, or culpability of any Person arising out of or related to such Person's knowingly or intentionally providing false or misleading financial information to the Holder of any claim to the extent not included in clause (i) or (ii) above.

14.09. Injunction Related to Releases and Exculpation. Except as otherwise provided in this Plan, the Confirmation Order shall permanently enjoin the commencement or prosecution by any Person, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities satisfied, released or discharged pursuant to this Plan, including the Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released in Sections 14.06 and 14.07 of this Plan.

14.10. Release of Liens and Encumbrances.

(a) Each Lien or encumbrance on the Debtors' assets, other than a permitted encumbrance (excluding a permitted encumbrance securing a financial obligation that is not an Assumed Liability), including Liens or encumbrances securing: (w) any Second Lien Note Claim, Second Lien Note Guarantee Claim, Convertible Note Claim, Other Secured Claim or Administrative Expense Claim arising under or related to the Debtors' Indentures; (x) any Claim that is purportedly secured; or (y) any judgment, personal property or ad valorem tax, or

other tax of any kind or character, mechanic's or similar lien Claim, in each case regardless of whether such Claim is an Allowed Claim, shall, regardless of whether such Claim has been scheduled or proof of such Claim has been filed:

(i) if such Lien or encumbrance secures a Priority tax Claim or Other Secured Claim, upon payment of the consideration set forth in Article IV-VIII, as the case may be, automatically, and without further action by the Debtors or PTL, be deemed released; or

(ii) in all other cases, automatically, and without further action by the Debtors or PTL, be deemed released immediately upon the occurrence of the Effective Date, and without further action by the Debtors or PTL, be deemed released.

(b) The Holder of any such Lien or encumbrance shall execute such documents and instruments as PTL, the Chief Officer or the Liquidation Trustee, as the case may be, require to evidence such Claim Holder's release of such property or Lien or encumbrance, and if such Holder refuses to execute appropriate documents or instruments, the Debtors, PTL, or the Chief Officer (as applicable) may, in their discretion, file a copy of the Confirmation Order in the appropriate recording office, which shall serve to release any Claim Holder's rights in such property; and

(c) On the Effective Date, except as expressly provided in the Plan, all right, title and interest in Estate property subject to a Lien or an encumbrance immediately prior to the Effective Date shall be transferred as a PTL Asset to PTL.

#### 14.11. Satisfaction of Subordination Rights.

All Claims against the Debtors and all rights and Claims between or among claimholders relating in any manner whatsoever to Claims against the Debtors, based upon any claimed subordination rights (if any), shall be deemed satisfied by the distributions under this Plan, and such subordination rights shall be deemed waived, released, and terminated as of the Effective Date.

### ARTICLE XV

#### CONDITIONS PRECEDENT

15.01. Conditions to Confirmation. The following are conditions precedent to confirmation of this Plan that may be satisfied or waived in accordance with Section 15.03 of this Plan:

(a) the Bankruptcy Court shall have approved the Disclosure Statement with respect to this Plan in an order in form and substance reasonably acceptable to the Debtors, the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders;

(b) the Confirmation Order and Plan Documents shall be in form and substance reasonably acceptable to the Debtors, the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders;

(c) in each case subject to the occurrence of the Effective Date, to the extent necessary or appropriate, the Plan Documents, including the PTL LLC Agreement and the Liquidation Trust Agreement, to be entered into by PTL shall have been entered and delivered, all actions, documents, and agreements necessary to implement the Plan shall have been effected or executed and the Debtors shall have received all material authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions, or documents that are reasonably necessary to implement the Plan and that are required by law, regulation, or order.

15.02. Effectiveness. The Plan shall not become effective unless and until: (i) the Confirmation Order shall have been entered by the Bankruptcy Court and become final and non-appealable; (ii) the Plan Documents shall have been executed and become effective; and (iii) the order approving the SunGard Settlement Agreement shall have become final and non-appealable.

15.03. Waiver of Conditions. The Debtors, with the consent of the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders (in each case, such consent not to be unreasonably withheld or delayed), to the extent not prohibited by applicable law, may waive one or more of the conditions precedent: (i) to effectiveness of the Plan set forth in Section 15.02 hereof in whole or part, upon five Business Days' notice to the Bankruptcy Court without a hearing, provided, however, that waiver of the condition precedent to effectiveness of the Plan set forth in Section 15.02(iii) of this Plan shall also require the consent of SunGard Financial Systems LLC (such consent not be unreasonably withheld or delayed); or (ii) to confirmation of the Plan set forth in Section 15.01 hereof prior to the Confirmation Date without any hearing. The failure to satisfy or waive any condition to the Confirmation Date or the Effective Date may be asserted by the Debtors in their sole discretion regardless of the circumstances giving rise to the failure of such conditions to be satisfied (including any action or inaction by the Debtors in their sole discretion). The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

15.04. Withdrawal of Plan.

(a) Right to Revoke or Withdraw. The Debtors, with the consent of the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders, reserve the right to jointly revoke or withdraw the Plan at any time prior to the Effective Date.

(b) Effect of Withdrawal, Revocation or Non-Consummation. If the Debtors revoke or withdraw the Plan prior to the Effective Date, or if the Confirmation Date or the Effective Date does not occur, the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), the assumption or rejection of executory contracts, unexpired leases, any release, exculpation or indemnification provided for in the Plan, and any document or agreement executed pursuant to the Plan shall be null and void. In such event, nothing contained herein, and no acts taken in preparation for consummation of the Plan shall be deemed to constitute a waiver or release of any Claims by or against or Equity Interest in the Debtors or any other Person, to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or to constitute an admission of any sort by the Debtors or any other Person.

15.05. Waiver of Rule 3020(e) Stay. Pursuant to Bankruptcy Rule 3020(e), the Confirmation Order shall be immediately effective upon its entry and shall not be subject to the stay provided in Bankruptcy Rule 3020(e).

## ARTICLE XVI

### RETENTION OF JURISDICTION

16.01. Scope of Bankruptcy Court Jurisdiction. The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine pending applications for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases and the allowance of cure amounts and Claims resulting therefrom or from the assumption, assumption and assignment or rejection of executory contracts or unexpired leases pursuant to this Plan;

(b) To hear and determine any and all adversary proceedings, applications, and contested matters, and to order appropriate relief in connection therewith (including issuance and/or enforcement of releases);

(c) To hear and determine any objection to Administrative Expense Claims, Claims or Equity Interests;

(d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(e) To issue such orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(f) To consider any amendments to, or modifications of, the Plan and the Plan Supplement, and any dispute or controversy relating to execution, delivery or compliance with any document included in the Plan Supplement, and to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331, and 503(b) of the Bankruptcy Code;

(h) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan;

(i) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation, or enforcement of the Plan, any transaction to be

consummated in accordance herewith, the PTL LLC Agreement, the Liquidation Trust Agreement, the Confirmation Order, or any other order of the Bankruptcy Court;

(j) To recover all assets of the Debtors and property of the Debtors, PTL, and Liquidation Trust, wherever located;

(k) To hear and determine matters concerning state, local, and federal taxes, including as provided by sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);

(l) To resolve any Disputed Claims or Equity Interests;

(m) To hear any other matter not inconsistent with the Bankruptcy Code; and

(n) To enter a final decree closing the Chapter 11 Cases; provided, however, with respect to a governmental unit's exercise of its police or regulatory powers other than the enforcement of a money judgment, the jurisdiction of any other tribunal shall not be reduced or impaired from that as set forth in any applicable, valid statutory grant of jurisdiction.

## ARTICLE XVII

### MISCELLANEOUS PROVISIONS

17.01. Authorized Post-Petition Date Payments. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by one or more of the Debtors pursuant to an order of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules are hereby amended and reduced to reflect that such payments were made. Nothing in this Plan shall preclude PTL, the Chief Officer or the Liquidation Trustee from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

17.02. Payment of Fees and Expenses of Certain Creditors. All Restructuring Support Agreement Professional Fees payable under the Restructuring Support Agreement and the Plan shall be paid by the Debtors prior to or on the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

17.03. Effectuating Documents and Further Transactions. Each of the Debtors and PTL is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to this Plan.

17.04. Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreements or agreements of

consolidation, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan, shall constitute a “transfer under a plan” and shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

17.05. Termination of Professionals. On the Effective Date, the engagement of each Professional retained by the Debtors shall be terminated without further order of the Bankruptcy Court or act of the parties. All final requests for compensation or reimbursement of the fees of any professional employed pursuant to sections 327 or 1103 of the Bankruptcy Code or otherwise in the Chapter 11 Cases must be filed and served on PTL and its counsel, the Liquidation Trustee and counsel for the Liquidation Trust, and the Office of the United States Trustee, not later than sixty (60) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such professionals or other entities for compensation or reimbursement of expenses must be filed and served on the parties specified above in this Section 17.05 and the requesting professional or other entity not later than twenty (20) days after the date on which the applicable application for compensation or reimbursement was served.

17.06. Access. From and after the Effective Date, PTL and the Liquidation Trust shall cooperate with any Person that served as a director or officer of a Debtor at any time prior to the Effective Date, and make available to any such party such documents, books, records or information relating to the Debtors’ activities prior to the Effective Date that such party may reasonably require relating to any action taken in connection with such party’s role as a director or officer of a Debtor, any action taken in connection with the negotiation, execution and implementation of this Plan, and the Chapter 11 Cases.

17.07. Books and Records. For five (5) years from the Effective Date, the Debtors, PTL, the Liquidation Trust, and/or any transferee of the Debtors’ books, records, documents, files, and electronic data (in whatever format, including native format) (collectively, the “Books and Records”), (i) shall preserve and maintain all of the Books and Records, and (ii) shall not destroy, abandon, transfer or otherwise render unavailable such Books and Records absent further order of this Court or any court of competent jurisdiction, on 60 days-notice to parties in interest (including, but not limited to the Securities and Exchange Commission) with an opportunity to be heard.

17.08. Putative Class Action. To the extent that the Class Action Stipulation is not approved by entry of final, non-appealable orders of this Court and the United States District Court for the Northern District of Texas, such non-approval shall not affect, impact, waive or prejudice any Claims against the Debtors to the extent of available insurance coverage and proceeds by the lead plaintiff, Reid Friedman (the “Lead Plaintiff”), in the Putative Class Action, individually and on behalf of all persons or entities who purchased publicly traded common stock of PWI between March 30, 2007 and August 4, 2011 (the “Putative Class”), or the Putative Class, arising out of, related to, or asserted in the Putative Class Action.

17.09. Payment of Statutory Fees. On the Effective Date, and thereafter as may be required, the Debtors and/or PTL, as applicable, shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code through the entry of a final decree closing the applicable Debtor’s cases.

17.10. Post-Effective Date Fees and Expenses. From and after the Effective Date, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, the Chief Officer or the Liquidation Trustee shall pay, from the PTL Assets or the Liquidation Trust Assets, as applicable, the reasonable fees and expenses of professional Persons thereafter incurred by PTL, including those fees and expenses incurred in connection with the implementation and consummation of this Plan, and fees incurred in preparing, prosecuting and objecting to final fee applications, which fees and expenses shall constitute Wind-Down Expenses. The Liquidation Trust shall report all disbursements to PTL for inclusion in the Wind-Down expenses.

17.11. Amendment or Modification of this Plan. Alterations, amendments, or modifications of or to the Plan (including to provide for treatment different than that set forth herein with respect to any class of Claim or Equity Interest, including establishment of subclasses of Classes of Claims or Equity Interests to the extent required if so elected by the Debtors, the unimpairment of Classes that are impaired hereunder, and the impairment of Classes that are unimpaired hereunder) may be proposed in writing by the Debtors at any time prior to the Confirmation Date, provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. This Plan may be altered, amended, or modified, with the consent of the Consenting Second Lien Noteholders and the Consenting Convertible Noteholders (in each case, such consent not to be unreasonably withheld or delayed), at any time after the Confirmation Date and before substantial consummation, provided that this Plan, as altered, amended, or modified, satisfies the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended, or modified, under section 1129 of the Bankruptcy Code and the circumstances warrant such alterations, amendments, or modifications. A Holder of a Claim or Equity Interest that has accepted this Plan shall be deemed to have accepted this Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such Holder.

17.12. SunGard Settlement Agreement. If anything in the Plan and Disclosure Statement conflicts with, or is contrary to any term(s) of the SunGard Settlement Agreement, as such term or terms pertain(s) to SunGard Financial Systems LLC's rights, remedies and privileges or with respect to the treatment of the Amended SunGard Claim, the SunGard Settlement Agreement shall control.

17.13. Confirmation Order. The Confirmation Order shall, and is hereby deemed to, ratify all transactions effected by the Debtors during the period commencing on the Petition Date and ending on the Confirmation Date except for any acts constituting willful misconduct, gross negligence, recklessness or fraud.

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

17.15. Expedited Tax Determination. Chief Officer or the Liquidation Trustee may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Debtors or PTL for all taxable periods beginning on or before the Effective Date.

17.16. Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit or schedule hereto or in the Plan Supplement provides otherwise, the rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to any contrary result otherwise required under applicable choice or conflict of law rules.

17.17. Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtors, the Holders of Claims and Equity Interests, and their respective successors and assigns, including PTL.

17.18. Exhibits/Schedules. All exhibits and schedules to the Plan, including the Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein.

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



<p><b>Young Conaway Stargatt &amp; Taylor, LLP</b>  Pauline K. Morgan  M. Blake Cleary  Rodney Square  1000 North King Street  Wilmington, Delaware 19801  Telephone: (302) 571-6600  Facsimile: (302) 576-3312  <i>Co-Counsel for the Debtors and the Debtors in Possession</i></p>	<p><b>Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP</b>  Andrew N. Rosenberg  Oksana Lashko  1285 Avenue of the Americas  New York, New York 10019  Telephone: (212) 373-3000  Facsimile: (212) 492-0158  <i>Co-Counsel for the Debtors and the Debtors in Possession</i></p>
<p><b>Fried, Frank, Harris, Shriver &amp; Jacobson LLP</b>  Gary Kaplan, Esq.  Garrett Ledgerwood, Esq.  One New York Plaza  New York, New York 10004  Telephone: (212) 859-8520  Facsimile: (212) 859-4000  <i>Counsel for the Second Lien Noteholders Committee</i></p>	<p><b>Sidley Austin LLP</b>  Larry J. Nyhan, Esq.  Bojan Guzina, Esq.  One South Dearborn  Chicago, IL 60603  Telephone: (312) 853-7323  Facsimile: (312) 853-7036  <i>Counsel for the Convertible Noteholders Committee</i></p>
<p><b>Penson Worldwide, Inc., <u>et al.</u></b>  Attn: Bryce Engel  800 Klein Road,  Suite 200  Plano, Texas 75074</p>	<p><b>Hahn &amp; Hessen LLP</b>  Mark T. Power, Esq.  488 Madison Avenue  New York, New York 10022  Telephone: (212) 478-7200  Facsimile: (212) 478-7400  <i>Counsel for the Committee</i></p>

Dated: Wilmington, Delaware  
June 6, 2013

Respectfully submitted,

**Penson Worldwide, Inc., et al.**

By: /s/ Bryce B. Engel  
Bryce B. Engel  
Penson Worldwide, Inc., on behalf of itself  
and its affiliated Debtors

**EXHIBIT A**

**List of Debtors and Debtors in Possession**

- (i) Penson Worldwide, Inc.
- (ii) Penson Financial Services, Inc.
- (iii) SAI Holdings, Inc.
- (iv) Penson Holdings, Inc.
- (v) Nexa Technologies, Inc.
- (vi) Penson Execution Services, Inc.
- (vii) Penson Financial Futures, Inc.
- (viii) GHP1, Inc.
- (ix) GHP2, LLC
- (x) Penson Futures

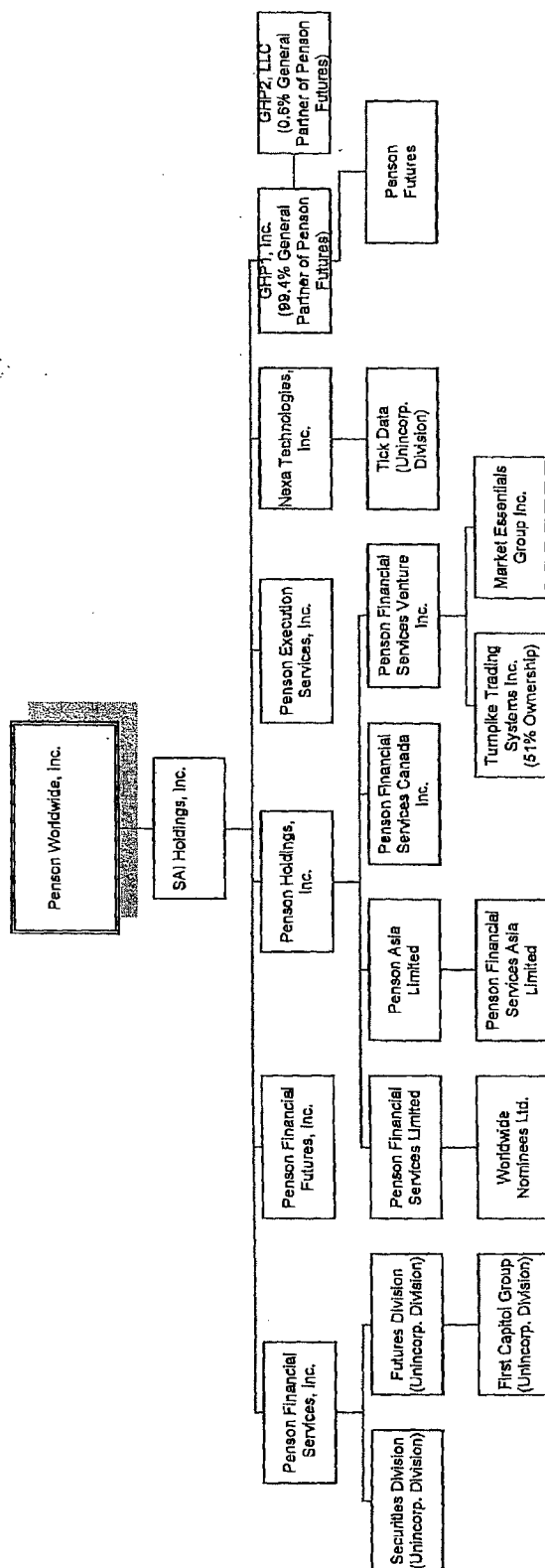
**EXHIBIT B**

**List of Filed Subsidiary Debtors**

- (i) Penson Financial Services, Inc.
- (ii) SAI Holdings, Inc.
- (iii) Penson Holdings, Inc.
- (iv) Nexa Technologies, Inc.
- (v) Penson Execution Services, Inc.
- (vi) Penson Financial Futures, Inc.
- (vii) GHP1, Inc.
- (viii) GHP2, LLC
- (ix) Penson Futures

**EXHIBIT C**

**Corporate Organization Chart for  
Penson Worldwide, Inc. and its Subsidiaries**



**Exhibit 3**

**Restructuring Support Agreement**

EXECUTION VERSION

**RESTRUCTURING SUPPORT AGREEMENT**

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, supplemented or otherwise modified as provided herein, the "RSA"), dated as of January 10, 2013, is by and between Penson Worldwide Inc. (the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, and each of its subsidiaries and any successors thereto (collectively with the Company, the "Company Parties") and the holders set forth on the signature pages hereto of the (i) 12.5% senior second lien secured notes due 2017 (the "Senior Secured Notes") issued under the Indenture, dated as of May 6, 2010 (as amended, supplemented, or modified from time to time, the "Secured Notes Indenture"), by and between the Company, as issuer, certain guarantors thereunder, and U.S. Bank National Association, as Indenture Trustee, in the aggregate principal amount of \$200,000,000.00; and (ii) 8.00% senior convertible notes due 2014 (the "Convertible Notes") issued under the Indenture, dated as of June 3, 2009 (as amended, supplemented, or modified from time to time, the "Convertible Notes Indenture"), by and between the Company, as issuer, and U.S. Bank National Association, as Indenture Trustee, in the aggregate principal amount of \$60,000,000 (collectively, the "Initial Participating Holders" and each holder of the Senior Secured Notes and the Convertible Notes generally referred to as a "Noteholder" and collectively, as the "Noteholders"). The Initial Participating Holders, the Company Parties, and each other Noteholder that becomes a party hereto in accordance with the terms hereof (collectively with the Initial Participating Holders, the "Participating Holders") shall be referred to herein individually as a "Party" and, collectively, as the "Parties." Capitalized terms not herein defined shall have the meanings set forth in the Plan (as defined below). References herein to percentage of Participating Holders refer to the principal amount of the Notes held by such Participating Holders.

**RECITALS**

**WHEREAS**, prior to the date hereof, representatives of the Company Parties and certain Participating Holders have discussed consummating a financial restructuring (the "Restructuring") of the Company Parties' consolidated indebtedness and other obligations on principal terms consistent with those set forth in this RSA and the Plan (as defined below), attached hereto as **Exhibit A**;

**WHEREAS**, the Company is considering commencing voluntary Chapter 11 Cases under the Bankruptcy Code in the Bankruptcy Court to effect the Restructuring by means of the Plan (as defined below);

**WHEREAS**, the Parties have engaged in good faith negotiations with the objective of reaching an agreement with respect to the Restructuring. Each Party has reviewed or has had the opportunity to review this RSA and the Plan with the assistance of professional legal advisors of its own choosing;

**WHEREAS**, the following sets forth the agreement among the Parties concerning their support, subject to the terms and conditions hereof and thereof to implement the



Restructuring. In the event the terms and conditions as set forth in the Plan and this RSA are inconsistent, the terms and conditions contained in the Plan shall control.

### **AGREEMENT**

**NOW, THEREFORE**, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

1. **Definitions.** The following terms shall have the following definitions:

**"Affiliate"** means, with respect to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, **"control"** (including, with its correlative meanings, **"controlled by"** and **"under common control with"**) shall mean, with respect to any Person, the possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership, limited liability company or other ownership interests, by contract or otherwise) of such Person.

**"Affiliated Transferee"** means with respect to the Participating Holder, any entity that, as of the date a Participating Holder becomes a Party to this RSA, is an Affiliate of such Participating Holder and, as of the date of any transfer of such Participating Holder's notes to such Affiliate, continues to be an Affiliate of that Participating Holder.

**"Bankruptcy Code"** means Title 11 of the United States Code, 11 U.S.C. §§ 101–1532.

**"Ballot"** means the ballot distributed with the Disclosure Statement for voting on the Plan.

**"Business Day"** means any day other than Saturday, Sunday and any day that is a legal holiday or a day on which the New York Stock Exchange and banking institutions in New York, New York are authorized by law or other governmental action to close.

**"Chapter 11 Cases"** means the voluntary chapter 11 cases to be commenced by the Company.

**"Company"** has the meaning set forth in the preamble hereof.

**"Company Parties"** has the meaning set forth in the preamble hereof.

**"Confidentiality Agreement"** means the separate confidentiality agreements between each Participating Holder, the Company and/or Penson Financial Services, Inc.

“Controlled Affiliate” means, with respect to any Noteholder, any other person that is controlled by such Noteholder or that serves as investment adviser for such Noteholder.

“Convertible Notes Indenture” has the meaning set forth in the preamble herein.

“Critical Dates” has the meaning set forth in Section 5.6 hereof.

“Disclosure Statement” means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

“Effective Date” means such day that is the business day as soon as reasonably practicable after all conditions to the occurrence of the effective date set forth in the Plan have been satisfied or waived.

“Indenture Trustee” means the indenture trustee to the Senior Secured Notes or Convertible Notes, as applicable.

“Initial Participating Holders” has the meaning set forth in the preamble hereof.

“Noteholder(s)” has the meaning set forth in the preamble hereof.

“Party” or “Parties” has the meaning set forth in the preamble hereto.

“Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group or any legal entity or association.

“Participating Holder” means a Noteholder that becomes a party to the RSA.

“Participating Holders” has the meaning set forth in the preamble hereof.

“Plan” means the chapter 11 liquidating plan, substantially in the form attached hereto as Exhibit A and all exhibits, supplements, appendices, and schedules thereto, either in its present form or as the same may be altered, amended, or modified from time to time.

“Requisite Participating Holders” means, collectively, (i) the Requisite Secured Participating Holders, and (ii) the Requisite Convertible Participating Holders.

“Requisite Convertible Participating Holders” means holders of the Convertible Notes who collectively hold not less than 66 2/3% of the principal amount of the Convertible Notes.

“Requisite Secured Participating Holders” means holders of the Senior Secured Notes who collectively hold not less than 57% of the principal amount of the Senior Secured Notes.

"Restructuring" has the meaning set forth in the recitals hereto.

"Restructuring Documents" means the Plan, the Disclosure Statement, Ballots and other solicitation materials in respect of the Plan, any appendices, amendments, modifications, supplements, exhibits and schedules relating to the Plan or the Disclosure Statement, and a proposed confirmation order.

"Securities Act" means Securities Act of 1933, as amended.

"Secured Notes Indenture" has the meaning set forth in the preamble herein.

"Termination Date" has the meaning set forth in Section 5.6 hereof.

"Termination Event" has the meaning set forth in Section 5 hereof.

"Transfer" has the meaning set forth in Section 3(b).

2. Effectuating the Restructuring. As long as a Termination Event has not occurred, subject to the terms and conditions of this RSA, the Parties shall use their commercially reasonable efforts to:

- (a) effectuate and consummate the Restructuring on the terms described in this RSA and the Plan;
- (b) implement the Restructuring;
- (c) obtain all necessary approvals and consents for the Restructuring from all requisite governmental authorities and third parties;
- (d) complete each of the other transactions as contemplated by this RSA and the Plan; and
- (e) take no actions inconsistent with this RSA and the Plan or the expeditious consummation of the Restructuring.

Without limiting any other provision hereof, as long as a Termination Event has not occurred, each Party hereby agrees to negotiate and cooperate in good faith in respect of all matters concerning the implementation and consummation of the Restructuring. Furthermore, as long as a Termination Event has not occurred, each Party shall take such action as may be reasonably necessary to carry out the purposes and intent of this RSA.

3. Agreements of Participating Holders. Subject to (i) the terms and conditions of this RSA and (ii) approval by the Bankruptcy Court of a Disclosure Statement, and other solicitation materials in respect of the Plan as containing "adequate information" under section 1125 of the Bankruptcy Code, each Participating Holder agrees that:

- (a) as long as a Termination Event (as defined herein) has not occurred or has occurred but has been duly waived in accordance with the

terms hereof, so long as it is the legal owner, beneficial owner and/or the investment advisor or manager of or with power and/or authority to bind any Noteholder, it shall (and shall cause each of its Controlled Affiliates, subsidiaries, representatives, agents and employees to) use its commercially reasonable efforts to support the Restructuring and (i) to vote all Second Lien Note Claims and Convertible Note Claims (as such terms are defined in the Plan) as to which it is the legal owner, beneficial owner or otherwise has the power and/or authority to bind any Noteholder now or hereafter in favor of the Plan in accordance with the applicable procedures set forth in the Disclosure Statement and accompanying solicitation materials, and timely return a duly-executed Ballot in connection therewith; (ii) not withdraw or revoke its vote with respect to the Plan; (iii) mark its Ballot to grant the releases provided for in the Plan; and (iv) not take any action, including, without limitation, initiating or joining in any legal proceeding inconsistent with, or which would reasonably lead to a delay in the consummation of the Restructuring and the transactions contemplated under the RSA, the Plan and any other related documents.

- (b) as long as a Termination Event (as defined herein) has not occurred or has occurred but has been duly waived in accordance with the terms hereof, it shall not (and shall cause each of its Controlled Affiliates, subsidiaries, representatives, agents, and employees not to) sell, transfer or assign, or grant, issue or sell any option, right to acquire, voting participation or other interest in (each, a "Transfer") any Senior Secured Notes or Convertible Notes, as applicable, unless the transferee party (i) first agrees in writing to be subject to the terms and conditions of the RSA as a "Participating Holder," and executes a counterpart signature page to the RSA and (ii) delivers notice of such transfer along with the executed counterpart signature page to the RSA to the Company Parties. Any Transfer that does not comply with the foregoing shall be deemed void ab initio. This RSA shall in no way be construed to preclude the Participating Holders from acquiring additional Senior Secured Notes or Convertible Notes, as applicable, provided that any such additional Senior Secured Notes or Convertible Notes, as applicable, shall automatically be deemed to be subject to the terms of the RSA. In addition, for so long as the RSA has not been terminated in accordance with its terms, a Participating Holder may offer, sell or otherwise transfer any or all of its Senior Secured Notes and/or Convertible Notes to any Affiliated Transferee, who shall be automatically deemed bound by this RSA as a Participating Holder; provided, however, that if any Participating Holder sells or otherwise transfers all of its notes in accordance with this subsection (b) such that it is no longer a Noteholder, such Participating Holder shall no longer have any obligations hereunder.

Notwithstanding the foregoing, nothing in this RSA shall prohibit any Party from appearing as a party-in-interest in any matter in the Chapter 11 Cases so long as

such appearance and the positions advocated in connection therewith are not inconsistent with this RSA, the Plan or the Restructuring and are not for the purpose of hindering, delaying or preventing consummation of the Restructuring.

4. Agreement of the Company. Subject to (i) its fiduciary duties as a debtor in possession and (ii) the terms and conditions of this RSA, the Company Parties:

- (a) agree to use commercially reasonable efforts to (i) support and complete the Restructuring and all other actions contemplated in connection therewith, (ii) take any and all necessary and appropriate actions in furtherance of the Restructuring, (iii) obtain any and all required regulatory approvals and third-party approvals for the Restructuring, and (iv) not take any actions inconsistent with this RSA, the Plan and any other related documents executed by the Company or the expeditious consummation of the Restructuring;
- (b) shall not, directly or indirectly, seek, solicit, negotiate, support or engage in any discussions relating to, or enter into any agreements relating to, any alternative proposal other than the Restructuring, nor shall the Company Parties solicit or direct any person or entity, including, without limitation, any member of the Company's board of directors or any holder of equity in the Company, to undertake any of the foregoing;
- (c) agree that all Restructuring Documents shall be in form and substance acceptable to the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders, as applicable, each in their reasonable discretion;
- (d) agree to pay all reasonable and documented fees and expenses of (i) Fried, Frank, Harris, Shriver & Jacobson LLP, advisor to certain holders of Senior Secured Notes, and one (1) local counsel for such holder and (ii) Sidley Austin LLP, advisor to certain holders of Convertible Notes, and one (1) local counsel for such holders, in connection with the Restructuring (including, without limitation, fees and expenses incurred after the Petition Date) in accordance with (x) the terms of their engagement or fee letters, including, with respect to Fried, Frank, Harris, Shriver & Jacobson LLP, that certain accommodation letter dated August 8, 2012, from Fried, Frank, Harris, Shriver & Jacobson LLP to the Company and (y) Section 17.02 of the Plan;
- (e) shall notify the Requisite Participating Holders immediately in writing of any breach of its obligations under the RSA; and
- (f) agree that any Participating Holder that sells or otherwise transfers all of its notes in accordance with Section 3(b) hereof such that it is no longer a Notcholder shall no longer have any obligations hereunder.

5. Termination.

Subject to Sections 5.7, 5.8 and 5.9, this RSA may be terminated upon the occurrence of any of the following events by any Party electing to terminate to the other Parties (each a "Termination Event"):

5.1 by the Requisite Secured Participating Holders or the Requisite Convertible Participating Holders:

- (a) if the Company Parties shall have breached any of their obligations under the RSA as set forth herein in any material respect, which breach remains uncured for a period of two (2) business days after the receipt of written notice of such breach from the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders;
- (b) if any conditions in the RSA are not satisfied when required to be satisfied, or become incapable of being satisfied, in the reasonable discretion of the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders, as applicable, which conditions remain unsatisfied for a period of two (2) business days after the receipt of written notice thereof from the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders;
- (c) the entry of an order by the Bankruptcy Court invalidating, disallowing, subordinating, or limiting, in any respect, as applicable, the enforceability, priority, or validity of the Second Lien Note Claims, the Second Lien Notes Indenture, the Convertible Note Claims, the Convertible Notes Indenture, or the liens securing the Second Lien Note Claims;
- (d) if an examiner with expanded powers or a trustee shall have been appointed in the Chapter 11 Cases or the Chapter 11 Cases shall have been converted to cases under chapter 7 of the Bankruptcy Code or the Chapter 11 Cases shall have been dismissed by order of the Bankruptcy Court;
- (e) if the Company files any motion or pleading with the Bankruptcy Court that is not consistent in any material respect with this RSA and such motion or pleading has not been withdrawn within five (5) Business Days of the Company receiving notice from the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders that such motion or pleading is inconsistent with this RSA;
- (f) at 11:59 p.m. prevailing Eastern Time if the Company fails to commence the Chapter 11 Cases on or before January 11, 2013, without the written consent of the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders;

- (g) at 11:59 p.m. prevailing Eastern Time if the Company fails to file (i) the Plan with the Bankruptcy Court within five (5) Business Days of the Petition Date, and (ii) the Disclosure Statement within twenty (20) Business Days of the Petition Date, in each case without the written consent of the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders;
- (h) at 11:59 p.m. prevailing Eastern Time if the Disclosure Statement shall not have been approved and effective by the Bankruptcy Court within sixty-five (65) days of the Petition Date;
- (i) at 11:59 p.m. prevailing Eastern Time if the Plan shall not have been confirmed by the Bankruptcy Court within one hundred and twenty-five (125) days from the Petition Date;
- (j) at 11:59 p.m. prevailing Eastern Time if the Effective Date under the Plan shall not have occurred by May 31, 2013;
- (k) any of the Restructuring Documents shall have been modified in any material respect or withdrawn, without the prior consent of the Requisite Secured Participating Holders and/or the Requisite Convertible Participating Holders, as applicable;
- (l) the entry by the Bankruptcy Court of an order (i) denying approval of the Disclosure Statement or confirmation of the Plan, or (ii) granting relief that is inconsistent with this RSA or the Plan in any material respect, including, without limitation the foregoing, with respect to Subordinated Loan Claims, allowing in an amount other than as provided in, or subordinating or otherwise providing treatment inconsistent with, the Plan attached hereto as Exhibit A;
- (m) if any court of competent jurisdiction or other competent governmental or regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, or prohibiting the Restructuring in a material way that cannot be reasonably remedied by the Parties;
- (n) if the Company amends the Plan or Disclosure Statement in a manner materially adverse to the Participating Holders or if the Restructuring Documents are not reasonably acceptable to the Requisite Participating Secured Noteholders or the Requisite Participating Convertible Noteholders.

5.2 by the Company Parties:

- (a) if a Participating Holder shall have breached any of its material obligations under the RSA as set forth herein or therein in any material respect, which breach remains uncured for a period of ten (10) business days after the receipt of written notice of such breach from the Company;

provided that the Termination Event arising as a result of such breach shall apply only to such Participating Holder and this RSA shall otherwise remain in full force and effect, so long as the Requisite Participating Holders have not breached the RSA, with respect to the Company Parties and all other Participating Holders;

- (b) if a Participating Holder has failed to comply with its obligations in Section 3 of this RSA;
- (c) if any court of competent jurisdiction or other competent governmental or regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, or prohibiting the Restructuring in a material way that cannot be reasonably remedied by the Parties; or
- (d) if the Board of Directors of the Company determines in good faith that, upon advice of its outside legal counsel, continued performance under this RSA would be inconsistent with the exercise of fiduciary duties under applicable law.

5.3 by the Requisite Secured Participating Holders, if the Requisite Convertible Participating Holders shall have breached any of their material obligations under the RSA as set forth herein or therein that would have a material adverse effect on the Requisite Secured Participating Holders or the consummation of the Restructuring, which breach remains uncured for a period of five (5) Business Days after the receipt of written notice of such breach from the Requisite Secured Participating Holders.

5.4 by the Requisite Convertible Participating Holders, if the Requisite Secured Participating Holders shall have breached any of their material obligations under the RSA as set forth herein or therein that would have a material adverse effect on the Requisite Convertible Participating Holders or the consummation of the Restructuring, which breach remains uncured for a period of five (5) Business Days after the receipt of written notice of such breach from the Requisite Convertible Participating Holders.

5.5 by the mutual consent of the Requisite Participating Holders and the Company Parties for any reason.

5.6 The date on which this RSA is terminated in accordance with the foregoing Sections 5.1, 5.2, 5.3, 5.4, or 5.5 hereof shall be referred to as the "Termination Date". Notwithstanding any provision in this RSA to the contrary, upon written consent of the Requisite Participating Holders, each of the dates set forth in section 5.1 (f) through (j) (the "Critical Dates") may be extended prior to or upon such date and such later dates agreed to in lieu thereof and shall be of the same force and effect as the dates provided herein.

5.7 In the event any Party to this RSA asserts that a Termination Event has occurred, such Party shall provide written notice to all other Parties to this RSA stating that a Termination Event has occurred and the basis for such assertion.



5.8 Upon receipt of written notice provided under Section 5.8, any Party may seek expedited relief with a court of competent jurisdiction, challenging such assertion that a Termination Event has occurred, and no Party to this RSA shall be permitted to challenge such request for expedited relief.

5.9 If a Termination Event occurs, this RSA shall terminate automatically unless the Requisite Participating Holders provide the Company written notice within three (3) Business Days (such 3 Business Day period to start on the day such Termination Event occurs, if such day is a Business Day, and on the first Business Day after the day such Termination Event occurs, if such day is not a Business Day) that such Termination Event has been waived, cured, modified or the time to perform the requirements herein extended.

6. Good Faith Cooperation; Further Assurances; Restructuring Documents. As long as a Termination Event has not occurred, subject to the Company's fiduciary duties as a debtor in possession, the Participating Holders and the Company hereby covenant and agree to (x) negotiate in good faith the Restructuring Documents, each of which shall (i) contain terms consistent in all material respects with, the terms set forth herein, and (ii) except as otherwise provided for herein, be in form and substance reasonably acceptable in all respects to the Requisite Secured Participating Holders and/or Requisite Convertible Participating Holders; and (y) execute (to the extent such Party is a party thereto) and otherwise support the Restructuring Documents. As long as a Termination Event has not occurred, the Company shall provide draft copies of all "first day" motions or applications that the Company intends to file with the Bankruptcy Court to counsel for the Requisite Secured Participating Holders and counsel for the Requisite Convertible Participating Holders as soon as reasonably practicable prior to the date when the Company intends to file each such document, which, except as otherwise provided for herein, shall be in form and substance reasonably acceptable in all respects to the Requisite Secured Participating Holders and/or Requisite Convertible Participating Holders.

7. Effectiveness. This RSA will be effective and binding upon the Company and the undersigned Participating Holders as of the date on which: (i) the Company shall have executed and delivered counterpart signature pages of this RSA to counsel to the Participating Holders, (ii) the Requisite Secured Participating Holders and the Requisite Convertible Participating Holders shall have executed and delivered counterpart signature pages of this RSA to counsel to the Company, and (iii) all reasonable and documented fees and expenses, which are due and owing prior to the execution of this RSA, of Fried, Frank, Harris, Shriver & Jacobson LLP and Sidley Austin LLP, have been paid, in each case in accordance with the terms of their existing engagement or fee letters.

8. Representations and Warranties. Each Party hereby represents and warrants to the other Parties that the following statements are true and correct as of the date hereof:

- (a) it has all requisite corporate, partnership, limited liability company, or similar authority to enter into this RSA and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder;

and the execution and delivery of this RSA and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability company, or other similar action on its part;

- (b) the execution, delivery, and performance by such Party of this RSA does not and shall not (i) violate (A) any provision of law, rule, or regulation applicable to it or any of its subsidiaries or (B) its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries or (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party;
- (c) except as otherwise provided herein and except for any filings required to be made with the Securities and Exchange Commission or other securities regulatory authorities under applicable securities laws, the execution, delivery, and performance by such Party of this RSA does not and shall not require any registration or filing with, consent or approval of, notice to, or other action to, with or by, any federal, state, or governmental authority or regulatory body;
- (d) this RSA is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of a court of competent jurisdiction; and
- (e) If such Party is a Participating Holder, and subject to any limitations set forth in its signature page's listing of owned securities (e.g., held in total return swap), such Participating Holder, as of the date of this RSA:
  - (i) is the beneficial owner of the principal amount of the Senior Secured Notes and/or Convertible Notes, as applicable, set forth on the signature page hereto, or is the nominee, investment manager, or advisor for one or more beneficial holders thereof, and has voting power or authority or discretion with respect to, the Senior Secured Notes and/or Convertible Notes, as applicable, including, without limitation, to vote, exchange, assign, and transfer such notes;
  - (ii) holds its notes free and clear, other than pursuant to this RSA, of any claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrances of any kind that could materially adversely affect in any way such Participating Holder's performance of its obligations contained in

this RSA at the time such obligations are required to be performed (except that a non-material portion of Notes may be on loan); and

- (iii) (A) has such knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this RSA and of making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Company that it considers sufficient and reasonable for purposes of entering into this RSA and (B) is an "accredited investor" (as defined by Rule 501 of the Securities Act of 1933, as amended).

9. Entire Agreement. This RSA, including any exhibits, schedules and annexes hereto constitutes the entire agreement of the Company Parties and the Participating Holders with respect to the subject matter of this RSA, and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this RSA, other than the Confidentiality Agreement which remains unaltered.

10. Reservation of Rights. Except as expressly provided in this RSA, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each Party to pursue, protect and preserve its rights, remedies, and interests, including, without limitation, its claims against other Parties or parties or their respective Affiliates. Nothing herein shall be deemed an admission of any kind. Nothing contained herein effects a modification of the Parties' or the Indenture Trustee's rights under the Senior Secured Notes or Convertible Notes, as applicable, the Secured Notes Indenture, the Convertible Notes Indentures or other documents and agreements unless and until the Effective Date has occurred and only then as set forth in the Restructuring Documents. If the transactions contemplated herein are not consummated, or if this RSA terminates for any reason prior to the Effective Date, the Parties fully reserve any and all of their rights.

11. No Waiver. This RSA is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. If the transactions contemplated herein are not consummated, or following the occurrence of the Termination Date, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this RSA and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

12. Counterparts. This RSA may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument and the counterparts may be delivered personally or by electronic mail in portable document format (.pdf).

13. Amendments. Except as otherwise provided herein, this RSA may not be modified, amended or supplemented, or any provisions herein or therein waived without the prior written consent of the Requisite Secured Participating Holders and the Requisite

Convertible Participating Holders (and may be modified, amended or supplemented with such consent).

14. No Assignment. Subject to the terms and conditions of any valid Transfer hereunder, this RSA shall not be assigned by any party hereto without the prior written consent of the Participating Holders.

15. Headings. The headings of the sections, paragraphs and subsections of this RSA are inserted for convenience only and shall not affect the interpretation hereof.

16. Relationship Among Parties. It is understood and agreed that any Participating Holder may trade in the notes or other debt or equity securities of the Company without the consent of the Company or any Participating Holder, subject to applicable securities laws and Section 3(b) hereof. No Party shall have any responsibility for any such trading by any other entity by virtue of this RSA. No prior history, pattern or practice of sharing confidences among or between Parties shall in any way affect or negate this understanding and agreement. For the avoidance of doubt, (i) the execution of this RSA by any Participating Holder shall not create, or be deemed to create, any fiduciary or other duties (actual or implied) to any other Participating Holder, or other party other than as expressly set forth in this RSA and (ii) no Participating Holder shall be responsible for, or have any obligation with respect to, any duties or obligations of any other Participating Holder or other party under the RSA.

17. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this RSA by any Party and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of a court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

18. Survival. Notwithstanding (i) any Transfer of the notes in accordance with Section 3(b) of this RSA or (ii) the termination of this RSA in accordance with its terms, only Sections 10, 11, 12, 14, 16, 21 and 23 and this Section 18 shall survive such Transfer and/or termination and shall continue in full force and effect for the benefit of the Participating Holder in accordance with the terms hereof.

19. Governing Law. This RSA shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America in each case located in New York County for any action arising out of or relating to this RSA and the transactions contemplated hereby (and agrees not to commence any action relating hereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to its address set forth in Section 20 shall be effective service of process for any action brought against it in any such court.

20. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally or by electronic mail format (.pdf) with first class mail confirmation to the Parties at the following addresses or email addresses:

If to any of the Company Parties:

Penson Worldwide, Inc.  
Bryce B. Engel  
1700 Pacific Avenue, Suite 1400  
Dallas, TX 75201

E-mail: BEngel@penson.com

with a copy to (which shall not constitute notice):

Andrew Rosenberg, Esq.  
Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, New York 10019

E-mail: arosenberg@paulweiss.com

If to the Requisite Secured Participating Holders:

To the addresses and email addresses set forth on the signature pages hereto.

with a copy to (which shall not constitute notice):

Gary Kaplan, Esq.  
Fried, Frank, Harris, Shriver & Jacobson LLP  
One New York Plaza  
New York, New York 10004

E-mail: Gary.Kaplan@friedfrank.com

If to the Requisite Convertible Participating Holders:

To the addresses and email addresses set forth on the signature pages hereto.

with a copy to (which shall not constitute notice):

Bojan Guzina, Esq.  
Sidley Austin LLP  
One South Dearborn  
Chicago, IL 60603

Email: BGuzina@sidley.com

or such other address or email address as such party may hereafter specify by like notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 P.M. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

21. No Third-Party Beneficiaries. The terms and provisions of this RSA are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

22. Termination Upon Effective Date of Plan. Subject to Section 18, this RSA shall terminate automatically without any further required action on the Effective Date of the Plan.

23. Public Disclosure. Except as otherwise required by any law, rule, order or regulation, the Company Parties shall not (a) use the name of the Participating Holder or its manager, advisor, or Affiliates in any press release without the Participating Holder's prior written consent or (b) disclose holdings of the Participating Holder to any Person; provided, however, that the Company Parties shall be permitted to disclose at any time the aggregate principal amount of and aggregate percentage of notes held by the Participating Holders. The Participating Holders shall not use the name of the Company Parties in any press release without the Company's prior written consent. Nothing contained herein shall be deemed to waive, amend or modify the terms of any confidentiality or non-disclosure agreement between the Company and any Participating Holder.

24. Creditors' Committee. Notwithstanding anything herein to the contrary, if any Participating Holder is appointed to and serves on an official committee of creditors in the Chapter 11 Cases, the terms of this RSA shall not be construed so as to limit such Participating Holder's exercise of its fiduciary duties to any person arising from its service on such committee, and any such exercise (in the sole discretion of such Participating Holder) of such fiduciary duties shall not be deemed to constitute a breach of the terms of this RSA; provided further nothing in this RSA shall be construed as requiring any Participating Holder to serve on any official committee in any such Chapter 11 Cases.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officers to execute and deliver this RSA as of the date first above written.

PENSON WORLDWIDE, INC.

By: \_\_\_\_\_  
Name:  
Title:

PENSON FINANCIAL SERVICES, INC.

By: \_\_\_\_\_  
Name:  
Title:

SAI HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

PENSON HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Restructuring Support Agreement*

PARTICIPATING HOLDER:

[INSERT NAME OF PARTICIPATING HOLDER ]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Amount of Senior Secured Notes and/or  
Convertible Notes Held by Participating Holder:

\$ \_\_\_\_\_

*Signature Page to Restructuring Support Agreement*

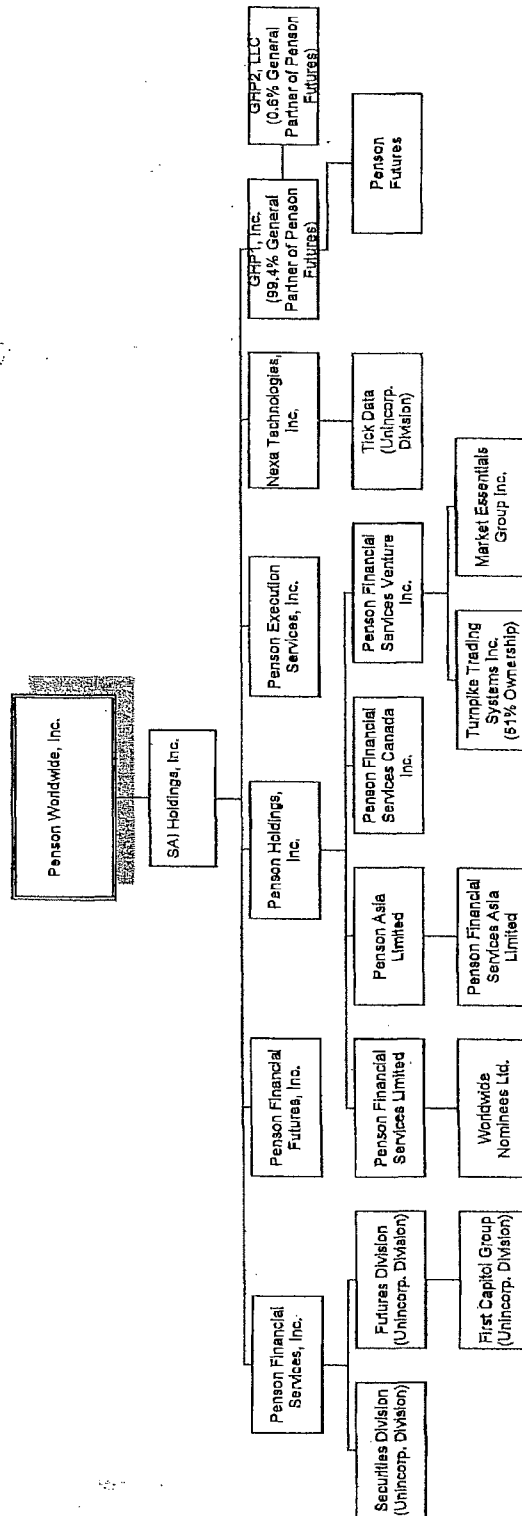


EXHIBIT A  
**Plan of Liquidation**

**[Intentionally Omitted – See Exhibit 2 to Disclosure Statement]**

**Exhibit 4**

**Prepetition Corporate Organization Chart**



**Exhibit 5**

**Liquidation Analysis**

## **LIQUIDATION ANALYSIS**<sup>1</sup>

As described in the Plan, the Debtors believe that the Plan as proposed yields the best result for the Debtors, their creditors and other parties in interest. Based upon the following hypothetical analysis (the “Liquidation Analysis”), the Debtors believe that the Plan meets the “best interest of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code (described in Section 12.8 of the Disclosure Statement), and that each holder of an impaired claim will receive under the Plan value on the Effective Date that is not less than the value such holder would receive if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code on the Effective Date. The Debtors believe the Liquidation Analysis and the conclusions set forth herein are reasonable, and represent management’s best judgment with regard to the results of a liquidation of the Debtors under chapter 7. The analysis was prepared solely to assist the Bankruptcy Court in making this determination, and should not be used for any other purpose.

The Liquidation Analysis reflects the estimated cash proceeds, net of liquidation-related costs that would be realized if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code. Underlying the Liquidation Analysis are a number of estimates and assumptions that, although developed and considered reasonable by management of the Debtors and by the Debtors’ professionals, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management, and are also based upon assumptions with respect to certain liquidation decisions which could be subject to change. The Liquidation Analysis has not been examined or reviewed by independent accountants in accordance with standards promulgated by the American Institute of Certified Public Accountants. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION IN CHAPTER 7, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HERE.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of the Debtors’ Schedules and filed proofs of claim. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted in the Chapter 11 Cases, but which could be asserted and Allowed in a chapter 7 liquidation, including unpaid chapter 11 administrative expense Claims, and chapter 7 administrative claims such as wind-down costs, trustee fees, and tax liabilities. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. Therefore, the Debtors’ estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. NOTHING

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

Management of the Debtors prepared this Liquidation Analysis with the assistance of the Debtors' professionals. The Liquidation Analysis is predicated on the assumption that the Debtors would commence liquidation under chapter 7 on or around July 31, 2013 (the "Conversion Date"). The projected balance sheet is the best approximation of the Debtors' assets to be liquidated if the Debtors were to be liquidated in accordance with chapter 7 of the Bankruptcy Code.

### ***1. General Assumptions***

#### **a) Liquidation Period**

It is assumed that the liquidation of the Debtors would commence under the direction of a chapter 7 trustee (the "Trustee") and would continue for a period of time until substantially all of the assets and claims have been resolved. (the "Liquidation Period"). Although the majority of the Debtors' assets have already been liquidated or may take less than six months to liquidate, other assets may be more difficult and may take longer than six months to liquidate. The Debtors believe that a liquidation period of six months will allow enough time for the orderly liquidation of most of the assets.

#### **b) Asset Value**

The Liquidation Analysis is based on estimated asset values as of July 31, 2013, unless otherwise noted.

#### **c) Chapter 7 Committee(s)**

No committees are generally formed under Section 705 of the Bankruptcy Code or, to the extent that one or more committees are formed, the Debtors' Estates are not obligated to pay fees or expenses associated with any such committees.

#### **d) Liquidation Methodology**

The Debtor entities are assumed to be liquidated either through a distressed sale on a going concern basis or as part of a straight liquidation of the underlying assets depending on the best course for that entity. Typically, upon conversion of a chapter 11 case to a chapter 7 case, a business is shut down and ceases all operations.

- Going Concern Disposition – The Nexa sale was approved by the Bankruptcy Court on March 26, 2013, and closed on April 1, 2013 and was the last operating business of the Debtors.
- Shut Down- The Liquidation Analysis assumed that all other Debtor entities would cease operations immediately. Most of their employees would be severed and their assets liquidated piecemeal over a six-month period. The gross liquidation proceeds assumed to be received as a result of the sale and liquidation of the assets and operations of the Debtor entities, as outlined above, less the costs associated with liquidation as detailed below, is then used to satisfy the various Claims, including the chapter 7 Claims, chapter 11 administrative expenses and Non-Tax Priority Claims, and prepetition Claims. The Liquidation Analysis assumes that the trustee would resolve Claims and other matters involving the Debtors' Estates and make distributions to creditors.

**e) Other Potential Recoveries and Other Potential Claims**

The Liquidation Analysis does not consider recoveries from potential Claims arising from the prosecution of Patent Claims or other Claims against third parties. It is assumed that the recoveries from these claims would be substantially similar in either reorganization or liquidation and thus are not included in this analysis.

In addition to these assumptions and the specific assumptions listed in the notes to the Liquidation Analysis, there are significant areas of uncertainty that exist with respect to this Liquidation Analysis:

- Due to general uncertainties with respect to the outcome of contingent litigation matters, the actual value of contingent litigation Claims, including Patent Claims, remains uncertain. Accordingly, the estimated recovery percentages could be impacted by the outcome of such contingent litigation matters.
- The Liquidation Analysis assumes that there are no recoveries from the pursuit of any potential preferences, fraudulent conveyances, or other causes of action and does not include the estimated costs of pursuing such actions.
- This Liquidation Analysis is also based upon assumptions with regard to liquidation decisions that are subject to change. Accordingly, there can be no assurances that the values reflected in this Liquidation Analysis would be realized if the Debtors were, in fact, to undergo, such liquidation.

UNDERLYING THE LIQUIDATION ANALYSIS ARE A NUMBER OF ESTIMATES AND ASSUMPTIONS THAT, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTORS, ARE INHERENTLY SUBJECT TO SIGNIFICANT



ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS, AND, WITH RESPECT TO LIQUIDATION DECISIONS, COULD BE SUBJECT TO CHANGE. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IN THE EVENT OF SUCH LIQUIDATION, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HERE.

*Notes to Liquidation Analysis*

**2. Asset Liquidation Values**

*Note A- Cash and Cash Equivalents:*

For purposes of this Liquidation Analysis, Cash and Cash Equivalents are assumed to be fully recoverable. As of April 1, 2013, the Debtors sold their last operating business, Nexa. Any change in the cash balance relates to the collection of accounts receivable and receipt of proceeds from asset recoveries and the costs associated with the winding down of the Debtors' affairs. The estimated Cash and Cash Equivalents balance includes receipts of all proceeds and cash disbursements made through July 31, 2013.

*Note B- Other Assets:*

Includes prepaid deposits, tax refunds receivable and other sundry assets which are assumed to have minimal value in liquidation.

*Note C- Assets Sold as a Going Concern:*

The Debtors do not have any ongoing business operations at this time.

*Note D- Illiquid Instruments:*

The Illiquid Instruments primarily consist of certain municipal bonds, including Cambridge, Dade County, Leon County and Will County municipal bonds, certain partnership interests, secured debts and other collateral. It may take significant time and investment of resources to liquidate the various Illiquid Instruments. The Debtors estimated the recovery for the Illiquid Instruments to be in the range of \$5-\$10 million.

*Note E- Canadian Assets:*

It is uncertain what proceeds would be available to distribute to non-PFSC creditors upon conclusion of the Canadian Proceeding.

*Note F- Chapter 7 Trustee Fees:*

It has been assumed that a chapter 7 trustee would be appointed to oversee the liquidation of the Debtors under chapter 7. A chapter 7 trustee would be compensated in accordance with the guidelines of Section 326 of the Bankruptcy Code.<sup>2</sup> Trustee fees are estimated to be 3% of the gross value realized by the liquidation of the Debtors' assets.

*Note G- Other General and Administrative Expenses:*

The trustee will have to retain professionals who do not have the institutional knowledge of these cases possessed by the Debtors' current professionals, which will result in delay and the incurrence of additional costs. In addition, the trustee would have to retain additional staff to assist with the accounting and claims reconciliation processes.

*Note H- Professional Fees:*

Chapter 7 professional fees include fees and expenses incurred by attorneys and other professionals that the trustee would engage to assist in liquidating the Debtors' assets and administering the bankruptcy estates. These fees are in addition to the fees and expenses that would be incurred by the professionals of the Debtors and Creditors' Committee during the period of transition between chapter 11 and chapter 7. Given that a chapter 7 trustee and his or her professionals would be required to familiarize themselves with the Debtors, their Estates, the property, the Causes of Action, and related matters, it is anticipated that a chapter 7 trustee's professionals fees would be higher than the estimated professional fees to be incurred by the Liquidation Trustee following Confirmation or consummation of the Plan.

*Note I- Tax Related Fees:*

The Debtors will continue to incur tax-related costs as well as costs in connection with work performed by the Debtors' current tax consultant related to the filing of the necessary federal and state tax returns.

*Note J- :*

There are no current operations.

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<sup>2</sup> Pursuant to Section 326 of the Bankruptcy Code, the statutory chapter 7 Trustee fee will not exceed 25% of the first \$5,000 disbursed, 10% on any amount in excess of \$5,000 but not in excess of \$50,000, 5% on any amount in excess of \$50,000 but not in excess of \$1,000,000, and reasonable compensation not to exceed 3% on any amounts in excess of \$1,000,000.

*Note K- Wind Down Costs:*

Costs associated with the limited operation of corporate functions during the liquidation (including finance, technology, human resource and property service centers) are allocated to PFSI.

*Note L- Employee Severance Costs:*

Employee severance is based upon the Bankruptcy Court approved severance policy. Pursuant to the Bankruptcy Court approved severance policy, the Liquidation Analysis assumes lump-sum payments without benefits continuation for all employees of entities that are liquidated.

*Note M- Recoveries from Intercompany Balances:*

The Liquidation Analysis assumes certain intercompany note balances are valid at the amounts reflected in the books and records of the Debtor entities without giving effect to any potential challenges to their validity. The Liquidation Analysis assumes that intercompany claims are satisfied from the value after recoveries and each subsidiary receives value on account of its respective intercompany receivables

*Note N- Priority Tax Claims:*

Includes an estimated Allowed amount for existing tax Claims that would occur in liquidation. Certain existing tax Claims are joint and several liabilities of all of the Debtors and the estimated Allowed amounts are consistent with the assumptions with regard to resolving outstanding tax disputes incorporated into the Debtors' business plan. .

Nexa Technologies, Inc.  
Chapter 11 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Cash roll forward:</b>						
Cash as of May 31, 2013		\$ 11,200,000				
Accounts receivable		500,000				
Accounts payable postpetition		(300,000)				
Professional fees, allocated		(1,000,000)				
Non-Insider severance and PTO expense		(500,000)				
<b>Estimated Cash at July 31, 2013</b>		<b>\$ 9,900,000</b>	100%	<b>\$ 9,900,000</b>	100%	<b>\$ 9,900,000</b>
<b>Less: Chapter 11 administration expenses</b>						
Management incentive compensation plan						
Professional fees				\$ (75,000)		\$ (90,000)
Intercompany loan to fund winddown, Person Financial Services, Inc.				(950,000)		(950,000)
<b>Subtotal</b>				<b>(4,700,000)</b>		<b>(4,700,000)</b>
				<b>(5,725,000)</b>		<b>(5,740,000)</b>
<b>Estimated cash available</b>				<b>\$ 4,175,000</b>		<b>\$ 4,160,000</b>
<b>Postpetition loan recoveries:</b>						
Intercompany loan to fund winddown, Person Financial Services, Inc.				\$ 4,700,000		\$ 4,700,000
<b>Subtotal</b>				<b>4,700,000</b>		<b>4,700,000</b>
<b>Estimated cash available for tax claims</b>				<b>\$ 8,875,000</b>		<b>\$ 8,860,000</b>
<b>Priority Tax Claim</b>				<b>(10,000)</b>		<b>(10,000)</b>
<b>Estimated amount available for unsecured claims</b>				<b>\$ 8,865,000</b>		<b>\$ 8,850,000</b>
<b>Unsecured Claims:</b>						
Accounts Payable				(200,000)		(300,000)
Lease Rejection Claims - Real Estate				(50,000)		(475,000)
Insider severance				(137,500)		(137,500)
<b>Total unsecured claims</b>				<b>\$ (387,500)</b>		<b>\$ (912,500)</b>
<b>Estimated recovery to unsecured creditors</b>				<b>100%</b>		<b>100%</b>
<b>Unsecured Intercompany Claims:</b>						
Intercompany to SAI Holdings, Inc.	1	(28,702,624)				
<b>Total Unsecured Intercompany Claims</b>		<b>\$ (28,702,624)</b>				
<b>Cash available to SAI Holdings, Inc. equity ownership</b>				<b>\$ 8,477,500</b>		<b>\$ 7,937,500</b>

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Penson Worldwide  
Chapter 11 Liquidation Analysis

As of July 31, 2013  
Range of Value

Range of value									
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low			
Current assets:									
Cash and cash equivalents		\$ 30,078	100%	30,000	100%	30,000			
Furniture and equipment		1,444,654	1%	10,000	0%	-			
Prepaid expenses:		1,706,898	3%	50,000	0%	-			
Patent Litigation		Unknown	NA	Unknown	NA	Unknown			
Distribution from Penson Financial Services, Inc.			NA	45,000,000	NA	-			
Estimated liquidation value		<u>\$ 3,181,630</u>		<u>45,090,000</u>		<u>\$ 30,000</u>			
Priority tax claims				(250,000)		(500,000)			
<u>Estimated recovery to priority tax claims</u>			<u>100.0%</u>		<u>0.0%</u>				
Estimated amount available for unsecured claims				<u>\$ 44,840,000</u>		<u>\$ (470,000)</u>			
Unsecured Claims:									
Senior Convertible Notes				(62,968,533)		(62,968,533)			
Senior Second Lien Notes				(215,972,222)		(215,972,222)			
Accounts Payable				(2,000,000)		(2,500,000)			
Lease Rejection Claims - Real Estate				(750,000)		(2,000,000)			
Lease Rejection Claims - Other				(500,000)		(1,000,000)			
Other Claims				(100,000)		(250,000)			
Total unsecured claims				<u>\$ (282,290,755)</u>		<u>\$ (284,690,755)</u>			
<u>Estimated recovery to unsecured creditors</u>			<u>15.9%</u>		<u>0.0%</u>				
Cash Reconciliation to Unsecured Creditors									
Senior Convertible Notes				10,002,131		-			
Senior Second Lien Notes				34,305,744		-			
Accounts Payable				317,687		-			
Lease Rejection Claims - Real Estate				119,132		-			
Lease Rejection Claims - Other				79,422		-			
Other Claims				15,884		-			
Total paid to unsecured creditors				<u>\$ 44,840,000</u>		<u>\$ -</u>			
Senior Second Lien Notes Guaranty/Equity pledge reconciliation									
Cash received by Senior Second Lien Notes - SAI Guaranty				26,733,500		10,253,594			
Cash received by Senior Second Lien Notes - PHI Guaranty				1,000		1,000			
Cash received by Senior Second Lien Notes - PWI Guaranty				34,305,744		-			
Cash received by Senior Second Lien Notes - PFSI Equity Pledge				35,750,000		-			
Total paid to Senior Second Lien Notes				<u>\$ 96,790,244</u>		<u>\$ 10,254,594</u>			
<u>Estimated recovery to Senior Second Lien Notes</u>			<u>45%</u>		<u>5%</u>				

As of July 31, 2013						
Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Estimated Liquidation Value:</b>						
Cash as of May 31, 2013		\$ 600,000				
Asset sale proceeds, DTCC shares		1,200,000				
Accounts payable and operating expenses postpetition		(500,000)				
Professional fees, allocated		(1,000,000)				
Severance expense		-				
<b>Estimated Cash at July 31, 2013</b>		<b>\$ 300,000</b>	<b>100%</b>	<b>\$ 300,000</b>	<b>100%</b>	<b>\$ 300,000</b>
Accounts receivable		18,243,464	34%	6,250,000	5%	1,000,000
National Securities Clearing Corp Deposit		500,067	100%	500,000	0%	-
MB&Swift (London) Trading Deposit		52,004	0%	-	0%	-
APEX Settlement	1	NA	NA	110,000,000	NA	20,000,000
Intercompany Loan from Nexa to fund winddown			NA	4,700,000	NA	4,700,000
Distribution from SAI, Holdings, Inc., Note			NA	3,500,000	NA	2,000,000
<b>Estimated amount available</b>				<b>\$ 125,250,000</b>		<b>\$ 28,000,000</b>
<b>Less: Chapter 11 administration expenses</b>						
Professional fees				(1,500,000)		(1,500,000)
<b>Total administrative expenses</b>				<b>\$ (1,500,000)</b>		<b>\$ (1,500,000)</b>
<b>Less:</b>						
Winddown expenses post confirmation				\$ (2,000,000)		\$ (2,500,000)
Postpetition Intercompany loan payable Nexa				(4,700,000)		(4,700,000)
Professional fees				(4,000,000)		(6,000,000)
<b>Total administrative expenses</b>				<b>(10,700,000)</b>		<b>(13,200,000)</b>
<b>Priority Tax Claims</b>						
				(100,000)		(100,000)
<b>Estimated amount available for unsecured claims</b>				<b>\$ 112,850,000</b>		<b>\$ 13,100,000</b>
<b>Unsecured Claims:</b>						
General unsecured claimants including accounts payable				(20,000,000)		(25,000,000)
Other Claims				(100,000)		(850,000)
<b>Total unsecured claims</b>				<b>\$ (20,100,000)</b>		<b>\$ (25,850,000)</b>
<b>Estimated recovery to unsecured creditors</b>				<b>100.0%</b>		<b>50.7%</b>
<b>Subordinated note payables:</b>						
Note Payable to PWI				(45,000,000)		(45,000,000)
Note Payable to SAI Holdings, Inc.				(12,000,000)		(12,000,000)
<b>Total subordinated note payables</b>				<b>\$ (57,000,000)</b>		<b>\$ (57,000,000)</b>
<b>Estimated recovery to subordinated notes payable</b>				<b>100.0%</b>		<b>0.0%</b>
<b>Cash available to Second Lien Notes - Equity Pledge</b>						
				\$ 35,750,000		\$ -
<b>Cash Reconciliation to Unsecured Creditors</b>						
Accounts Payable				20,000,000		12,669,246
Other Claims				100,000		430,754
<b>Total paid to unsecured creditors</b>				<b>\$ 20,100,000</b>		<b>\$ 13,100,000</b>
<b>Cash Reconciliation to subordinated notes payable</b>						
Note Payable to PWI				45,000,000		-
Note Payable to SAI Holdings, Inc.				12,000,000		-
<b>Total paid to subordinated notes payable</b>				<b>\$ 57,000,000</b>		<b>\$ -</b>

1) - Comprised of note payable of \$12M plus interest, Net Asset Value true-up of not less than \$7.0M and the 93.75% membership non-voting interest in Apex Holdings.

SAI Holdings, Inc.  
Chapter 11 Liquidation AnalysisAs of July 31, 2013  
Range of Value

Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Assets:</b>						
Cash and cash equivalents		\$ 5,000	100%	\$ 5,000	100%	\$ 5,000
Municipal bonds (Illiquid Instruments)	1	25,282,659	40%	10,000,000	20%	5,000,000
Distribution from Nexa Technologies, Inc.				8,477,500		7,937,500
Distribution from Penson Financial Services, Inc. Note				12,000,000		-
Distribution from Penson Execution Services, Inc.				1,000		1,000
Estimated liquidation value		<u>\$ 25,287,659</u>		<u>\$ 30,483,500</u>		<u>\$ 12,943,500</u>
<b>Less:</b>						
Chapter 11 administration expenses, including professional fees				(250,000)		(500,000)
Subtotal				<u>\$ (250,000)</u>		<u>\$ (500,000)</u>
SAI Promissory Note payable to PFSI	1			(3,500,000)		(2,000,000)
Estimated amount available for unsecured claims				<u>\$ 26,733,500</u>		<u>\$ 10,443,500</u>
<b>Unsecured Claims:</b>						
Senior Second Lien Notes - Guaranty				(215,972,222)		(215,972,222)
Other Claims				-		(4,000,000)
Total unsecured claims				<u>\$ (215,972,222)</u>		<u>\$ (219,972,222)</u>
Estimated recovery to unsecured creditors				12.4%		4.7%
<b>Cash Reconciliation to Unsecured Creditors</b>						
Senior Second Lien Notes - Guaranty				26,733,500		10,263,594
Other Claims				-		189,906
Total paid to unsecured creditors				<u>\$ 26,733,500</u>		<u>\$ 10,443,500</u>
<b>Unsecured Intercompany Claims:</b>						
Intercompany to Penson Worldwide, Inc.	2	(207,348,185)				
Intercompany to Penson Financial Services, Inc.	2	(111,537,200)				
Total Unsecured Intercompany Claims		<u>\$ (318,885,385)</u>				

1) - The SAI Promissory Note in the principal amount of \$5,500,000 is secured by the Illiquid Instruments. No UCC statements were ever filed with respect to the Promissory Note. Holders of the Promissory Note Claim will be entitled to receive 40% of the proceeds of the Illiquid Instruments up to a maximum of \$3.5 million.

2) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Penson Holdings, Inc.  
Chapter 11 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Liquidation %				Liquidation \$				Liquidation %				Liquidation \$			
			Recovery		High		(estimated)		High		Recovery		Low		(estimated)		Low	
<b>Assets:</b>																		
Cash and cash equivalents		\$ 1,000	100%		\$		1,000				100%		\$		1,000			
Investment in subsidiaries:																		
Investment in PFSC (Canada)	1	34,807,979	0%				-				0%				-			
Estimated liquidation value		<u>34,808,979</u>					<u>1,000</u>								<u>1,000</u>			
<b>Estimated amount available for unsecured claims</b>							1,000								1,000			
<b>Unsecured Claims:</b>																		
Senior Second Lien Notes - Guaranty							(215,972,222)								(215,972,222)			
Total unsecured claims							<u>(215,972,222)</u>								<u>(215,972,222)</u>			
<b>Estimated recovery to unsecured creditors</b>							0.0%								0.0%			
<b>Cash Reconciliation to Unsecured Creditors</b>																		
Senior Second Lien Notes - Guaranty							1,000								1,000			
Total paid to unsecured creditors							<u>1,000</u>								<u>1,000</u>			
<b>Unsecured Intercompany Claims:</b>																		
Intercompany to SAI Holdings, Inc.	2	(66,621,178)																
Intercompany to Penson Financial Services Canada, Inc.	2	(4,508,601)																
Intercompany to Penson Asia Limited	2	(658,673)																
<b>Total Unsecured Intercompany Claims</b>		<u>(71,788,452)</u>																

1) - 65% equity pledge to Senior Second Lien Notes

2) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.



Person Execution Services, Inc.  
Chapter 11 Liquidation Analysis

As of July 31, 2013						
Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation %		Liquidation \$	
			Recovery High	Recovery Low	(estimated) High	(estimated) Low
Current assets:						
Cash and cash equivalents		\$ 1,000	100%		\$ 1,000	\$ 1,000
Estimated liquidation value		<u>\$ 1,000</u>			<u>\$ 1,000</u>	<u>\$ 1,000</u>

Cash available to SAI Holdings, Inc. equity ownership

1,000

Person Financial Futures, Inc.  
Chapter 11 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Liquidation %				Liquidation \$				Recovery				Liquidation \$			
			High		Low		High		Low		High		Low		High		Low	
<b>Current assets:</b>																		
Cash and cash equivalents		\$ 1,000	100%				\$ 1,000				100%				\$ 1,000			
<b>Estimated liquidation value</b>		<u>\$ 1,000</u>					<u>\$ 1,000</u>								<u>\$ 1,000</u>			
<b>Unsecured Claims:</b>																		
Accounts payable							(1,000)								(13,000,000)			
<b>Total unsecured claims</b>							<u>(1,000)</u>								<u>(13,000,000)</u>			
<b>Estimated recovery to unsecured creditors</b>							<u>100.0%</u>								<u>0.0%</u>			
<b>Unsecured Intercompany Claims:</b>																		
Intercompany to SAI Holdings, Inc.	1	(75,069)																
<b>Total Unsecured Intercompany Claims</b>		<u>\$ (75,069)</u>																

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Penson Futures  
Chapter 11 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Current assets:</b>						
Cash and cash equivalents		\$ 200		\$ 200		\$ 200
<b>Estimated liquidation value</b>		<u>\$ 200</u>	100%	<u>\$ 200</u>	100%	<u>\$ 200</u>
<b>Unsecured Claims:</b>						
Accounts payable				(1,000,000)		(10,000,000)
<b>Total unsecured claims</b>				<u>\$ (1,000,000)</u>		<u>\$ (10,000,000)</u>
<b>Estimated recovery to unsecured creditors</b>				0.0%		0.0%
<b>Unsecured Intercompany Claims:</b>						
Intercompany to GHP1, Inc.	1	(656,302)				
Intercompany to GHP2, LLC	1	(3,962)				
<b>Total Unsecured Intercompany Claims</b>		<u>\$ (660,264)</u>				

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

GHP1, Inc.  
Chapter 11 Liquidation Analysis

As of July 31, 2013 Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Current assets:</b>						
Cash and cash equivalents		\$ -	100%	\$ -	100%	\$ -
Distribution from Pension Futures		-		-		-
Estimated liquidation value		<u>-</u>		<u>-</u>		<u>-</u>
<b>Less:</b>						
Priority tax claims		-		-		-
Subtotal		<u>-</u>		<u>-</u>		<u>-</u>
Priority tax claim deficiency						
Estimated Recovery				<u>(100,000)</u>		<u>(200,000)</u>
				<u>\$ (100,000)</u>		<u>\$ (200,000)</u>
Unsecured Intercompany Claims:						
Payable to SAI Holdings, Inc.	1	(13,084,314)				
Total Unsecured Intercompany Claims		<u>\$ (13,084,314)</u>		<u>\$ (100,000)</u>		<u>\$ (200,000)</u>
Estimated amount available to SAI Holdings, Inc.				<u>0.0%</u>		<u>0.0%</u>

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

GHP2, LLC  
Chapter 11 Liquidation Analysis

As of July 31, 2013 Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
Current assets:						
Cash and cash equivalents		\$ -	0%	\$ -	0%	\$ -
Estimated liquidation value		\$ -		\$ -		\$ -
Cash available to SAI Holdings, Inc. equity ownership				\$ -		\$ -

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Penson Worldwide  
Chapter 7 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Current assets:</b>						
Cash and cash equivalents		\$ 30,078	100%	30,000	100%	30,000
Furniture and equipment		1,444,654	1%	10,000	0%	-
Prepaid expenses:		1,706,898	3%	50,000	0%	-
Patent Litigation		Unknown	NA	Unknown	NA	Unknown
Distribution from Penson Financial Services, Inc.			NA	22,538,220	NA	-
Estimated liquidation value		<u>\$ 3,181,630</u>		<u>\$ 22,628,220</u>		<u>\$ 30,000</u>
<b>Less:</b>						
Trustee fees (3%)				(678,847)		(900)
Total Chapter 7 administrative expenses				<u>(678,847)</u>		<u>(900)</u>
<b>Priority tax claims</b>				<u>\$ (250,000)</u>		<u>\$ (500,000)</u>
<b>Estimated recovery to priority tax claims</b>				<u>100.0%</u>		<u>0.0%</u>
<b>Estimated amount available for unsecured claims</b>				<u>\$ 21,699,373</u>		<u>\$ (470,900)</u>
<b>Unsecured Claims:</b>						
Senior Convertible Notes				(62,968,533)		(62,968,533)
Senior Second Lien Notes				(216,972,222)		(216,972,222)
Accounts Payable				(2,000,000)		(2,500,000)
Lease Rejection Claims - Real Estate				(750,000)		(2,000,000)
Lease Rejection Claims - Other				(500,000)		(1,000,000)
Other Claims				(100,000)		(250,000)
Total unsecured claims				<u>\$ (282,290,755)</u>		<u>\$ (284,690,755)</u>
<b>Estimated recovery to unsecured creditors</b>				<u>7.7%</u>		<u>0.0%</u>
<b>Cash Reconciliation to Unsecured Creditors</b>						
Senior Convertible Notes				4,840,320		-
Senior Second Lien Notes				16,601,542		-
Accounts Payable				153,738		-
Lease Rejection Claims - Real Estate				57,652		-
Lease Rejection Claims - Other				38,434		-
Other Claims				7,687		-
Total paid to unsecured creditors				<u>\$ 21,699,373</u>		<u>\$ -</u>
<b>Senior Second Lien Notes Guaranty/Equity pledge reconciliation</b>						
Cash received by Senior Second Lien Notes - SAI Guaranty				20,195,577		10,411,839
Cash received by Senior Second Lien Notes - PHI Guaranty				1,000		1,000
Cash received by Senior Second Lien Notes - PWI Guaranty				16,601,542		-
Cash received by Senior Second Lien Notes - PFSI Equity Pledge				-		-
Total paid to Senior Second Lien Notes				<u>\$ 36,798,119</u>		<u>\$ 10,412,839</u>
<b>Estimated recovery to Senior Second Lien Notes</b>				<u>17%</u>		<u>5%</u>

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Estimated Liquidation Value:</b>						
Cash as of May 31, 2013		\$ 600,000				
Asset sale proceeds, DTCC shares		1,200,000				
Accounts payable and operating expenses postpetition		(500,000)				
Professional fees, allocated		(1,000,000)				
Servance expense		-				
<b>Estimated Cash at July 31, 2013</b>		<b>\$ 300,000</b>	<b>100%</b>	<b>\$ 300,000</b>	<b>100%</b>	<b>\$ 300,000</b>
Accounts receivable		18,243,464	16%	3,000,000	3%	500,000
National Securities Clearing Corp Deposit		500,067	100%	500,000	0%	-
MB&Swift (London) Trading Deposit		52,004	0%	-	0%	-
APEX Settlement	1	NA	NA	50,000,000	NA	16,000,000
Distribution from SAI Holdings, Inc., Note		514,305	NA	514,305	NA	285,150
<b>Estimated amount available</b>		<b>\$ 54,314,305</b>		<b>\$ 54,314,305</b>		<b>\$ 17,065,150</b>
<b>Chapter 7 administration expenses</b>						
Trustee fees (3%)				\$ (1,629,429)		\$ (511,955)
Chapter 7 administration expenses, including professional fees				(4,000,000)		(6,000,000)
<b>Total Chapter 7 administrative expenses</b>				<b>\$ (5,629,429)</b>		<b>\$ (6,511,955)</b>
<b>Less: Chapter 11 administration expenses</b>						
Professional fees				(1,600,000)		(1,600,000)
<b>Total administrative expenses</b>				<b>\$ (1,600,000)</b>		<b>\$ (1,600,000)</b>
<b>Priority Tax Claims</b>				<b>\$ (100,000)</b>		<b>\$ (100,000)</b>
<b>Estimated amount available for unsecured claims</b>				<b>\$ 46,984,876</b>		<b>\$ 8,853,196</b>
<b>Unsecured Claims:</b>						
General unsecured claimants including accounts payable				(20,000,000)		(25,000,000)
Other Claims				(100,000)		(850,000)
<b>Total unsecured claims</b>				<b>\$ (20,100,000)</b>		<b>\$ (25,850,000)</b>
<b>Estimated recovery to unsecured creditors</b>				<b>100.0%</b>		<b>34.2%</b>
<b>Subordinated note payables:</b>						
Note Payable to PWI				(70,000,000)		(70,000,000)
Note Payable to SAI Holdings, Inc.				(13,500,000)		(13,500,000)
<b>Total subordinated note payables</b>				<b>\$ (83,500,000)</b>		<b>\$ (83,500,000)</b>
<b>Estimated recovery to subordinated notes payable</b>				<b>32.2%</b>		<b>0.0%</b>
<b>Cash available to Second Lien Notes - Equity Pledge</b>						
				\$ -		\$ -
<b>Cash Reconciliation to Unsecured Creditors</b>						
Accounts Payable				20,000,000		8,562,085
Other Claims				100,000		291,111
<b>Total paid to unsecured creditors</b>				<b>\$ 20,100,000</b>		<b>\$ 8,853,196</b>
<b>Cash Reconciliation to subordinated notes payable</b>						
Note Payable to PWI				22,538,220		-
Note Payable to SAI Holdings, Inc.				4,346,557		-
<b>Total paid to subordinated notes payable</b>				<b>\$ 26,884,876</b>		<b>\$ -</b>

1) - Comprised of note payable of \$12M plus interest, Net Asset Value true-up of not less than \$7.0M and the 93.75% membership non-voting interest in Apex Holdings.



SAI Holdings, Inc.  
Chapter 7 Liquidation Analysis

As of July 31, 2013						
Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Assets:</b>						
Cash and cash equivalents		\$ 5,000	100%	\$ 5,000	100%	\$ 5,000
Municipal bonds (illiquid instruments)	1	25,282,659	40%	10,000,000	20%	5,000,000
Distribution from Nexa Technologies, Inc.				7,255,500		6,715,500
Distribution from Penson Financial Services, Inc. Note				4,346,657		-
Distribution from Penson Execution Services, Inc.				970		970
Estimated liquidation value		<u>\$ 25,287,659</u>		<u>\$ 21,608,127</u>		<u>\$ 11,721,470</u>
<b>Less:</b>						
Trustee fees (3%)				(648,244)		(351,644)
Total Chapter 7 administrative expenses				<u>(648,244)</u>		<u>(351,644)</u>
<b>Less:</b>						
Chapter 11 administration expenses, including professional fees				(250,000)		(500,000)
Subtotal				<u>(250,000)</u>		<u>(500,000)</u>
Estimated amount available for unsecured claims				<u>\$ 20,709,883</u>		<u>\$ 10,869,826</u>
<b>Unsecured Claims:</b>						
Senior Second Lien Notes - Guaranty				(215,972,222)		(215,972,222)
Note payable to Penson Financial Services, Inc.				(5,500,000)		(5,500,000)
Other Claims				-		(4,000,000)
Total unsecured claims				<u>\$ (221,472,222)</u>		<u>\$ (225,472,222)</u>
Estimated recovery to unsecured creditors				9.4%		4.8%
<b>Cash Reconciliation to Unsecured Creditors</b>						
Senior Second Lien Notes - Guaranty				20,195,577		10,411,839
Note payable to Penson Financial Services, Inc.				514,305		265,150
Other Claims				-		192,837
Total paid to unsecured creditors				<u>\$ 20,709,883</u>		<u>\$ 10,869,826</u>
<b>Unsecured Intercompany Claims:</b>						
Intercompany to Penson Worldwide, Inc.	1	(207,348,185)				
Intercompany to Penson Financial Services, Inc.	1	(111,537,200)				
Total Unsecured Intercompany Claims		<u>\$ (318,885,385)</u>				

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Penson Holdings, Inc.  
Chapter 7 Liquidation Analysis

As of July 31, 2013  
Range of Value

Range of value									
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low			
Assets:									
Cash and cash equivalents		\$ 1,000	100%	\$ 1,000	100%	\$ 1,000			
Investment in subsidiaries:									
Investment in PFSC (Canada)	1	34,807,979	0%	-	0%	-			
Estimated liquidation value		<u>\$ 34,808,979</u>		<u>\$ 1,000</u>		<u>\$ 1,000</u>			
Less:									
Trustee fees (3%)				(30)		(30)			
Total Chapter 7 administrative expenses				<u>(30)</u>		<u>(30)</u>			
Estimated amount available for unsecured claims				970		970			
Unsecured Claims:									
Senior Second Lien Notes - Guaranty				(215,972,222)		(215,972,222)			
Total unsecured claims				<u>(215,972,222)</u>		<u>(215,972,222)</u>			
Estimated recovery to unsecured creditors				0.0%		0.0%			
Cash Reconciliation to Unsecured Creditors									
Senior Second Lien Notes - Guaranty				1,000		1,000			
Total paid to unsecured creditors				<u>1,000</u>		<u>1,000</u>			
Unsecured Intercompany Claims:									
Intercompany to SAI Holdings, Inc.	2	(66,621,178)							
Intercompany to Penson Financial Services Canada, Inc.	2	(4,508,601)							
Intercompany to Penson Asia Limited	2	(658,673)							
Total Unsecured Intercompany Claims		<u>\$ (71,788,452)</u>							

1) - 65% equity pledge to Senior Second Lien Notes

2) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Person Execution Services, Inc.  
Chapter 7 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	Range of Value			
			Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
Current assets:						
Cash and cash equivalents		\$ 1,000	100%	\$ 1,000	100%	\$ 1,000
Estimated liquidation value		<u>\$ 1,000</u>		<u>\$ 1,000</u>		<u>\$ 1,000</u>
Less:						
Trustee fees (3%)				(30)		(30)
Total Chapter 7 administrative expenses				<u>\$ (30)</u>		<u>\$ (30)</u>
Cash available to SAI Holdings, Inc. equity ownership				<u>\$ 970</u>		<u>\$ 970</u>

Penson Financial Futures, Inc.  
Chapter 7 Liquidation Analysis

As of July 31, 2013 Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Current assets:</b>						
Cash and cash equivalents		\$ 1,000		\$ 1,000		\$ 1,000
<b>Estimated liquidation value</b>		<u>\$ 1,000</u>	100%	<u>\$ 1,000</u>	100%	<u>\$ 1,000</u>
<b>Less:</b>						
Trustee fees (3%)						
Total Chapter 7 administrative expenses						
<b>Unsecured Claims:</b>						
Accounts payable				(30)		(30)
<b>Total unsecured claims</b>				<u>(30)</u>		<u>(30)</u>
				(1,000)		(13,000,000)
				<u>(1,000)</u>		<u>\$ (13,000,000)</u>
<b>Estimated recovery to unsecured creditors</b>				<u>97.0%</u>		<u>0.0%</u>
<b>Unsecured Intercompany Claims:</b>						
Intercompany to SAI Holdings, Inc.	1	(75,069)				
<b>Total Unsecured Intercompany Claims</b>		<u>\$ (75,069)</u>				

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

Penson Futures  
Chapter 7 Liquidation Analysis

As of July 31, 2013 Range of Value						
	Note Reference	Pro Forma Balance Sheet	Liquidation % Recovery	Liquidation \$ (estimated)	Liquidation % Recovery	Liquidation \$ (estimated)
			High	High	Low	Low
Current assets:						
Cash and cash equivalents		\$ 200		\$ 200		\$ 200
Estimated liquidation value		<u>\$ 200</u>	100%	<u>\$ 200</u>	100%	<u>\$ 200</u>
Less:						
Trustee fees (3%)				(6)		(6)
Total Chapter 7 administrative expenses				<u>(6)</u>		<u>(6)</u>
Unsecured Claims:						
Accounts payable				(1,000,000)		(10,000,000)
Total unsecured claims				<u>\$ (1,000,000)</u>		<u>\$ (10,000,000)</u>
Estimated recovery to unsecured creditors				0.0%		0.0%
Unsecured Intercompany Claims:						
Intercompany to GHP1, Inc.	1	(656,302)				
Intercompany to GHP2, LLC	1	(3,962)				
Total Unsecured Intercompany Claims		<u>\$ (660,264)</u>				

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

GHP1, Inc.  
Chapter 7 Liquidation AnalysisAs of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	As of July 31, 2013 Range of Value			
			Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low
<b>Current assets:</b>						
Cash and cash equivalents		\$ -	100%	\$ -	100%	\$ -
Distribution from Pension Futures		-		-		-
Estimated liquidation value		<u>-</u>		<u>-</u>		<u>-</u>
<b>Less:</b>						
Trustee fees (3%)		-		-		-
Total Chapter 7 administrative expenses		<u>-</u>		<u>-</u>		<u>-</u>
<b>Estimated amount available for unsecured claims</b>						
<b>Less:</b>						
Priority tax claims		-		-		-
Subtotal		<u>-</u>		<u>-</u>		<u>-</u>
<b>Priority tax claim deficiency</b>						
<b>Estimated Recovery</b>						
				(100,000)		(200,000)
				<u>(100,000)</u>		<u>(200,000)</u>
				<u>(100,000)</u>		<u>(200,000)</u>
				<u>0.0%</u>		<u>0.0%</u>
<b>Unsecured Intercompany Claims:</b>						
Payable to SAI Holdings, Inc.	1	(13,084,314)				
<b>Total Unsecured Intercompany Claims</b>		<u>(13,084,314)</u>				

Estimated amount available to SAI Holdings, Inc.

1) - These intercompany balances were not documented or publicly disclosed and no interest payments were made on these balances. Accordingly, the Debtors do not believe that they constitute actual valid debt.

GHP2, LLC  
Chapter 7 Liquidation Analysis

As of July 31, 2013  
Range of Value

	Note Reference	Pro Forma Balance Sheet	range of value					
			Liquidation % Recovery High	Liquidation \$ (estimated) High	Liquidation % Recovery Low	Liquidation \$ (estimated) Low		
Current assets:								
Cash and cash equivalents		\$ -	0%	\$ -	0%	\$ -	-	
Estimated liquidation value		\$ -		\$ -		\$ -	-	
Cash available to SAI Holdings, Inc. equity ownership				\$ -		\$ -	-	

**Exhibit 6**

**Analysis of Certain Federal Income Tax Consequences**



EXHIBIT 6**CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

The following discussion summarizes certain United States federal income tax consequences of the Plan to certain holders of Claims. The analysis contained herein is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), the Treasury regulations promulgated thereunder (the "Regulations"), judicial decisions, and published administrative rulings and pronouncements of the Internal Revenue Service ("IRS"), all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations hereafter enacted or promulgated could alter or modify the analysis and conclusions set forth below. Any such changes or interpretations may be retroactive and could affect significantly the federal income tax consequences discussed below. The United States federal income tax consequences of the Plan are complex and are subject to significant uncertainties. This summary does not generally address state, local, or non-United States tax consequences of the Plan, nor does it purport to address the federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax-exempt organizations, and investors in pass-through entities). Accordingly, the following summary of certain United States federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a holder of a Claim.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF CLAIMS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. MOREOVER, THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF CERTAIN ASPECTS OF THE PLAN ARE UNCERTAIN DUE TO THE LACK OF APPLICABLE LEGAL PRECEDENT AND THE POSSIBILITY OF CHANGES IN THE LAW. NO RULING HAS BEEN APPLIED FOR OR OBTAINED FROM THE IRS WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN REQUESTED OR OBTAINED WITH RESPECT THERETO. THIS DISCUSSION DOES NOT CONSTITUTE TAX ADVICE OR A TAX OPINION CONCERNING THE MATTERS DESCRIBED IN THIS SUMMARY. THERE CAN BE NO ASSURANCE THAT THE IRS WILL NOT CHALLENGE ANY OR ALL OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM IS STRONGLY URGED TO CONSULT WITH THAT HOLDER'S OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN, OR OTHER TAX CONSEQUENCES OF THE PLAN.

**TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY ANY TAXPAYER, FOR THE PURPOSE OF**

**AVOIDING PENALTIES THAT MAY BE IMPOSED ON A TAXPAYER UNDER THE TAX CODE; (B) ANY SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE SOLICITATION OF VOTES IN FAVOR OF THE PLAN; AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON SUCH TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**1. *Federal Income Tax Consequences to the Debtors.***

**(a) Distribution of Debtors' Assets to Penson Technologies LLC.**

Under the Plan, on or before the Effective Date, PTL will be formed as a Delaware limited liability company and all assets of the Debtors will be transferred to PTL. For federal income tax purposes, the transfer of assets to PTL will result in a taxable dissolution of each of the Debtors and each Debtor will be treated, for tax purposes as if the assets of such Debtor were sold and the proceeds of such sale were distributed to PTL as a liquidating distribution. As a result, the Debtors will recognize gain or loss on the deemed sale of the assets that is equal to the difference between the Debtors' respective bases in the assets deemed to be sold and the fair market value of such assets on the Effective Date. To the extent that any such deemed sale upon the liquidation of the Debtors results in a net taxable gain to the Debtors, it is anticipated that the Debtors will have available net operating losses ("NOLs") for the year in which the deemed liquidation occurs and from prior taxable years that may be carried forward ("NOL Carryforwards") to offset the amount of net taxable gain. To the extent NOLs and NOL Carryforwards are not available to offset such gain, the Debtors will have a tax liability for the net taxable gain arising upon the deemed sale of the Debtors' assets upon liquidation.

**(b) Cancellation of Indebtedness and Reduction of Tax Attributes.**

As a result of the consummation of the Plan, certain indebtedness of the Debtors will be discharged for United States federal income tax purposes. Generally, gross income includes the amount of any such cancellation of indebtedness ("COD") income. The amount of the COD income generally equals the amount by which the indebtedness discharged (reduced by any unamortized discount) exceeds any consideration given in exchange therefor, subject to certain statutory or judicial exceptions that can apply to limit the amount of COD income (such as where the payment of the cancelled debt would have given rise to a tax deduction). Because the Debtors are in a Chapter 11 bankruptcy proceeding, however, the Debtors will not be required to recognize COD income, but must instead reduce certain tax attributes by the amount of unrecognized COD income in the manner prescribed by section 108(b) of the Tax Code. The tax attributes of the Debtors subject to reduction include NOLs, NOL Carryforwards, capital losses and capital loss carryovers, certain tax credits, and, subject to certain limitations, the tax basis of property (including stock of subsidiaries). Tax attributes are generally reduced after the determination of tax for the year of discharge. Any tax attributes that remain after the current year tax has been computed and after the reductions required under Section 108, as noted above, will be eliminated upon the dissolution of the Debtors.

## ***2. Federal Income Taxation of PTL and the Liquidation Trust.***

Under the Plan, Holders of Claims will be entitled to receive either a membership interest in PTL or a beneficial interest in the Liquidation Trust in exchange for such Claims. For United States federal income tax purposes, each Holder of a Claim that is entitled to receive Class A Units or Class B Units in PTL will be deemed to have received a proportionate share of the Debtors' assets in exchange for that Holder's Claim and to have contributed the assets of the Debtors so received to PTL in exchange for a membership interest in PTL. Similarly, for United States federal income tax purposes, (i) each Holder of a Claim that will become a beneficiary of the Liquidation Trust will be deemed to have received a proportionate share of the Debtors' assets and to have contributed such assets to the Liquidation Trust in exchange for the beneficial interest of that Holder in the Liquidation Trust and (ii) the Liquidation Trust, in turn, will be deemed to have contributed the assets of so received to PTL in exchange for the Class C Units and Class D Units of PTL. A Claim Holder's deemed contribution of that Holder's proportionate share of the Debtors' assets directly to PTL in exchange for Class A Units or Class B Units in PTL will not give rise to the recognition of gain or loss by PTL or by the Holder receiving Class A Units or Class B Units. Similarly, contributions of a proportionate share of the Debtors' assets to the Liquidation Trust will not give rise to the recognition of gain or loss by the contributing Holders or the Liquidation Trust and the Liquidation Trust's deemed contribution of such assets to PTL in exchange for the Class C Units and Class D Units of PTL will not trigger recognition of gain or loss by the Liquidation Trust or PTL.

### **(a) Classification of PTL and Reporting Requirements**

PTL will be structured as a limited liability company and will be taxable as a partnership for federal income tax purposes. In general, the taxable income as well as certain items of deduction, gain, loss, and credit of PTL will pass-through to the holders of the Units in PTL in accordance with the allocation provisions set forth in the PTL LLC Agreement. Such items will pass-through to the Unit holders without regard to whether PTL makes any distributions to the holders of such Units. As a result, the holders of Units may have taxable income allocated to such holders but may not receive a distribution of cash from PTL to defray the taxes payable with respect to the allocated taxable income. It is anticipated that the managers of PTL will endeavor to make distributions sufficient to allow Unit holders to pay the tax on any income allocated to such Unit holders, but there can be no guaranty that such distributions will be made or that PTL will have available funds to make such distributions.

PTL will be obligated to file annual federal income tax returns that reflect the items of income, deduction, gain, loss, and credit of PTL during the taxable year and the allocation of such items to the Unit holders. PTL will also be obligated to provide each Unit holder with a federal Form K-1 that reflects the items of income, deduction, gain, loss, and credit of PTL that have been allocated to such Unit holder. The United States federal income tax reporting obligations of the holders of Units are not contingent on whether distributions are made by PTL with respect to the Units in PTL.

THE PROVISIONS OF THE TAX CODE AND REGULATIONS RELATING TO PARTNERSHIP TAXATION RULES ARE VERY COMPLEX AND EACH HOLDER THAT IS ENTITLED TO RECEIVE UNITS IN PTL IS STRONGLY ENCOURAGED TO CONSULT WITH THAT HOLDER'S TAX ADVISOR TO DETERMINE THE POTENTIAL INCOME TAX CONSEQUENCES OF HOLDING UNITS IN PTL AND THE REPORTING OBLIGATIONS APPLICABLE AS A RESULT OF HOLDING UNITS IN PTL.

**(b) Classification of the Liquidation Trust.**

The Debtors intend that (i) the Liquidation Trust qualify as a "liquidating trust," as defined in Treasury Regulation section 301.7701-4(d), and (ii) the Liquidation Trust be treated as a "grantor trust" and that the Liquidation Trust Beneficiaries be treated as the grantors of the Liquidation Trust.

The following discussion assumes that the Liquidation Trust will be respected as a grantor trust for federal income tax purposes. The Debtors do not intend to request any advance ruling from the IRS regarding the tax characterization of the Liquidation Trust as a liquidating trust. Additionally, no opinion of counsel has been requested concerning the tax status of the Liquidation Trust as grantor trusts. As a result, there can be no assurance that the IRS will treat the Liquidation Trust as a grantor trust. If the IRS were to challenge successfully such classification, the federal income tax consequences to the Liquidation Trust, the Liquidation Trust Beneficiaries, and the Debtors could be materially different than is discussed herein (including the potential for an entity level tax on any income of the Liquidation Trust and adverse tax effects to the holders of Claims).

**(c) General Tax Reporting by the Liquidation Trust and Liquidation Trust Beneficiaries.**

The Plan requires all parties (including the Debtors, the trustee of the Liquidation Trust, and the Liquidation Trust Beneficiaries) to treat the transfer of a proportionate share of the Debtors' assets to the Liquidation Trust, for United States federal income tax purposes, as a transfer of such assets directly to the Liquidation Trust Beneficiaries, followed by the transfer of such assets by the Liquidation Trust Beneficiaries to the Liquidation Trust. The Plan also requires the Debtors, the trustee of the Liquidation Trust, and the Liquidation Trust Beneficiaries to treat the Liquidation Trust as a grantor trust of which the Liquidation Trust Beneficiaries are the owners and grantors. As a consequence, the Liquidation Trust Beneficiaries (and any subsequent transferees of interests in the Liquidation Trust) will be treated for United States federal income tax purposes as the direct owners of a specified undivided interest in the Liquidating Trust Assets (which assets will have a tax basis equal to their fair market value on the date transferred to the Liquidation Trust).

The United States federal income tax reporting obligation of a Liquidation Trust Beneficiary is not dependent upon the Liquidation Trust distributing any cash or other proceeds. The Plan provides that the Liquidation Trust will allocate items of income, gain, loss, expense and other tax items to the Liquidation Trust Beneficiaries in

accordance with their relative beneficial interests in the Liquidation Trust. Therefore, a Liquidation Trust Beneficiary may incur an income tax liability with respect to its allocable share of the income of the Liquidation Trust whether or not the Liquidation Trust has made any concurrent distribution to the Liquidation Trust Beneficiary.

The Plan requires the trustees to file tax returns for the Liquidation Trust as a "grantor trust" pursuant to Treasury Regulation section 1.671-4(a). The Liquidation Trust is expected to send each Liquidation Trust Beneficiary a separate statement setting forth the Liquidation Trust Beneficiary's share of items of income, gain, loss, deduction, or credit, and such Liquidation Trust Beneficiary will be responsible for the payment of taxes on a current basis that result from such allocations.

**LIQUIDATION TRUST BENEFICIARIES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPROPRIATE FEDERAL INCOME TAX REPORTING OF THE LIQUIDATION TRUSTS.**

### ***3. Federal Income Tax Consequences to Holders of Claims***

The federal income tax consequences of the Plan to a Holder of a Claim will depend upon several factors, including but not limited to: (i) whether the Holder's Claim (or a portion thereof) constitutes a claim for principal or interest; (ii) the origin of the Holder's Claim; (iii) the type of considerations received by the Holder in exchange for the Claim; (iv) whether the Holder is a resident of the United States for tax purposes (or falls into any of the special classes of taxpayers excluded from this discussion as noted above); (v) whether the Holder reports income on the accrual or cash basis method; (vi) whether the Holder has taken a bad debt deduction or worthless security deduction with respect to this Claim; and (vii) whether the Holder received distributions under the Plan in more than one taxable year. **HOLDERS ARE STRONGLY ADVISED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE TAX TREATMENT UNDER THE PLAN OF THEIR PARTICULAR CLAIMS.**

#### **(a) In General.**

Generally, a Holder of a Claim will recognize gain or loss equal to the difference between the "amount realized" by such Holder in exchange for the Holder's Claim and such Holder's adjusted tax basis in the Claim. The "amount realized" is equal to the sum of the cash and the fair market value of any other consideration received under the Plan in respect of a Holder's Claim, including, in the case of the Liquidation Trust Beneficiaries, the fair market value of each Liquidation Trust Beneficiary's proportionate share of the assets transferred to the Liquidation Trust on the behalf of and for the benefit of such Holder (to the extent that such cash or other property is not allocable to any portion of the Claim representing accrued but unpaid interest (see discussion below)). The terms of the PTL LLC Agreement will require the Chief Officer to estimate, in good faith, the value of the assets (other than cash) transferred to PTL under the Plan. The value determined by the Chief Officer shall be conclusive absent manifest error. The Debtors, the Chief Officer and the Holders will be obligated to use such valuation for all federal income tax purposes. The tax basis of a Holder in a Claim will generally be equal to the Holder's

cost therefore. The holding period of a Liquidation Trust Beneficiary in its proportionate share of the assets held by the Liquidation Trust will begin on the day following the deemed distribution to the Holder.

The character of any recognized gain or loss (*e.g.*, ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the Holder, the nature of the Claim in the Holder's hands, the purpose and circumstances of its acquisition, the Holder's holding period of the Claim, and the extent to which the Holder previously claimed a deduction for the worthlessness of all or a portion of the Claim. If the Claim is a capital asset in the Holder's hands, any gain or loss realized will generally be characterized as capital gain or loss, and will constitute long-term capital gain or loss if the Holder has held such Claim for more than one year. There are limitations on the deduction of capital losses by both corporate and non-corporate taxpayers.

**HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS.**

**(b) Allocation of Consideration to Accrued Interest.**

A portion of the consideration received by a Holder in satisfaction of a Claim pursuant to the Plan may be allocated to the portion of such Claim (if any) that represents accrued but unpaid interest. If any portion of the distribution were required to be allocated to accrued interest, such portion would be taxable to the Holder as interest income, except to the extent the Holder has previously reported such interest as income. A Holder will generally recognize a loss to the extent that any accrued interest was previously included in the Holder's gross income and is not paid in full.

Pursuant to the Plan, all Distributions in respect of any Claim will be allocated first to the principal amount of such Claim, as determined for United States federal income tax purposes, and then, to the extent the consideration exceeds such amount, to any portion of such Claim representing accrued but unpaid interest. However, there is no assurance that the IRS would respect such allocation for United States federal income tax purposes.

In the event that a portion of the consideration received by a Holder of a Claim represents accrued but unpaid interest, only the balance of the Distribution would be considered received by the Holder in respect of the principal amount of the Claim. Such an allocation would reduce the amount of the gain, or increase the amount of loss, realized by the Holder with respect to the Claim. If any such loss were a capital loss, it would not offset any amount of the Distribution that was treated as ordinary interest income (except, in the case of individuals, to the limited extent that capital losses may be deducted against ordinary income).

To the extent that any portion of the Distribution is treated as interest, Holders may be required to provide certain tax information in order to avoid the withholding of taxes.

**(c) Market Discount.**

A Holder that acquires a debt instrument at a market discount generally is required to treat any gain realized on the disposition of the instrument as ordinary income to the extent of accrued market discount not previously included in gross income by the Holder.

**(d) Information Reporting and Backup Withholding.**

Each Debtor, the Liquidation Trustee, PTL, or their respective paying agents may be obligated to furnish information to the IRS regarding the consideration received by Holders (other than corporations and other exempt Holders) pursuant to the Plan.

Holders may be subject to backup withholding on the consideration received pursuant to the Plan. A Holder that is not otherwise exempt generally may avoid backup withholding by furnishing to a Debtor, the Liquidation Trustee, PTL, or their respective paying agents, that Holder's taxpayer identification number and certifying, under penalties of perjury, that the taxpayer identification number provided is correct and that the Holder has not been notified by the IRS that such Holder is subject to backup withholding.

Backup withholding is not an additional tax. Taxpayers may use amounts withheld as a credit against the taxpayer's federal income tax liability or may claim a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

**4. *Reservation of Rights***

The foregoing discussion is subject to change (possibly substantially) based on subsequent changes to the Plan and events that may subsequently occur that may impact the timeline for the dissolution of the Debtors. The Debtors and the Debtors' advisors reserve the right to modify, revise, or supplement this discussion and other tax related sections of the Plan and Disclosure Statement in accordance with the terms of the Plan and the Bankruptcy Code.

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**Exhibit 7**

**Disclosure Statement Order**

**[To Come]**



**Exhibit 8**

**Allocation of Assets by Debtor Entity**

**Allocation of Assets by Debtor Entity<sup>1</sup>**

<b>Penson Worldwide, Inc.</b>	<b>Penson Financial Services, Inc.</b>	<b>SAI Holdings, Inc. and Penson Holdings, Inc.</b>	<b>Nexa Technologies, Inc.</b>
Patent Claims	Any recoveries obtained from SAMCO Arbitration	Proceeds recovered from Illiquid Instruments, provided, that 40% of all proceeds from the Illiquid Instruments, up to \$3,500,000, shall be distributed to the PFSI Estate	Proceeds from sale of Nexa (\$10.5)
Estate Causes of Action ( <i>i.e.</i> , claims against former directors and officers)	NAV True-Up (est. not less than \$7.0M)	Any proceeds recovered from PFSI on the \$12M SAI Subordinated Loan	
Any proceeds recovered from PFSI on the \$45M PWI Subordinated Loan	Loan payment due under Penson-Apex Credit Facility (est. not less than \$12.7M)	Indirectly any value from liquidation of Canada	
	Apex JV Interest	Indirectly any value from liquidation of Nexa	
	National Securities Clearing Corp. Deposit (est. 500,067)		

<sup>1</sup> No assets reside at Penson Execution Services, Inc., Penson Financial Futures, Inc., GHP1, Inc., GHP2, LLC and Penson Futures. To the extent an asset is not identified on this schedule, the Board of Directors of PTL will allocate such asset by unanimous consent, or such allocation must be approved by the Bankruptcy Court.

	MB&Swift (London) Trading Deposit (est. 52,004)		
	Claims against former officers and directors		
	40% of all proceeds from the Illiquid Instruments up to \$3,500,000		
	Estate Causes of Action ( <i>i.e.</i> , claims against former directors and officers) <sup>2</sup>		

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<sup>2</sup> To the extent multiple Debtors have an interest in the proceeds from an estate cause of action, the Board of Directors of PTL will allocate such asset by unanimous consent, or such allocation must be approved by the Bankruptcy Court.