

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:)
) Chapter 11 Cases
)
HEILIG-MEYERS COMPANY, et al.,) Case Nos. **00-34533 through 00-34535** and
) Case Nos. **00-34537 through 00-34538**
)
) Jointly Administered Under
) Case No. **00-34533**
Debtors.)
)
)

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
CONFIRMING THIRD AMENDED AND RESTATED JOINT LIQUIDATING
PLAN OF REORGANIZATION PROPOSED BY HEILIG-MEYERS COMPANY,
HEILIG-MEYERS FURNITURE COMPANY, HEILIG-MEYERS FURNITURE
COMPANY WEST, INC., HMY STAR, INC., AND MACSAVER FINANCIAL SERVICES,
INC. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

WHEREAS, on August 16, 2000 (the "Petition Date"), Heilig-Meyers Company, Heilig-Meyers Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and Macsaver Financial Services, Inc. (the "Debtors"), debtors and debtors in possession in the above-captioned chapter 11 cases, filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

Bruce H. Matson (Va. Bar No. 22874)
Katherine M. Mueller (Va. Bar No. 44302)
LECLAIR RYAN, A Professional Corporation
951 East Byrd Street
P.O. Box 2499
Richmond, Virginia 23218-2499
(804) 783-2003

Counsel to Debtors

Michael S. Stamer (admitted *pro hac vice*)
Shuba Satyaprasad (admitted *pro hac vice*)
AKIN GUMP STRAUSS HAUER & FELD LLP
590 Madison Avenue
New York, New York 10022
(212) 872-1000

- and -

Stanley J. Samorajczyk (Va. Bar No. 08023)
Scott L. Alberino (admitted *pro hac vice*)
AKIN GUMP STRAUSS HAUER & FELD LLP
1333 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 887-4000

Counsel to the Official Committee Of Unsecured Creditors

WHEREAS, on May 5, 2005, the Debtors and the Official Committee of Unsecured Creditors (the “Committee” and, together with the Debtors, the “Plan Proponents”) filed the Second Amended and Restated Joint Liquidating Plan of Reorganization Proposed by Heilig-Meyers Company, Heilig-Meyers Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and MacSaver Financial Services, Inc. and the Official Committee of Unsecured Creditors (as the same may have been amended, supplemented or modified, the “Plan”)¹ with the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the “Bankruptcy Court”);

WHEREAS, on May 9, 2005, the Bankruptcy Court entered an order, as amended (the “Solicitation Procedures Order”), that, among other things, (a) approved the Disclosure Statement to the Plan, as containing adequate information within the meaning of section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017; (b) fixed April 12, 2005 as the Record Date; (c) fixed August 5, 2005 at 4:00 p.m. (Eastern Time) as the time and date by which all Ballots must have been completed, executed, marked and received by the Debtors’ balloting and solicitation agent in order to be counted as acceptances or rejections of the Plan, (d) fixed August 5, 2005 at 4:00 p.m. (Eastern Time) as the Confirmation Objection Deadline, and (d) fixed September 26, 2005 at 2:00 p.m. (Eastern Time) as the time and date for the commencement of the Confirmation Hearing;

¹ Unless otherwise specified or the context otherwise requires, (a) capitalized terms and phrases used herein have the meanings assigned to them in the Plan, and (b) references to the “Plan” shall mean the Third Amended and Restated Joint Liquidating Plan of Reorganization Proposed by Heilig-Meyers Company, Heilig-Meyers Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and MacSaver Financial Services, Inc., and the Official Committee of Unsecured Creditors. The rules of interpretation set forth in Article I of the Plan shall apply to this Confirmation Order. In addition, in accordance with Article I of the Plan, any term used in the Plan or this Confirmation Order that is not defined in the Plan or this Confirmation Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

WHEREAS, as evidenced by the Affidavit dated December 9, 2005, of Bridgette Gallerie of BSI (the “Solicitation Affidavit”), consistent with the Solicitation Procedures Order, on June 10, 2005, notice of the Confirmation Hearing and the other solicitation materials in respect of the Plan was provided in accordance with the Solicitation Procedures Order;

WHEREAS, the Publication Notice as defined in and approved by the Solicitation Procedures Order was published in the national edition of USA TODAY on March 16, 2005, as required by the Solicitation Procedures Order as evidenced by the Verification of Publication filed December 9, 2005 (the “Publication Affidavit”);

WHEREAS, on July 26, 2005, the Plan Proponents filed the Plan Supplement (the “Plan Supplement”);

WHEREAS, on or about November 14, 2005, the Bankruptcy Court approved the settlement and release agreement executed by each of the Debtors, the Committee, and the Pre-Petition Lenders thereby resolving the only substantive objection to confirmation of the Plan (the “Settlement Agreement”);

WHEREAS, on December 7, 2005, in connection with the Settlement Agreement by and between the Debtors, the Committee, and the Pre-Petition Lenders, the Plan Proponents filed the Third Amended and Restated Joint Liquidating Plan of Reorganization Proposed by Heilig-Meyers Company, Heilig-Meyers Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and MacSaver Financial Services, Inc. and the Official Committee of Unsecured Creditors;

WHEREAS, on December 9, 2005, the Debtors filed the Affidavit of Bridget Gallerie Certifying the Ballots Accepting or Rejecting the Second Amended and Restated Joint Liquidating Plan of Reorganization Proposed by Heilig-Meyers Company, Heilig-Meyers

Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and MacSaver Financial Services, Inc. and the Official Committee of Unsecured Creditors (the “Balloting Affidavit”);

WHEREAS, the Bankruptcy Court having reviewed the Plan, the Disclosure Statement, the Plan Supplement, and all filed pleadings, exhibits, statements and comments regarding confirmation; due and proper notice of the Confirmation Hearing and the Confirmation Objection Deadline having been given in accordance with the terms of the Solicitation Procedures Order; the Confirmation Hearing having been held before the Bankruptcy Court on December 13, 2005; and the Bankruptcy Court having considered all objections to confirmation of the Plan; and upon the record and evidence adduced at the Confirmation Hearing and all other proceedings in these Chapter 11 Cases (the “Debtors’ Chapter 11 Cases”) and after due deliberation and sufficient cause appearing therefor, the Bankruptcy Court hereby makes the following Findings of Fact, Conclusions of Law and Order.

IT HAVING BEEN FOUND AND DETERMINED by this Bankruptcy Court that:

A. Jurisdiction and Venue. This Bankruptcy Court has jurisdiction over the Debtors’ Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation of the Plan is a “core proceeding” pursuant to 28 U.S.C. § 157(b)(2)(L) and this Bankruptcy Court has jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code, to determine whether the Plan should be confirmed and to enter a final order with respect hereto. Venue of the Debtors’ Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Judicial Notice. The Bankruptcy Court takes judicial notice of the docket of the Debtors’ Chapter 11 Cases maintained by the Clerk of the Bankruptcy Court and all pleadings referenced therein, including all documents filed, all orders entered, and all evidence and

arguments made, proffered or adduced at the hearings held before the Bankruptcy Court during the pendency of the Debtors' Chapter 11 Cases, including, without limitation, the hearing to approve the Disclosure Statement and the Confirmation Hearing.

C. Modifications. The Plan Proponents filed the Third Amended and Restated Joint Liquidation Plan of Reorganization Proposed by Heilig-Meyers Company, Heilig-Meyers Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and MacSaver Financial Services, Inc. and the Official Committee of Unsecured Creditors on December 7, 2005 which makes certain modifications to the Plan related to the Settlement Agreement (the "Modifications"). The Modifications are consistent with all of the provisions of the Bankruptcy Code, including, but not limited to, sections 1122, 1123, 1125, 1127, and 1129 of the Bankruptcy Code. The Modifications to the Plan are hereby approved pursuant to section 1127(a) of the Bankruptcy Code.

D. Voting Solicitation. The Disclosure Statement, the Plan, the Ballots, the various notices and other solicitation materials, the Solicitation Procedures Order and the Plan Supplement were transmitted and served in compliance with the Solicitation Procedures Order and the Bankruptcy Rules, and such transmittal and service was adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and other bar dates and hearings described in the Solicitation Procedures Order was provided in compliance with the Bankruptcy Rules and the Solicitation Procedures Order, and no further notice is required. The information contained in the Disclosure Statement was adequate for the purpose of soliciting votes for acceptance of the Plan. The solicitation of votes was made in good faith and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules and all other rules, laws and regulations.

E. Objections. Prior to the Confirmation Objection Deadline, the following objections to confirmation of the Plan were timely filed by: (i) Wachovia Bank, N.A., as Collateral Agent; (ii) Internal Revenue Service; (iii) Tennessee Department of Revenue; (iv) Stephen A. Jewett and Francine P. Jewett (“Jewett”); and (v) Office of the Attorney General of Texas on behalf of the Texas Comptroller of Public Accounts (“Texas Comptroller”). Prior to the Confirmation Hearing, each objection was either resolved or withdrawn.

F. Tabulation of Votes. Votes to accept and reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Solicitation Procedures Order and all other applicable rules, laws and regulations.

G. Burden of Proof. The Plan Proponents have satisfied the applicable burden of proof with respect to the elements of sections 1129(a) and (b) of the Bankruptcy Code. The Plan Proponents have also satisfied their evidentiary burden with respect to (i) consolidation of the Estates for the purposes set forth in Article VI of the Plan and (ii) the injunction and exculpation provisions set forth in Article X of the Plan.

H. Plan Compliance With Bankruptcy Code (Section 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the orders of this Bankruptcy Court with respect to the Plan, thus satisfying the requirements of section 1129(a)(1) of the Bankruptcy Code.

I. Proper Classification (Sections 1122 and 1123(a)(1)). Article III of the Plan adequately and properly identifies and classifies all Claims and Interests. The Claims or Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class, and such classification is therefore consistent with section 1122 of the

Bankruptcy Code. Valid business and legal reasons exist for the various Classes of Claims and Interests created under the Plan, and such classification does not unfairly discriminate among holders of Claims or Interests. The Plan's classification scheme recognizes the differing legal and equitable rights of creditors versus Interest holders, secured versus unsecured Claims, and priority versus non-priority Claims. Accordingly, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

J. Specification of Unimpaired Classes (Section 1123(a)(2)). The Plan specifies in Article III that Classes 1, 3 and 4 are not impaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

K. Specification of Treatment of Impaired Classes (Section 1123(a)(3)). The Plan specifies in Article III the Classes of Claims and Interests that are impaired, and specifies in Article IV the treatment of the impaired Classes (Classes 2, 5(a), 5(b), 6, and 7), thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

L. No Discrimination (Section 1123(a)(4)). The Plan provides for the same treatment for each Claim or Interest within each respective Class unless the holder of a particular Class or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

M. Implementation of Plan (Section 1123(a)(5)). Article VI of the Plan provides adequate and proper means for implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code. Among other things, the Plan also contains (a) provisions governing distributions (see Plan Art. IV), (b) provisions establishing and governing the Liquidation Trust (see Plan Art. VI.), (c) procedures for resolving disputed, contingent and unliquidated claims (see Plan Art. VIII), and (d) provisions specifying the treatment of executory contracts and unexpired

leases (see Plan Art. VII). Together, these provisions provide “adequate means” for the implementation of the Plan.

N. Selection of Liquidation Trustee and Liquidation Trust Committee (Section 1123(a)(7)). The provisions of the Plan regarding (i) the establishment of the Liquidation Trust and (ii) the appointment of the Liquidation Trustee and members of the Liquidation Trust Committee are consistent with the interests of creditors and with equity security holders and with public policy and, thereby satisfy section 1123(a)(7) of the Bankruptcy Code.

O. Proponents’ Compliance With Bankruptcy Code (Section 1129(a)(2)). The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the orders of this Bankruptcy Court with respect to the solicitation of acceptances or rejections of the Plan, thus satisfying the requirements of section 1129(a)(2) of the Bankruptcy Code.

P. Plan Proposed in Good Faith (Section 1129(a)(3)). The Plan, and the compromises and settlements embodied therein, have been proposed in good faith and not by any means forbidden by law, thus satisfying the requirements of section 1129(a)(3) of the Bankruptcy Code.

Q. Payment of Costs and Expenses (Section 1129(a)(4)). All payments that have been made or are to be made by the Debtors or the Liquidation Trust under the Plan or by any person acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Debtors’ Chapter 11 Cases, or in connection with the Plan and incident to the Debtors’ Chapter 11 Cases, has been approved by, or will be subject to the approval of, the Bankruptcy Court as reasonable, thus satisfying the requirements of section 1129(a)(4) of the Bankruptcy Code.

R. Disclosure of Identities of Liquidation Trustee and Liquidation Trust Committee Members (Section 1129(a)(5)). The Plan Proponents have made available all necessary information with respect to the identities of the Liquidation Trustee and the members of the Liquidation Trust Committee, and the manner of selection and appointment of the Liquidation Trustee and the members of the Liquidation Trust Committee is consistent with the interests of holders of Claims and Interests and with public policy, thus satisfying the requirements of section 1129(a)(5) of the Bankruptcy Code.

S. No Rate Change (Section 1129(a)(6)). The Debtors' businesses do not involve the establishment of rates over which any regulatory commission has jurisdiction or will have jurisdiction after confirmation. Thus, section 1129(a)(6) of the Bankruptcy Code is inapplicable to the Debtors' Chapter 11 Cases.

T. Best Interests of Creditors (Section 1129(a)(7)). Section 1129(a)(7) of the Bankruptcy Code requires that each holder of a Claim or Interest in an impaired class accept the Plan, or receive or retain under the Plan property having a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive on account of such Claim or Interest if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Classes 2, 5(a), 5(b), 6 and 7 are impaired under the Plan. The Disclosure Statement and evidence proffered or adduced by the Plan Proponents at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an impaired Claim in Classes 2, 5(a), 5(b), 6 and 7 has either accepted the Plan, or will receive or retain under the Plan property having a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of

the Bankruptcy Code on such date, thus satisfying the requirements of section 1129(a)(7) of the Bankruptcy Code.

U. Plan Acceptance (Section 1129(a)(8)). Section 1129(a)(8) of the Bankruptcy Code requires that for each Class of Claims or Interests under the Plan, such Class has either accepted the Plan or is not impaired under the Plan. Unimpaired Classes 1, 3 and 4 are conclusively presumed to have accepted the Plan without the solicitation of acceptances or rejections pursuant to section 1126(f) of the Bankruptcy Code. Impaired Classes 2, 5(a), and 5(b) have accepted the Plan. Since holders of Claims or Interests in impaired Classes 6 and 7 neither receive nor retain any property under the Plan, they are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. As a result, the requirements of section 1129(a)(8) of the Bankruptcy Code have not been met, thereby requiring application of section 1129(b) of the Bankruptcy Code. As is more fully set forth below in this Confirmation Order, the Plan satisfies section 1129(b) of the Bankruptcy Code with respect to all non-accepting impaired classes of Claims and Interests.

V. Plan Treatment of Administrative Claims, Priority Claims, and Tax Claims (Section 1129(a)(9)). The treatment of Administrative Expense Claims, Priority Tax Claims, DIP Lender Claims and Other Priority Claims is set forth in Articles II and IV of the Plan, and satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

W. Acceptance By At Least One Impaired Class (Section 1129(a)(10)). The Plan has been accepted by impaired Classes 2, 5(a) and 5(b) determined without inclusion of any acceptance of the Plan by any insider, thus satisfying section 1129(a)(10) of the Bankruptcy Code.

X. Feasibility (Section 1129(a)(11)). Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of, the Debtors, as the Plan is predicated upon the liquidation of the Debtors' estates, thus satisfying the feasibility requirements of section 1129(a)(11) of the Bankruptcy Code.

Y. Payment of Fees (Section 1129(a)(12)). All amounts due under 28 U.S.C. § 1930 have been paid, or will be paid on the Effective Date or when otherwise due and payable, thus satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code. Any statutory fees accruing after the Confirmation Date shall constitute Administrative Expense Claims and be paid in accordance with the Plan.

Z. Retiree Benefits (Section 1129(a)(13)). The Debtors have no retiree benefit plans, funds or programs as defined in section 1114 of the Bankruptcy Code. Accordingly, the Plan does not need to provide for payments relating to such benefit plans, funds or programs. Thus, the Plan satisfies section 1129(a)(13) of the Bankruptcy Code.

AA. Cramdown (Section 1129(b)). Holders of Claims and Interests in Classes 6 and 7 will receive no distributions under the Plan and, accordingly, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. These are the only Classes which have not accepted, or have been deemed to have rejected, the Plan. The Plan Proponents presented credible and persuasive evidence at the Confirmation Hearing that the Plan does not discriminate unfairly and is fair and equitable with respect to the treatment of Claims and Interests in each class that has not accepted the Plan because, as required by section 1129(b)(2)(C) of the Bankruptcy Code, there are no holders of claims or interests junior to the holders of such Claims or Interests which will receive or retain under the Plan any property on account of such junior

claims or interests. Thus, the Plan satisfies section 1129(b) of the Bankruptcy Code and may be confirmed notwithstanding its failure to satisfy section 1129(a)(8) of the Bankruptcy Code.

BB. No Other Plan (Section 1129(c)). Other than the Plan, no plan of reorganization or liquidation has been filed with respect to the Debtors' Chapter 11 Cases. Accordingly, the requirements of section 1129(c) of the Bankruptcy Code have been satisfied.

CC. Avoidance of Taxes or Application of Securities Laws (Section 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or avoidance of the requirements of section 5 of the Securities Act of 1933 and no governmental unit has requested that the Bankruptcy Court deny confirmation on such basis, thus satisfying the requirements of section 1129(d) of the Bankruptcy Code.

DD. Successor. The Liquidation Trust, when established as provided in the Plan and the Liquidation Trust Agreement, will be a newly organized successor of the Debtors with respect to the Trust Assets under the Plan within the meaning of section 1125(e) of the Bankruptcy Code and successor to the Debtors with respect to the Trust Assets under the Plan within the meaning of section 1145(a) of the Bankruptcy Code. The Liquidation Trust is not an insider of the Debtors within the meaning of section 101(31) of the Bankruptcy Code.

EE. Exemption from Securities Laws. Based upon the record before the Bankruptcy Court, Reorganized RoomStore is an "affiliate participating in a joint plan" with the Debtors for the limited purpose of the provisions of section 1145 of the Bankruptcy Code with respect to the New RoomStore Common Stock, but not for any other purpose or in any other context, and the distribution of New RoomStore Common Stock under the terms of the Plan to the Liquidation Trust, or to the holders of Trust Interests, shall constitute the offer or sale under a plan of the Debtors of a security of an affiliate of the Debtors under such plan in exchange for a claim

against, an interest in, or a claim for an administrative expense in the Debtors' Chapter 11 Cases, such that pursuant to section 1145(a)(1) of the Bankruptcy Code, the issuance of the New RoomStore Common Stock, to the extent the New RoomStore Common Stock constitutes "securities" under applicable law, shall be exempt from requirements of section 5 of the Securities Act of 1933, as amended, and any other federal, state, or local laws requiring registration for offer or sale of securities. In addition, Trust Interests (to the extent such interests constitute "securities") issued pursuant to the Plan to holders of Allowed Claims in exchange for a claim against, an interest in, or a claim for an administrative expense in the Debtors' Chapter 11 Cases, shall be exempt from the requirements of section 5 of the Securities Act of 1933, as amended, and any other federal, state or local law requiring registration for the offer or sale of any security, in accordance with section 1145 of the Bankruptcy Code.

FF. Good Faith. The Plan Proponents, and their members, agents, accountants, business consultants, representatives, attorneys and advisors, through their participation in the negotiation and preparation of the Plan and the Disclosure Statement and their efforts to confirm the Plan, have solicited acceptances and rejections of the Plan in good faith and participated in the Debtors' Chapter 11 Cases in compliance with the applicable provisions of the Bankruptcy Code.

GG. Good Faith Solicitation. Based upon the record before the Bankruptcy Court, the Plan Proponents, Reorganized RoomStore, the Liquidation Trust, holders of Claims receiving Trust Interests and their respective members, agents, representatives, attorneys and advisors have participated or will have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to the protections afforded by section 1125(e)

of the Bankruptcy Code and, to the extent applicable, the exculpatory and injunctive provisions set forth in the Plan.

HH. Executory Contracts. Article VII of the Plan which governs, among other things, the rejection of executory contracts and unexpired leases, satisfies the requirements of Bankruptcy Code section 365(a) and the executory contracts and unexpired leases of the Debtors to be rejected as of the Effective Date in accordance with the Plan are burdensome and, as such, the rejection thereof is in the best interests of the Debtors, their estates, and all parties in interest in the Debtors' Chapter 11 Cases.

II. Exculpation and Injunction Provisions. Each of the injunction and exculpation provisions contained in Section X of the Plan: (i) falls within the jurisdiction of this Court under 28 U.S.C. §§ 1334(a), (b) and (d); (ii) is an essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (iii) is important to the overall objectives of the Plan to finally resolve, except to the extent otherwise provided in the Plan, all claims among or against the parties in interest in the Debtors' Chapter 11 Cases with respect to the Debtors, their organization, capitalization, operation and liquidation; and (iv) is consistent with sections 105, 1123, 1129 and other applicable provisions of the Bankruptcy Code. All entities that are benefited by the injunction and exculpation provisions of the Plan have contributed and/or will contribute fair value to the Debtors, the Estates and holders of Claims and Interests.

JJ. Transfer of Trust Assets. The transfer of the Trust Assets by the Debtors to the Liquidation Trust (i) is or shall be a legal, valid and effective transfer of property, (ii) vests or shall vest the Liquidation Trust with good title to such property free and clear of all liens, charges, claims, encumbrances or interests, except as expressly provided in the Plan or this Order, (iii) does not and shall not constitute avoidable transfers under the Bankruptcy Code or

under applicable non-bankruptcy law, and (iv) does not and shall not subject the Liquidation Trust to any liability by reason of such transfer under the Bankruptcy Code or under applicable non-bankruptcy law, including, without limitation, any laws affecting successor or transferee liability.

KK. Preservation of Estate Actions. To preserve and/or enhance the value of the Estates, it is in the best interests of Holders of Claims against the Estates that all Estate Actions not expressly waived, relinquished, released, compromised or settled in the Plan, the Settlement Agreement, or in this Confirmation Order, or in a stipulation resolving an objection to the Plan, be retained by the Debtors (before the Effective Date) and by the Liquidation Trust (after the Effective Date) pursuant to the Plan.

LL. Exemption from Transfer Taxes. All transfers and issuances by the Debtors and Liquidation Trust are transfers under, in furtherance of, or in connection with the Plan and are free from the imposition of taxes of the kind specified in section 1146(c) of the Bankruptcy Code.

MM. Retention of Jurisdiction. The Bankruptcy Court finds that it may properly retain jurisdiction over the matters set forth in Article XII of the Plan and section 1142 of the Bankruptcy Code.

NN. Conditions to Confirmation. All conditions precedent to confirmation set forth in Article XI of the Plan have been satisfied, will be satisfied by entry of this Confirmation Order, or have been duly waived.

ORDER

BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. Approval. The Plan and all Exhibits, provisions, Modifications, supplements, terms and conditions thereto, as amended by this Confirmation Order, and the Liquidation Trust Agreement are approved and confirmed as having satisfied all of the requirements of chapter 11 of the Bankruptcy Code. The terms of the Plan are incorporated herein by reference and are an integral part of this Confirmation Order.

2. Findings of Fact and Conclusions of Law. The findings of fact and conclusions of law set forth herein and at the Confirmation Hearing shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, as made applicable herein by Bankruptcy Rule 9014, and the findings and conclusions of the Bankruptcy Court at the Confirmation Hearing are incorporated herein by reference. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and vice versa.

3. Objections. All Objections and responses to the Plan, including reservations contained therein, to the extent not resolved, withdrawn or otherwise addressed by this Confirmation Order, are hereby overruled.

4. Modifications to the Plan. All modifications and amendments to the Plan, including those in this Confirmation Order, and such other amendments and modifications set forth in the record at the Confirmation Hearing, if any, since the solicitation of acceptances and rejections of the Plan, are approved pursuant to Bankruptcy Code section 1127(a) and Bankruptcy Rule 3019, and no further solicitation is appropriate or necessary. All acceptances and rejections of the Plan previously cast for or against the Plan are hereby deemed to constitute acceptances or rejections of the Plan as modified.

5. Implementation. In accordance with section 1142 of the Bankruptcy Code, the implementation and consummation of the Plan in accordance with its terms shall be, and hereby is, authorized and approved; and the Plan Proponents, the Liquidation Trustee, and any other person designated pursuant to the Plan shall be, and they hereby are, authorized, empowered, directed, and ordered to execute, deliver, file, and record contracts, instruments, releases, indentures, and other agreements or documents, whether or not such document, agreement, indenture, release, instrument, or contract is specifically referred to in the Plan or the Disclosure Statement, and to take any action necessary or appropriate to implement, effectuate, and consummate the Plan in accordance with its terms. The Plan Proponents, the Liquidation Trustee, and the Indenture Trustee are hereby authorized and directed to make all payments and distributions required under the Plan.

6. Liquidation Trust Agreement. On the Effective Date, the Liquidation Trust Agreement shall be deemed to be effective.

7. Binding Effect. Pursuant to section 1141 of the Bankruptcy Code, this Confirmation Order and the Plan, including all agreements, instruments and other documents filed in connection with the Plan and executed by the Debtors in connection with the Plan, shall be legally binding upon and inure to the benefit of the Debtors, the Estates, the Liquidation Trustee, the Committee, the holders of Claims, the holders of Interests, all other parties in interest in the Bankruptcy Cases, and their respective successors and assigns. All agreements, instruments and other documents filed in connection with the Plan or included in the Plan Supplement (as they may be amended or modified pursuant to the terms of the Plan) shall have full force and effect, and shall bind all parties thereto. Any federal, state, commonwealth, local, or other governmental agency or department is hereby directed and ordered to accept any and all

documents and instruments necessary, useful, or appropriate to effectuate, implement, or consummate the transactions contemplated by the Plan or herein.

8. Approval of Liquidation Trustee and Liquidation Trust Committee. The designation of Anthony H.N. Schnelling of Bridge Associates, LLC as the Liquidation Trustee, and the designation of Wells Fargo Bank, N.A., Klaussner Furniture Industries, Inc., and Action-Lane Industries, Inc. as members of the Liquidation Trust Committee are hereby approved.

9. Consolidation. Entry of this Confirmation Order shall constitute the approval, pursuant to Bankruptcy Code section 105(a), as of the Effective Date, of the substantive consolidation of the Estates for all purposes related to the Plan, including voting, confirmation, distributions, and Claim determinations. The substantive consolidation of the Estates shall have the following effects: (a) all assets of the Estates shall be treated as though they were assets of a consolidated Estate; (b) no distributions shall be made under the Plan on account of Claims held by any Debtor against another Debtor; (c) no distributions shall be made under the Plan on account of any Interests held by any Debtor in another Debtor; (d) all guaranties by any Debtor of the obligations of any other Debtor and any liability (whether primary or secondary, or individual or joint and several) of the Debtors shall be deemed to be one obligation of the consolidated Estates; and (e) each and every Claim filed, to be filed, or deemed to have been filed in the Cases against any Debtor shall be deemed filed against the consolidated Estates, and shall be deemed to be one Claim against, and the liability of, the consolidated Estates.

10. Classification. The classification of Claims and Interests for purposes of the Distributions provided for under the Plan shall be governed solely by the terms of the Plan. The classifications and amounts of Claims, if any, set forth in the Ballots tendered or returned by the Debtors' creditors in connection with voting on the Plan (a) were set forth on the Ballots solely

for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for Distribution purposes, (c) may not be relied upon by any holder of a Claim as representing actual classification of such Claims under the Plan for Distribution purposes, and (d) shall not be binding on the Debtors or the Estates.

11. Executory Contracts and Unexpired Leases. Each executory contract and unexpired lease to which any of the Debtors are a party shall be deemed automatically rejected as of the Effective Date, unless such executory contract or unexpired lease (a) shall have been previously assumed by the Debtors, (b) is the subject of a motion to assume filed, or a notice of assumption served pursuant to order of the Bankruptcy Court, on or before the Confirmation Date, or (c) is listed on the schedule of to-be-assumed contracts and leases included in the Plan Supplement. Except as provided in this Confirmation Order, the Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejections and assumptions, pursuant to section 365 of the Bankruptcy Code.

12. Insurance Agreements. Notwithstanding anything contained in the Plan, except as otherwise modified by prior Court orders, the Insurance Agreements shall remain in full force and effect in accordance with their terms, and to the extent necessary, shall be deemed assumed, provided, however, entry of this Confirmation Order shall not preclude any counterparty to an Insurance Agreement from asserting Claims against the Debtors in accordance with, and subject to, the Plan or prior orders of the Bankruptcy Court. To the extent that any nonDebtor counterparty to an Insurance Agreement asserts any claim for a cure amount owed, such party must file a cure claim with the Claims Agent and serve it upon the Debtors or the Liquidation Trustee within thirty (30) days after notice of entry of the Confirmation Order.

13. Rejection Damages Claims. If the rejection by the Debtors (pursuant to the Plan or otherwise) of an executory contract or unexpired lease results in a Claim, such Claim shall be forever barred and shall not be enforceable against the Debtors, the Liquidation Trust or their respective successors or assigns or such entities' properties unless a proof of claim is filed with the Claims Agent and served upon the Debtors or the Liquidation Trustee within thirty (30) days after service of the earlier of (a) notice of entry of the Confirmation Order or (b) other notice that the executory contract or unexpired lease has been rejected.

14. Compliance with Settlement Agreement. The Liquidation Trustee shall be bound by and comply with the terms of the Settlement Agreement, and shall succeed to the rights and obligations of the Debtors and their Estates thereunder.

15. Exculpation. Except as otherwise specifically provided in the Plan and Plan Supplement, the Debtors, the Liquidation Trust, the Committee, the current and former members of the Committee in their capacities as such, the Pre-Petition Lenders, and any of such parties' respective current officers, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers, or agents and any of such parties' successors and assigns, shall not have or incur, and are hereby released from, any claim, obligation, Cause of Action, or liability to one another or to any Claimholder or Interestholder, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or Affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the filing the Debtors' Chapter 11 Cases, negotiation and filing of the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property distributed during the Debtors' Chapter 11 Cases or to be distributed under the Plan, except for any fraud, gross negligence or willful misconduct found to have occurred in a final

non-appealable order rendered by a court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

16. Injunction. In accordance with the satisfaction, release and discharge provisions contained in Article X of the Plan or in the Settlement Agreement, and except as otherwise provided in this Confirmation Order, all Persons that have held, hold, or may hold Claims against or Interests in the Debtors are, as of the Effective Date, permanently enjoined from commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or Cause of Action satisfied, released, or discharged under the Plan to the fullest extent permissible under applicable law, including, without limitation, to the extent provided for or authorized by sections 524 and 1141 of the Bankruptcy Code, provided, however, that nothing contained herein or in Article X of the Plan shall preclude (x) such Persons from exercising their rights pursuant to and consistent with the terms of the Plan, (y) the investigation, enforcement or prosecution of any Cause of Action held by a governmental entity existing as of the Effective Date, based on the Exchange Act of 1934, as amended, the Securities Act of 1933, as amended, or other securities laws and regulations of the United States, or (z) the determination, assessment or perfection of any Claim arising under the Internal Revenue Code or other domestic state, city or municipal tax code.

17. Professional Claims. All final requests for payment of Professional Claims must be filed no later than sixty (60) 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, the allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

18. Substantial Contribution Compensation and Expenses Bar Date. Any Person who requests compensation or expense reimbursement for making a substantial contribution in the Debtors' Chapter 11 Cases pursuant to sections 503(b)(3), 503(b)(4), and 503(b)(5) of the Bankruptcy Code must file an application with the clerk of the Bankruptcy Court, on or before a date which is sixty (60) days after the Effective Date (the "503 Deadline"), and serve such application on the Liquidation Trustee and as otherwise required by the Bankruptcy Court and the Bankruptcy Code on or before the 503 Deadline, or be forever barred from seeking such compensation or expense reimbursement.

19. Administrative Claims Bar Date. All other requests for payment of an Administrative Claim (other than as set forth in Article 2.1 of the Plan) that are not otherwise time barred as a result of the establishment of the Initial Administrative Claims Bar Date must be filed with the Bankruptcy Court and served on the Liquidation Trustee no later than thirty (30) days after the Effective Date. Unless the Debtors, the Liquidation Trustee, or another party-in-interest objects to an Administrative Claim by the Claims Objection Deadline, such Administrative Claim shall be deemed allowed in the amount requested. In the event that any party-in-interest objects to an Administrative Claim, the Bankruptcy Court shall determine the allowed amount of such Administrative Claim.

20. Exemption from Securities Laws. Reorganized RoomStore is an "affiliate participating in a joint plan" with the Debtors for the limited purpose of the provisions of section 1145 of the Bankruptcy Code with respect to the New RoomStore Common Stock, but not for any other purpose or in any other context, and the distribution of New RoomStore Common Stock under the terms of the Plan to the Liquidation Trust, or to the holders of Trust Interests, shall constitute the offer or sale under a plan of the Debtors of a security of an affiliate of the

Debtors under such plan in exchange for a claim against, an interest in, or a claim for an administrative expense in the Debtors' Chapter 11 Cases, such that pursuant to section 1145(a)(1) of the Bankruptcy Code, the issuance of the New RoomStore Common Stock, to the extent the New RoomStore Common Stock constitutes "securities" under applicable law, shall be exempt from requirements of section 5 of the Securities Act of 1933, as amended, and any other federal, state, or local laws requiring registration for offer or sale of securities. In addition, Trust Interests (to the extent such interests constitute "securities") issued pursuant to the Plan to holders of Allowed Claims in exchange for a claim against, an interest in, or a claim for an administrative expense in the Debtors' Chapter 11 Cases, shall be exempt from the requirements of section 5 of the Securities Act of 1933, as amended, and any other federal, state or local law requiring registration for the offer or sale of any security, in accordance with section 1145 of the Bankruptcy Code.

21. Dissolution of Creditors' Committee. Except with respect to filing, defending, and objecting to Professional Claims and substantial contribution claims, and other matters pending on the Effective Date, effective on the Effective Date, the Committee, shall dissolve automatically, whereupon its members, Professionals and agents shall be released from any further duties and responsibilities in the Debtors' Chapter 11 Cases and under the Bankruptcy Code with respect to the Debtors' Chapter 11 Cases.

22. Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, any issuance, transfer, or exchange of any security under the Plan, or the making or delivery of any instrument of transfer under the Plan shall not be taxed under any law imposing a stamp tax or other similar tax. All sale transactions consummated by the Debtors or Liquidation Trust and approved by the Bankruptcy Court after the Petition Date and through the Effective

Date, and all potential sale transactions contemplated by this Plan or described in the Disclosure Statement, including, without limitation, the sale of any of the Trust Assets, shall be deemed to have been made under, or in furtherance of, or in connection with the Plan, and thus shall not be subject to stamp, real estate transfer, mortgage recording, or other similar tax.

23. Effect of Failure to Reference Specific Plan Provisions in Confirmation Order.

The failure to reference or discuss any particular provision of the Plan or any agreement, document, or instrument to be executed and delivered in connection with consummation of the Plan, in this Confirmation Order shall have no effect on the validity, binding effect, and enforceability of such provision, agreement, document, or instrument, and each provision of the Plan and each agreement, document, and instrument shall have the same validity, binding effect, and enforceability as if fully set forth in this Confirmation Order.

24. Retention of Jurisdiction. Notwithstanding confirmation of the Plan or the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, and related to, the Debtors' Chapter 11 Cases and the Plan to the fullest extent permitted by law, including among other things, without limitation, jurisdiction over the matters set forth in Article XII of the Plan, which provisions are incorporated herein by reference.

25. Preservation of Estate Actions. In accordance with section 1123(b)(3) of the Bankruptcy Code, all Estate Actions not expressly waived, relinquished, released, compromised or settled in the Plan, the Settlement Agreement, or in this Confirmation Order shall be retained by the Liquidation Trust. The Liquidation Trust may pursue such Estate Actions in accordance with its duties under the Liquidation Trust Agreement. The failure of the Plan Proponents to list specifically any claim, right of action, suit, proceeding or other Estate Action in the Plan, Disclosure Statement, or the Plan Supplement does not, and will not be deemed to, constitute a

waiver or release by the Debtors or the Liquidation Trust of such claim, right of action, suit, proceeding or other Estate Action, and the Liquidation Trust will retain the right to pursue such claims, rights of action, suits, proceedings and other Estate Actions in its sole discretion and, therefore, no preclusion doctrine, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches will apply to such claim, right of action, suit, proceeding or other Estate Action upon or after the confirmation or consummation of the Plan.

26. Resolution of Jewett Objection. With respect to the claims of Stephen A. Jewett and Francine P. Jewett set forth in that lawsuit styled ‘Stephen A. Jewett and Francine P. Jewett, Plaintiffs v. Edwin L. Pena; and Heilig-Meyers Furniture Company, a corporation incorporated in North Carolina, Defendants, Cause Number 45D01-9805-CT-352 pending in the Superior Court of Lake County, Indiana (as those claims presently exist and as they may be appropriately amended and supplemented) (the “Claims”), the Debtors have insurance coverage in place that covers their defense costs and potential liability for damages on the Claims (subject to any deductible or self-insured retention provided for in the coverage), and they will keep that coverage in place until such time as the Claims have been resolved in a non-bankruptcy forum and, to the extent liability and damages are determined to exist, paid to the extent of the insurance coverage. Further, notwithstanding any other term(s) of the Plan, (i) Mr. and Mrs. Jewett are not precluded from liquidating the Claims against Edwin L. Pena and/or Heilig Meyers Furniture Company (“HMFC”) in non-bankruptcy forums of proper jurisdiction and collecting from available insurance coverage, (ii) Mr. and Mrs. Jewett can maintain the above-referenced lawsuit against HMFC notwithstanding that the existence of HMFC may be terminated under the Plan, and (iii) the Claims are not compromised, discharged, released, or otherwise prejudiced in any way by the Plan or the confirmation thereof until the Claims have

been liquidated in a non-bankruptcy forum and paid to the extent of available insurance coverage, after which time any remaining portion of the Claims is subject to the terms of the Plan; and (iv) the Claims are not subject to estimation by the Bankruptcy Court for distribution purposes.

27. Resolution of Texas Comptroller Objection. To the extent the Texas Comptroller has any valid rights of setoff or recoupment, neither the Plan nor Confirmation Order shall effect or impair such rights.

28. Technical Adjustments. Prior to the Effective Date and pursuant to the terms of the Plan, the Plan Proponents may make appropriate technical adjustments and modifications to the Plan and all Exhibits without further order or approval of this Court, provided that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Interests.

29. Inconsistencies. If there is any direct conflict between the terms of the Plan or the Plan Supplement and the terms of this Confirmation Order, the terms of the Plan shall control. If there is any direct conflict or inconsistency between the terms of the Settlement Agreement and the terms of this Confirmation Order, the terms of the Settlement Agreement shall control. Any reference to the Plan contained herein shall be deemed to include the Plan Supplement and any and all modifications to the Plan or the Plan Supplement. The provisions of this Confirmation Order are integrated with each other and are mutually dependent and not severable.

30. Dissolution of Board of Directors. On the Effective Date, all officers and directors of the Debtors shall be discharged and relieved of all responsibilities, and the Liquidation Trustee shall be authorized to execute, deliver, file, or record any document or take any other action necessary or desirable to implement the terms of the Plan.

31. Notice of Entry of Confirmation Order and Occurrence of Effective Date. The Debtors and their authorized agent Bankruptcy Services, LLC, shall serve notice of (a) entry of this Confirmation Order, (b) the last date to file (i) Professional Fee Claims, (ii) Administrative Expense Claims, (iii) Substantial Contribution Claims, and (iv) Claims arising from the rejection of executory contracts and unexpired leases, substantially in the form annexed hereto as Exhibit A, which form is hereby approved, on all creditors of the Debtors as of the date hereof, and other parties in interest within seven (7) Business Days from entry of this Confirmation Order. The Debtors also shall file with the Bankruptcy Court a notice of occurrence of the Effective Date within two Business Days of the Effective Date.

32. Final Order. This Confirmation Order is a Final Order, and the period in which an appeal must be filed shall commence immediately upon the entry hereof in accordance with Federal Rule of Bankruptcy Procedure 3020(e).

Dated:

Honorable Douglas O. Tice, Jr.
Chief United States Bankruptcy Judge

WE ASK FOR THIS:

/s/ Katherine Macaulay Mueller
Counsel

Bruce H. Matson (Va. Bar No. 22874)
Katherine Macaulay Mueller (Va. Bar No. 44302)
LeCLAIR RYAN, A Professional Corporation
951 East Byrd Street
P.O. Box 2499
Richmond, Virginia 23218-2499
(804) 783-2003

Counsel for the Debtors

RULE 9022-1 CERTIFICATION

Pursuant to LBR 9022-1, I hereby certify that true copies of the foregoing has been endorsed by and/or served upon all necessary parties.

/s/ Katherine Macaulay Mueller
Counsel

SERVICE LIST

Katherine Macaulay Mueller
LeCLAIR RYAN, A Professional Corporation
951 East Byrd Street
P.O. Box 2499
Richmond, Virginia 23218-2499
(804) 783-2003

Michael S. Stamer
AKIN GUMP STRAUSS HAUER & FELD LLP
590 Madison Avenue
New York, New York 10022
(212) 872-1000

Scott L. Alberino
AKIN GUMP STRAUSS HAUER & FELD LLP
1333 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 887-4000

Kevin Huennekens
KUTAK ROCK LLP
1111 East Main Street, Suite 800
Richmond, VA 23219-350

Leander Barnhill, Esquire
Assistant United States Trustee
Office of the United States Trustee
600 East Main Street, Suite 301
Richmond, Virginia 23219

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division**

| | | |
|-------------------------------|---|---------------------------|
| In re: |) | |
| |) | Chapter 11 Case |
| |) | |
| HEILIG-MEYERS COMPANY et al., |) | Case Nos. 00-34533 |
| |) | |
| |) | |
| |) | (Jointly Administered) |
| |) | |
| Debtors. |) | |
| |) | |

NOTICE OF CONFIRMATION OF PLAN AND DEADLINES TO FILE CERTAIN CLAIMS

TO: ALL HOLDERS OF CLAIMS AND INTERESTS

PLEASE TAKE NOTICE that on December ____, 2005, the United States Bankruptcy Court for the Eastern District of Virginia entered the Findings of Fact, Conclusions of Law and Order (the "Confirmation Order") confirming the Third Amended and Restated Joint Plan of Reorganization, dated December 7, 2005 (the "Plan") filed by Heilig-Meyers Company, Heilig-Meyers Furniture Company, Heilig-Meyers Furniture Company West, Inc., HMY Star, Inc., and MacSaver Financial Services, Inc. (the "Debtors") and the Official Committee of Unsecured Creditors (the "Committee").

PLEASE TAKE FURTHER NOTICE that copies of the Confirmation Order and the Plan may be obtained upon written request to counsel to the Debtors or by downloading them from the Bankruptcy Court's website at www.vaeb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan, the automatic stay of section 362 of the United States Bankruptcy Code shall continue in full force and effect until the entry of a final decree in the Debtors' Chapter 11 Cases and the Debtors and their Estates shall be entitled to all of the protections afforded thereby, all in accordance with the Plan.

NOTICE IS FURTHER GIVEN THAT the Confirmation Order provides, among other things, the following deadlines:

- 1. Administrative Claims Bar Date (Non-Professional Claims).** Except as otherwise provided in the Plan or the Confirmation Order, any Person holding an Administrative Claim, other than a Professional Claim, shall file a proof of such Administrative Claim with the Clerk of the Bankruptcy Court and serve a copy of such claim upon counsel to the Liquidation Trust within thirty (30) days after the occurrence of the Effective Date.
- 2. Rejection Damages.** If the rejection by the Debtor (pursuant to the Plan or otherwise) of an executory contract or unexpired lease results in a Claim ("Rejection Damages Claim"), such Claim shall be filed with the Clerk of the Bankruptcy Court and served upon Debtors or counsel for the Liquidation Trust within thirty (30) days after service of the earlier of (a) notice of the Confirmation Order or (b) other notice that the executory contract or unexpired lease has been rejected.
- 3. Professional Claims.** All final requests for payment of Professional Claims must be filed with the Clerk of the Bankruptcy Court and served upon counsel for the Liquidation Trust no later than sixty (60) days after the Effective Date.

4. Substantial Contribution Compensation and Expenses Bar Date. Any Person who requests compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Case pursuant to sections 503(b)(3), 503(b)(4), and 503(b)(5) of the Bankruptcy Code (“Substantial Contribution Claim”) must file an application with the clerk of the Bankruptcy Court, on or before a date which is sixty (60) days after the Effective Date and serve such application on counsel for the Liquidation Trust and as required by the Bankruptcy Code.

ANY PERSON WHO FAILS TO ASSERT AN ADMINISTRATIVE CLAIM, REJECTION DAMAGES CLAIM AND/OR SUBSTANTIAL CONTRIBUTION CLAIM BY THE DEADLINES DESCRIBED HEREIN SHALL BE FOREVER BARRED FROM SEEKING PAYMENT OF SUCH CLAIM AGAINST THE DEBTORS AND LIQUIDATION TRUST.

Dated: [DATE], 2005