

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re: : Chapter 11
: :
PrediWave Corporation, : Case No. 06-40547-RJN
a California corporation, : :
: :
Debtor. : :
: :
: :
: **THIRD AMENDED PLAN OF**
: **LIQUIDATION FOR DEBTOR**
: **PREDI WAVE CORPORATION**

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May 9, 2007

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TABLE OF EXHIBITS¹

Exhibit I.A.6.e	Approved and Pre-Allowed Claims
Exhibit I.A. 37	Distribution Trust Agreement
Exhibit I.A. 38	Distribution Trust Assets
Exhibit IV.F.1	Nonexclusive Schedule of Preserved Causes of Action
Exhibit IV.F.3	Released Employees
Exhibit V.C	Schedule of Executory Contracts and Unexpired Leases to be Assumed
Exhibit XII.A.3	Steering Committee Members

¹ All exhibits to this plan of liquidation will be filed with the bankruptcy court no later than ten days before the deadline to vote to accept or reject the plan. The proponent of the plan reserves the right to modify, amend, supplement, restate or withdraw the exhibits after they are filed.

PLAN OF LIQUIDATION

INTRODUCTION

New World TMT Limited (“New World”) hereby proposes the following third amended plan of liquidation (the “Plan”) for the resolution of all outstanding claims against and equity interests in the Debtor. New World is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code, 11 U.S.C. § 1129. Reference is made to the Disclosure Statement dated April 26, 2007, for a discussion of the Debtor’s history, businesses, results of operations, historical financial information, properties and other pertinent information, and for a summary and analysis of the Plan. There also are other agreements and documents, which have been or will be filed with the United States Bankruptcy Court for the Northern District of California, Oakland Division, that are referenced in the Plan or the Disclosure Statement and that will be available for review.

ARTICLE I DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Defined Terms

As used in the Plan, capitalized terms have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as each term is defined below), will have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1. “Administrative Claim” means a Claim for costs and expenses of administration allowed under sections 503(b) or 507(a) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the businesses of the Debtor (such as wages, salaries, commissions for services and payments for inventories, leased equipment and premises); (b) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under sections 330(a) or 331 of the Bankruptcy Code, including Professional Fee Claims; (c) Claims for the value of any goods received by the Debtor within 20 days before the Petition Date allowed in accordance with section 503(b)(9) of the Bankruptcy Code; (d) all fees and charges assessed against the Estate under chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1932; and (e) Claims for reclamation allowed in accordance with section 546(c)(2) of the Bankruptcy Code and section 2-702 of the Uniform Commercial Code.

2. “Affiliates” means the Debtor’s affiliates, including CyberLancet Corporation (“CyberLancet”), CyberNova Corporation (“CyberNova”), TechStock Corporation (“TechStock”), WarpEra Corporation (“WarpEra”), Visionaire Technology Corporation (“Visionaire”), netAthena Database, Inc. (“Athena”), Pine Global Marketing Limited (“Pine Global”), S.T.U.B. SATertainment, Inc. (“STUB”), Pine Global Marketing (USA), Inc. (“Pine Global USA”), S.T.U.B. SATertainment USA, Inc. (“STUB USA”), PrediWave Canada (“PrediWave Canada”) and Intellambda Systems, Inc. (“Intellambda”).

3. “Affiliate Debtors” means to Debtor’s affiliates that have bankruptcy cases pending before the Bankruptcy Court, including CyberLancet, TechStock, WarpEra, Visionaire, CyberNova and Athena.

4. “Affiliate Dismissal Order” means that Amended Stipulated Order Re: Interim Steps Toward Dismissal Including (1) Fixing of Remaining Bar Dates, (2) Interim Distribution to New World and (3) Terms and Conditions of Dismissal [Docket No. 57 in bankruptcy case 07-40047].

5. “Affiliate Administration Order” means that Stipulation Order By and Among the Debtors and New World TMT Limited for (1) Filing creditor Matrix for Affiliate Debtors (2) Filing Schedules and Statements of Affairs for Affiliate Debtors (3) Setting Proof of Claim Bar Date for Affiliate Debtors (4) Establishing Cash Administration Procedures for Affiliate Debtors (5) Subordination of New World’s Claim to Allowed, Non-Insider Claims (6) Providing for Setting Reserve and Disputed Claim Resolution Procedures and (7) Appointing Professionals for Affiliate Debtors [Docket No. 20 in bankruptcy case 07-40047].

6. “Allowed Claim” means

a. a Claim that (i) has been listed by the Debtor on its Schedules as other than disputed, contingent or unliquidated and (ii) is not a Disputed Claim;

b. a Claim (i) for which a proof of Claim or request for payment of Administrative Claim (or similar request) has been Filed by the applicable Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;

c. a Claim that is allowed: (i) in any Stipulation of Amount and Nature of Claim executed by or on behalf of the Debtor or the Distribution Trust and Claim holder and, if prior to the Effective Date, approved by the Bankruptcy Court; (ii) in any contract, instrument or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan;

d. a Claim listed by the Debtor on its Schedules as other than disputed, contingent or unliquidated or a Claim that the Debtor or the Distribution Trustee determines prior to the Claims Objection Bar Date (i) will not be subject to an objection or to an amendment to the Schedules and (ii) will be satisfied in accordance with the terms of the Plan on or after the Effective Date; or

e. a Claim listed on Exhibit I.A.6.e, which Claim shall be deemed fully and finally allowed and for which no right of offset or other affirmative right of recovery back against the Claimant shall survive confirmation of the Plan, specifically including any and all Recovery Actions under chapter 5 of the Bankruptcy Code, which claims are expressly waived for each and every Claimant included on Exhibit I.A.6.e.

7. “Allowed . . . Claim” means an Allowed Claim in the particular Class or category specified. Any reference herein to a particular Allowed Claim includes both the secured and unsecured portions of such Claim.

8. “Ballot” means the form or forms distributed to each holder of an impaired Claim entitled to vote on the Plan on which the holder may indicate acceptance or rejection of the Plan or any election for treatment of such Claim under the Plan.

9. “Bankruptcy Case” means the chapter 11 case pending for the Debtor in the Bankruptcy Court.

10. “Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as now in effect or hereafter amended with retroactive applicability to the Bankruptcy Case.

11. “Bankruptcy Court” means the United States District Court having jurisdiction over the Bankruptcy Case and, to the extent of any reference made pursuant to 28 U.S.C. § 157, the bankruptcy unit of such District Court.

12. “Bankruptcy Rules” means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended with retroactive applicability to the Bankruptcy Case.

13. “Bar Date” means the applicable bar date by which a proof of Claim or request for payment of Administrative Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including the Bar Date Order and the Continuation Order.

14. “Bar Date Order” means collectively, (i) the Notice of Chapter 11 Bankruptcy Case, meeting of Creditors, & Deadlines dated April 17, 2006, (ii) the Stipulated Order By and Among the Debtor and Debtor-in-Possession, Certain Affiliates of the Debtor, the Official Committee of Creditors Holding Unsecured Claims and New World TMT Limited Re Expansion of Administration of Affiliate Cash & Establishment of Supplemental Bar Date dated October 23, 2006, establishing the Bar Date for Filing in the Bankruptcy Case proofs of Claim and requests for payment of Administrative Claims and (iii) the Stipulated Order By and Among the Debtor, the Official Committee Of Unsecured Creditors and New World TMT Limited Regarding Establishment of Interim Administrative Claims Bar Date, as the same may be amended, modified or supplemented.

15. “Business Day” shall mean any day, Monday through Friday, which is not otherwise a holiday on which the Bankruptcy Court is closed.

16. “Cash” means legal tender of the United States of America and equivalents thereof.

17. “Cash Investment Yield” means the net yield earned by the applicable Disbursing Agent from the investment of Cash, if any, held in the Trust Accounts pending distribution pursuant to the Plan. Any such investment will be in a manner consistent with the Debtor’s

investment and deposit guidelines and Article VI.D. Net yield means the cash yield net of any investment expenses and taxes payable thereon.

18. “Causes of Action” means claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, arising on, prior to or after the Petition Date, 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, that are based in whole or in part on any act, omission, transaction or other occurrence in any way relating to the Debtor or the Plan, including Recovery Actions.

19. “Claim” means a “claim,” as defined in section 101(5) of the Bankruptcy Code, against the Debtor.

20. “Claims Objection Bar Date” means, for all Claims, other than those Claims allowed in accordance with Article I.A.6.c., d. or e., unless otherwise extended by order of the Bankruptcy Court, the latest of: (a) 30 days after the Effective Date; (b) 30 days after the Filing of a proof of Claim for such Claim; and (c) such other period of limitation as may be specifically fixed by the Plan, the Confirmation Order, the Bankruptcy Rules or a Final Order for objecting to such Claim.

21. “Class” means a class of Claims or Interests, as described in Article II.

22. “Confirmation” means the entry of the Confirmation Order on the docket of the Bankruptcy Court.

23. “Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

24. “Confirmation Hearing” means the hearing held by the Bankruptcy Court on confirmation of the Plan, as such hearing may be continued from time to time.

25. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

26. “Creditors’ Committee” means the official committee of unsecured creditors of the Debtor appointed by the United States Trustee in the Bankruptcy Case pursuant to section 1102 of the Bankruptcy Code.

27. “Cure Amount Claim” means a Claim based upon the Debtor’s defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtor under section 365 of the Bankruptcy Code.

28. “Debtor” means the above-captioned debtor and debtor in possession specifically identified on the cover page of this Plan.

29. “Disbursing Agent” means the Distribution Trustee, in its capacity as disbursing agent pursuant to Article VI.B, or any Third Party Disbursing Agent (acting at the direction of the Distribution Trustee).

30. “Disclosure Statement” means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as the same may be amended, modified or supplemented.

31. “Disputed Claim” means:

a. if no proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, (i) a Claim that is listed on the Debtor’s Schedules as disputed, contingent or unliquidated or (ii) a Claim that is not listed on the Debtor’s Schedules; or

b. if a proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, a Claim for which an objection, complaint or request for estimation has been Filed by the Debtor, the Distribution Trustee or, prior to the Confirmation Date, any other party in interest, by the Claims Objection Bar Date, and such objection has not been withdrawn or overruled in its entirety by a Final Order.

32. “Disputed Insured Claim” and “Disputed Uninsured Claim” mean, respectively, an Insured Claim or an Uninsured Claim that also is a Disputed Claim.

33. “Dissolution Transactions” means the transactions that the Debtor or the Distribution Trustee determines to be necessary or appropriate to implement the terms of the Plan.

34. “Distribution Record Date” means the Confirmation Date.

35. “Distribution Trust” means the trust established pursuant to Article IV.B.3 to, among other things, pursue the Causes of Action, hold the Distribution Trust Assets and make distributions on account of Claims pursuant to Article VI.

36. “Distribution Trust Account” means the account established pursuant to Article IV.E.2 to fund the distribution of the Distribution Trust Assets or the proceeds thereof.

37. “Distribution Trust Agreement” means the trust agreement, to be dated as of or prior to the Effective Date, between the Debtor and the Distribution Trustee, governing the Distribution Trust, which agreement shall be substantially in the form of Exhibit I.A.37.

38. “Distribution Trust Assets” means all assets of the Estate, a non-exclusive schedule of which is included in Exhibit I.A.38.

39. “Distribution Trust Expense Account” means the trust account established pursuant to Article IV.E.3 to fund the payment of the Distribution Trust Expenses.

40. “Distribution Trust Expenses” means any and all reasonable fees, costs and expenses incurred by the Distribution Trust or the Distribution Trustee (or any Disbursing Agent, person, Entity or professional engaged by the Distribution Trustee) on or after the Effective Date in connection with any of their duties under the Plan and the Distribution Trust Agreement, including any administrative fees, attorneys’ fees and expenses, insurance fees, taxes and escrow expenses.

41. “Distribution Trustee” means Morris Anderson & Associates, Ltd.

42. “Effective Date” means a day, as determined by the Debtor, which is a Business Day no earlier than the date on which all conditions to the effective date in Article VIII.A have been satisfied or waived.

43. “Entity” means a person (as defined in section 101(41) of the Bankruptcy Code), an estate, a trust, a governmental unit or the United States Trustee.

44. “Estate” means the estate created for the Debtor in its Bankruptcy Case pursuant to section 541 of the Bankruptcy Code.

45. “Excluded Claims” means (1) those claims of insiders who are also judgment debtors with respect to the Santa Clara Judgment, specifically, Tony Qu, the Debtor, CyberLancet, CyberNova, TechStock, WarpEra, Visionaire, STUB, netAthena Database, Inc., Pine Global, STUB USA, Pine Global USA and (2) any claim equitably subordinated pursuant to section 510(c) of the Bankruptcy Code.

46. “Executory Contract and Unexpired Lease” means a contract or lease to which the Debtor is a party that is subject to assumption, assumption and assignment or rejection under section 365 of the Bankruptcy Code.

47. “Exhibit” means the exhibits to the Plan as identified on the Table of Exhibits, as the same may be amended, modified or supplemented.

48. “File,” “Filed” or “Filing” means file, filed or filing with the Bankruptcy Court or its authorized designee in the Bankruptcy Case.

49. “Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Bankruptcy Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order.

50. “General Unsecured Claim” means any Claim that is not a Secured Claim, Administrative Claim, Priority Claim, Priority Tax Claim, Intercompany Claim or Subordinated Claim.

51. “Insured Claim” means any Claim arising from an incident or occurrence alleged to have occurred prior to the Effective Date that is covered under an insurance policy applicable to the Debtor or its businesses.

52. “Interest” means the rights of the holder of the Old Stock of the Debtor and the rights of any Entity to purchase or demand the issuance of any of the foregoing, including: (a) redemption, conversion, exchange, voting participation and dividend rights; (b) liquidation preferences; and (c) stock options and warrants.

53. “Internal Revenue Code” means title 26 of the United States Code, as now in effect or hereafter amended.

54. “Lien” means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any “lien” as defined in section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

55. “New World” means New World TMT Limited, its predecessors, successors, affiliates and assigns.

56. “Non-Bankruptcy Litigation Expense Claims” means the claims of Latham & Watkins LLP, Allen & Overy LLP, and any and all experts and consultants retained by them or any of the Affiliate Debtors or the Debtor in or for any matter arising from or related to the Santa Clara Action.

57. “Old Stock” means the common stock, preferred stock, membership interests or partnership interests or similar ownership interests, including options, warrants or rights to acquire or convert any such interests, issued by the Debtor and outstanding immediately prior to the Petition Date.

58. “Paid Tax Claim” means a Claim, other than a Priority Tax Claim, for any Tax that the Debtor or the Distribution Trust, pursuant to an order of the Bankruptcy Court, has paid or will pay the full amount of such Tax as of the Petition Date, excluding any penalties arising with respect to or in connection with such Tax.

59. “Pending Payments” means identified amounts of Cash and other Distribution Trust Assets (excluding undeliverable Cash) held by the Distribution Trust for distribution or collection and distribution to holders of Allowed Claims in specific amounts as of the date the Distribution Trust receives the applicable Distribution Trust Assets.

60. “Petition Date” means April 14, 2006, the date on which the Debtor Filed its petition for relief commencing the Bankruptcy Case.

61. “Plan” means this amended plan of liquidation for the Debtor and all Exhibits attached hereto or referenced herein, as the same may be amended, modified or supplemented.

62. “Priority Claim” means an unsecured Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code that is not an Administrative Claim or a Priority Tax Claim.

63. “Priority Claims Trust Account” means the segregated trust account to be established and maintained by the Distribution Trustee pursuant to Article IV.E.1 to satisfy Allowed Secured Claims, Allowed Administrative Claims, Allowed Priority Claims and Allowed Priority Tax Claims against the Estate, in each case solely from the Distribution Trust Assets or the proceeds of any dispositions thereof.

64. “Priority Tax Claim” means a Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

65. “Professional” means any professional employed in the Bankruptcy Case pursuant to sections 327, 328 or 1103 of the Bankruptcy Code or any professional or other Entity seeking compensation or reimbursement of expenses from the Debtor in connection with the Bankruptcy Case pursuant to section 503(b)(4) of the Bankruptcy Code.

66. “Professional Fee Claim” means a Claim against the Debtor under sections 330(a), 331, 503 or 1103 of the Bankruptcy Code for compensation of a Professional or other Entity for services rendered or expenses incurred in the Bankruptcy Case.

67. “Professional Fee Order” means the Order Approving Motion for Authority to Establish Procedures for Interim Payment of Fees and Reimbursement of Expenses, entered by the Bankruptcy Court on August 11, 2006.

68. “Pro Rata” means, when used in reference to a distribution of property pursuant to Article III to holders of Allowed Claims, a proportionate distribution so that with respect to a particular Allowed Claim in such Class or group of Claims, the ratio of (a)(i) the amount of property distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims.

69. “Quarterly Distribution Date” means the last Business Day of the month following the end of each calendar quarter after the Effective Date; *provided, however*, that if the Effective Date is within 45 days of the end of a calendar quarter, the first Quarterly Distribution Date will be the last Business Day of the month following the end of the first calendar quarter after the calendar quarter in which the Effective Date falls.

70. “Recovery Actions” means, collectively and individually, preference actions, fraudulent conveyance actions, rights of setoff and other claims or causes of action under sections 510, 544, 547, 548, 549, 550 and 553 of the Bankruptcy Code that are not otherwise waived hereunder.

71. “Reinstated” or “Reinstatement” means rendering a Claim unimpaired within the meaning of section 1124 of the Bankruptcy Code. Unless the Plan specifies a particular method of Reinstatement, when the Plan provides that an Allowed Claim will be Reinstated, such Claim will be Reinstated, at the Distribution Trustee’s sole discretion, in accordance with one of the following:

a. the legal, equitable and contractual rights to which such Claim entitles the holder will be unaltered; or

b. notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:

i. any such default that occurred before or after the commencement of the Bankruptcy Case, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, will be cured;

ii. the maturity of such Claim as such maturity existed before such default will be reinstated;

iii. the holder of such Claim will be compensated for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or applicable law; and

iv. the legal, equitable or contractual rights to which such Claim entitles the holder thereof will not otherwise be altered.

72. “Rejection Claims” means Claims of the nondebtor party or parties to an Executory Contract or Unexpired Lease against the Debtor arising from the rejection of such contract or lease.

73. “Related Party Claims” means Claims by former directors and officers of the Debtor, other than Vincent Lin, Dawn Ragan and Dennis Simon, and Claims by family members of the Debtor’s former directors and officers, except such Claims that are released pursuant to the Plan.

74. “Santa Clara Judgment” means the \$2,817,075,320.20 judgment rendered in favor of New World against, among others, PrediWave, on December 28, 2006, in the lawsuit styled *New World TMT Limited v. PrediWave Corporation, et al.*, case number 1-04-CV-020369, Santa Clara County Superior Court.

75. “Schedules” means the schedules of assets and liabilities and the statements of financial affairs Filed by the Debtor, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified or supplemented.

76. “Secured Claim” means a Claim that is secured by a Lien on property in which the Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, in each case as of the Effective Date, to the extent that the value of the Claim holder’s interest in

the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

77. "Senior Affiliate Claims" means any and all remaining claims against the Affiliate Debtors (other than the Excluded Claims and any remaining Non-Bankruptcy Litigation Expense Claims in excess of \$2,350,036.55) if, and only to the extent, the Remaining Affiliate Assets (as defined in the Affiliate Dismissal Order) were or are insufficient to satisfy in full any such remaining claims or any other remaining claims against the Affiliate Debtors that New World has agreed are to be paid in full prior to it receiving any distribution on account of its Claim against the Debtor pursuant to the terms of the Affiliate Dismissal Order.

78. "Steering Committee" shall have the meaning set forth in the Distribution Trust Agreement.

79. "Stipulation of Amount and Nature of Claim" means a stipulation or other agreement between the Debtor or the Distribution Trustee and a holder of a Claim, or an agreed order of the Bankruptcy Court, establishing the amount and nature of a Claim.

80. "Subordinated Claim" means a Claim subject to subordination pursuant to section 510(b) or section 510(c) of the Bankruptcy Code, including all Related Party Claims, but excluding all New World Claims.

81. "Tax" means (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state or local taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other Entity.

82. "Third Party Disbursing Agent" means an Entity designated by the Debtor or the Distribution Trustee to act as a Disbursing Agent pursuant to Article VI.B.

83. "Trust Accounts" means the Distribution Trust Account, the Priority Claims Trust Account, the Distribution Trust Expense Account and any other trust account established by the Debtor or Distribution Trustee.

84. "United States Trustee" means the Office of the United States Trustee for the Northern District of California.

B. Rules of Interpretation and Computation of Time

1. Rules of Interpretation

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in the Plan, any reference in the Plan to

a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or Exhibit Filed or to be Filed means such document or Exhibit, as it may have been or may be amended, modified or supplemented pursuant to the Plan or Confirmation Order; (d) any reference to an Entity as a holder of a Claim or Interest includes that Entity's successors, assigns and affiliates; (e) all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (f) the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) subject to the provisions of any contract, certificates of incorporation, by-laws, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the rights and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and the Bankruptcy Rules; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code will apply.

2. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

ARTICLE II CLASSES OF CLAIMS AND INTERESTS

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the following Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, except as set forth below, Administrative Claims and Priority Tax Claims, as described in Articles III.A.1 and III.A.2, have not been classified and thus are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

- 1. Class 1 (Secured Claims):** Secured Claims against the Debtor.
- 2. Class 2 (Priority Claims):** Unsecured Claims against the Debtor that are entitled to priority under section 507 of the Bankruptcy Code, other than Administrative Claims and Priority Tax Claims.
- 3. Class 3 (General Unsecured Claims):** General Unsecured Claims against the Debtor (other than Class 4 Claims) and Senior Affiliate Claims.
- 4. Class 4 (New World Claims):** Claims against the Debtor held by New World.
- 5. Class 5 (Intercompany Claims):** Claims of Affiliates against the Debtor, other than Claims held by PrediWave Canada and Intellambda.

6. **Class 6 (Subordinated Claims):** All Subordinated Claims.
7. **Class 7 (Old Stock Interests):** Interests on account of the Old Stock of the Debtor.

**ARTICLE III
TREATMENT OF CLAIMS AND INTERESTS**

A. Unclassified Claims

1. Payment of Administrative Claims

a. Administrative Claims in General

Except as specified in this Article III.A.1., and subject to the Bar Date provisions herein, unless otherwise agreed by the holder of an Administrative Claim and the Debtor or the Distribution Trustee, each holder of an Allowed Administrative Claim will receive from the Priority Claims Trust Account, in full satisfaction of its Administrative Claim, Cash equal to the allowed amount of such Administrative Claim either (i) on the Effective Date or (ii) if the Administrative Claim is not allowed as of the Effective Date, 30 days after the date on which an order allowing such Administrative Claim becomes a Final Order or a Stipulation of Amount and Nature of Claim is executed by the Distribution Trustee and the holder of the Administrative Claim.

b. Statutory Fees

On the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, will be paid by the Distribution Trustee from the Priority Claims Trust Account in Cash equal to the amount of such Administrative Claims. All fees payable pursuant to 28 U.S.C. § 1930 will be paid by the Distribution Trustee from the Priority Claims Trust Account in accordance herewith until the closing of the applicable Bankruptcy Case pursuant to section 350(a) of the Bankruptcy Code.

c. Professional Fee Claims

Allowed Professional Fee Claims will be paid by the Distribution Trustee from the Priority Claims Trust Account no later than 10 days after the entry of a Final Order allowing such Claims or granting a related request for compensation or reimbursement of expenses; *provided, however*, that the Professional Fee Order shall remain in full force and effect and Professionals shall be entitled to file and serve Monthly Statements (as defined therein) and seek interim payment in accordance with the terms thereof, in each case, after the Effective Date on account of any Professional Fee Claim (or any portion thereof) incurred prior to the Effective Date and, notwithstanding anything to the contrary in the Professional Fee Order or Plan, (i) on and after the Effective Date, the Distribution Trustee shall be deemed to be the Debtor under the Professional Fee Order as if it was specifically named therein (in lieu of the Debtor), and (ii) the Debtor and Distribution Trustee (as the case may be) shall be authorized and directed to pay any and all amounts the Debtor is expressly authorized to pay under the Professional Fee Order. For the avoidance of any doubt, in the event there is an objection to any request for payment in

accordance with the terms of the Professional Fee Order, such Professional shall be entitled to seek immediate relief in the Bankruptcy Court for resolution of any such objection.

d. Bar Dates for Administrative Claims

i. General Administrative Bar Date Provisions

Except as otherwise provided in Article III.A.1.d.ii, requests for payment of Administrative Claims for the period on or after May 8, 2007, through and including the Effective Date, must be Filed and served on the Distribution Trustee and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court no later than 30 days after the Effective Date. Any holder of an Administrative Claim that is required to, but does not, file and serve a request for payment of such Administrative Claim in accordance with this Article III.A.1.d.i will be forever barred from asserting such Administrative Claim against the Debtor or its property or any of the Trust Accounts or any assets of the Estate or Distribution Trustee, and such Administrative Claims will be deemed waived and released as of the Effective Date. Objections to any Administrative Claim must be Filed by the Distribution Trustee and served on the requesting party by the later of: (a) 60 days after the Effective Date; and (b) 30 days after the Filing of the request for payment of such Administrative Claim.

ii. Bar Date for Professional Fee Claims

Professionals or other entities asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on the Distribution Trustee and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Professional Fee Order or other order of the Bankruptcy Court an application for final allowance of such Professional Fee Claim no later than 30 days after the Effective Date. Objections to any Professional Fee Claim must be Filed and served on the Distribution Trustee and the requesting party by the later of (1) 60 days after the Effective Date or (2) 30 days after the Filing of the applicable request for payment of the Professional Fee Claim.

2. Payment of Priority Tax Claims

a. Priority Tax Claims

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the holder of a Priority Tax Claim and the Debtor or the Distribution Trustee, each holder of an Allowed Priority Tax Claim will receive from the Priority Claims Trust Account, in full satisfaction of its Allowed Priority Tax Claim, payment in full in Cash on the later of the Effective Date or as soon as practicable after the date on which such Claim becomes an Allowed Claim.

b. Other Provisions Concerning Treatment of Priority Tax Claims and Paid Tax Claims

Notwithstanding the provisions of Article III.A.2.a, the holder of an Allowed Priority Tax Claim or an Allowed Paid Tax Claim will not be entitled to receive any payment on

account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim or the Allowed Paid Tax Claim. Any Claim or demand for any such penalty will be subject to treatment in Class 6, and the holder of an Allowed Priority Tax Claim or an Allowed Paid Tax Claim will not assess or attempt to collect such penalty or postpetition interest from the Debtor, the Distribution Trustee, their properties, the Trust Accounts or any third party.

B. Classified Claims and Interests

No Claim shall receive any distribution under the Plan until such Claim is an Allowed Claim. Allowed Claims as of the Effective Date shall receive distributions on account of such Allowed Claims on the Effective Date as provided in Article VI.A and the Distribution Trust Agreement. Claims Allowed after the Effective Date shall receive distributions on Quarterly Distribution Dates as set forth in Article VI.E.2.b..

1. Class 1 Claims (Secured Claims) are unimpaired. In full satisfaction of Allowed Secured Claims against the Debtor, each such Allowed Secured Claim shall be Reinstated.

2. Class 2 Claims (Priority Claims) are unimpaired. Each holder of an Allowed Priority Claim against the Debtor will receive from the Priority Claims Trust Account Cash equal to the amount of such Allowed Claim.

3. Class 3 Claims (General Unsecured Claims) are impaired. Each holder of an Allowed General Unsecured Claim against the Debtor will receive from the Distribution Trust Account Cash equal to the amount of such Allowed Claim as soon as practicable on or after the Effective Date.

4. Class 4 Claims (New World Claims) are impaired. On account of the New World Claims, on the Effective Date, the Distribution Trustee shall transfer to New World all Distribution Trust Assets, other than the amounts required under the Plan to be transferred to the Trust Accounts to fund the payment of other Allowed Claims. Such transfer of Distribution Trust Assets shall be subject to the Reinstatement of Allowed Secured Claims pursuant to Article III.B.1.

5. Class 5 Claims (Intercompany Claims) are impaired. No property will be distributed to or retained by the holders of Claims in Class 5 on account of such Claims.

6. Class 6 Claims (Subordinated Claims) are impaired. No property will be distributed to or retained by the holders of Claims in Class 6 on account of such Claims.

7. Class 7 Interests (Old Stock Interests) are impaired. No property will be distributed to or retained by the holders of Interests in Class 7, and such Interests will be terminated as of the Effective Date.

C. Funding of Applicable Trust Accounts

On the Effective Date, the Debtor shall (1) transfer Cash to the Priority Claims Trust Account to fund distributions to holders of Administrative Claims, Professional Fee

Claims, Priority Tax Claims and Class 2 Claims in an amount equal to (a) 100% of all scheduled and 100% of the face amount of all filed Administrative Claims, Professional Fee Claims, Priority Tax Claims and Class 2 Claims and (b) 100% of the estimated amount of all Administrative Claims, Professional Fee Claims and other claims that are to be satisfied with funds in the Priority Claims Trust Account, in each case, which have accrued or will accrue on or before the Effective Date or are otherwise to be paid pursuant to the terms of the Plan (including, without limitation, claims of any Professionals for work done after the Effective Date in connection with the preparation and prosecution of any final fee applications and reasonable costs incurred in connection therewith), with such Cash amount to be determined by and among the Debtor, New World, and the Committee or by order of the Court, (2) transfer to the Distribution Trust Account sufficient Cash to fund 150% of all scheduled plus 150% of the face amount of all filed Claims asserted by the holders of Class 3 Claims and (3) transfer to the Distribution Trust Expense Account Cash from the Distribution Trust Assets or the proceeds thereof in the aggregate amount of \$1,390,000.00.

D. Partial Subordination of New World Claims

The Plan constitutes an agreement by New World to subordinate the New World Claims to ensure that all Class 3 Claims are paid in full. Subject to this agreement, the New World Claims will not be subordinated in any other manner, and such New World Claims will be deemed allowed in full.

E. Subordination of Intercompany Claims

The Plan contemplates that the Affiliates, other than PrediWave Canada and Intellambda, shall either (1) assign any and all of their claims against the Debtor to the Debtor or the Distribution Trustee or (2) execute a release with the Debtor or the Distribution Trustee that releases any and all claims they may hold against the Debtor.

**ARTICLE IV
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. Corporate Existence

As of the Effective Date, the Debtor will cease to exist and the Distribution Trust Assets will be transferred to and vest in the Distribution Trust, free and clear of claims, liens and interests (other than any Allowed Secured Claims that are Reinstated pursuant to Article III.B.1). Except as otherwise provided in the Plan or the Distribution Trust Agreement, the Distribution Trustee may compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and may pay the charges that it incurs on or after the Effective Date for Distribution Trust Expenses, professionals' fees, disbursements, expenses or related support services (including fees related to the preparation of applications on account of Professional Fee Claims) without application to the Bankruptcy Court.

B. Dissolution Transactions

1. Dissolution Transactions Generally

a. Upon or after the entry of the Confirmation Order, the Debtor will enter into such Dissolution Transactions and will take such actions as may be reasonably necessary or appropriate, in each case as may be reasonably requested by New World, to merge, dissolve or otherwise terminate the corporate existence of the Debtor as of the Effective Date, and New World shall prepare the forms of any such documents, agreements or instruments to be executed by or entered into with the Debtor in connection therewith, which, in each case, must be in form and substance reasonably acceptable to the Debtor or the Distribution Trustee (as the case may be). Notwithstanding the foregoing and regardless of whether the actions in the preceding sentence have yet then been taken, upon the transfer of the Distribution Trust Assets to the Distribution Trust under the Plan, the Debtor shall be deemed dissolved and its business operations withdrawn for all purposes without any necessity of filing any document, taking any further action or making any payment to any governmental authority in connection therewith.

b. The actions to effect the Dissolution Transactions described above may include: (i) the execution and delivery of appropriate agreements or other documents of transfer, merger, consolidation, disposition, liquidation or dissolution, containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law, as well as other terms to which these entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption 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 as these entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, continuance or dissolution or similar instruments with the applicable governmental authorities; and (iv) the taking of all other actions that these entities determine to be necessary or appropriate, including making other filings or recordings that may be required by applicable law in connection with the Dissolution Transactions.

2. Recourse Solely to Trust Accounts

All Claims against the Debtor are deemed fully satisfied, waived and released in exchange for the treatment of such Claims under the Plan, and holders of Allowed Claims against any Debtor will have recourse solely to the applicable Trust Accounts for the payment of their Allowed Claims in accordance with the terms of the Plan and the Distribution Trust Agreement.

3. Distribution Trust

a. Distribution Trust Generally

On or prior to the Effective Date, the Distribution Trust shall be established pursuant to the Distribution Trust Agreement for the purpose of liquidating the Distribution Trust Assets, resolving all Disputed Claims, making all distributions to holders of Allowed Claims in accordance with the terms of the Plan and otherwise implementing the Plan and administering the Estate. On the Effective Date, the Distribution Trust Assets shall be transferred to, and vest in, the Distribution Trust. Subject to and to the extent set forth in the Plan, the Confirmation Order, the Distribution Trust Agreement or other agreement (or any other order of the

Bankruptcy Court entered pursuant to or in furtherance hereof), the Distribution Trust (and the Distribution Trustee) shall be empowered to: (i) effect all actions and execute all agreements, instruments and other documents necessary to implement the Plan; (ii) accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle and protect the Distribution Trust Assets (directly or through a Third Party Disbursing Agent), each in accordance with the Plan and Distribution Trust Agreement; (iii) investigate, prosecute and resolve all Causes of Action not otherwise waived hereunder; (iv) sell, liquidate, transfer, distribute or otherwise dispose of the Distribution Trust Assets (directly or through a Third Party Disbursing Agent) or any part thereof or any interest therein pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (v) calculate and make distributions to holders of Allowed Claims pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (vi) establish and administer the Trust Accounts and, if necessary, any additional trust accounts; (vii) comply with the Plan and exercise the Distribution Trustee's rights and fulfill its obligations thereunder; (viii) review, reconcile, settle or object to Claims and resolve such objections as set forth in the Plan; (ix) employ professionals to represent the Distribution Trustee with respect to its responsibilities; (x) file appropriate Tax returns and other reports on behalf of the Distribution Trust and the Debtor and pay Taxes or other obligations owed by the Distribution Trust and the Debtor; (xi) exercise such other powers as may be vested in the Distribution Trustee or as deemed by it to be necessary and proper to implement the provisions of the Plan and the Distribution Trust Agreement; (xii) take such actions as are necessary or appropriate to close or dismiss the Bankruptcy Case; and (xiii) dissolve the Distribution Trust in accordance with the terms of the Distribution Trust Agreement.

b. Funding of the Distribution Trust

The Distribution Trust will be funded in accordance with Article III and the terms of the Distribution Trust Agreement with the respective Distribution Trust Assets or the proceeds thereof.

c. Distribution Trustee

The Distribution Trustee shall be the exclusive trustee of the assets of the Distribution Trust for purposes of 31 U.S.C. §3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The powers, rights and responsibilities of the Distribution Trustee shall be specified in the Distribution Trust Agreement and shall include the authority and responsibility to: (i) effect all actions and execute all agreements, instruments and other documents necessary to implement the Plan; (ii) accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle and protect the Distribution Trust Assets (directly or through a Third Party Disbursing Agent), each in accordance with the Plan and Distribution Trust Agreement; (iii) investigate, prosecute and resolve all Causes of Action not otherwise waived hereunder; (iv) sell, liquidate, transfer, distribute or otherwise dispose of the Distribution Trust Assets (directly or through a Third Party Disbursing Agent) or any part thereof or any interest therein pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (v) calculate and make distributions to holders of Allowed Claims pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (vi) establish and administer the Trust Accounts and, if necessary, any additional trust accounts; (vii) comply with the Plan and exercise the

Distribution Trustee's rights and fulfill its obligations thereunder; (viii) review, reconcile, compromise, settle, prosecute or object to Claims and resolve such objections as set forth in the Plan; (ix) employ professionals, including professionals already retained by the Estate, to represent the Distribution Trust with respect to its responsibilities; (x) file appropriate Tax returns and other reports on behalf of the Distribution Trust and the Debtor and pay Taxes or other obligations owed by the Distribution Trust and the Debtor; (xi) exercise such other powers as may be vested in the Distribution Trustee or as deemed by it to be necessary and proper to implement the provisions of the Plan and the Distribution Trust Agreement; (xii) take such actions as are necessary or appropriate to close or dismiss the Bankruptcy Case; and (xiii) dissolve the Distribution Trust in accordance with the terms of the Distribution Trust Agreement. The Distribution Trustee shall distribute the Distribution Trust Assets in accordance with the provisions of the Plan and the Distribution Trust Agreement. Other rights and duties of the Distribution Trustee and the beneficiaries of the Distribution Trustee shall be as set forth in the Distribution Trust Agreement.

The Distribution Trust Agreement generally will provide for, among other things: (i) the payment of reasonable compensation to the Distribution Trustee; (ii) the payment of other expenses of the Distribution Trust; (iii) the retention of counsel, accountants, financial advisors or other professionals and the payment of their compensation; (iv) the investment of Cash by the Distribution Trustee within certain limitations; (v) the preparation and filing of appropriate Tax returns and other reports on behalf of the Distribution Trust and the Debtor and the payment of Taxes or other obligations owed by the Distribution Trust and the Debtor; (vi) the orderly liquidation of the Distribution Trust's assets; and (vii) any Causes of Action assigned to the Distribution Trust, which may include the litigation, settlement, abandonment or dismissal of any claims, rights or causes of action assigned to the Distribution Trust.

d. Fees and Expenses of the Distribution Trust

Except as otherwise ordered by the Court, the Distribution Trust Expenses shall be paid from the Distribution Trust Expense Account in accordance with the Plan and the Distribution Trust Agreement.

e. Reports to be Filed by the Distribution Trust

The Distribution Trustee, on behalf of the Distribution Trust, shall File with the Bankruptcy Court (and provide to any other party entitled to receive any such report pursuant to the Distribution Trust Agreement) quarterly reports regarding the administration of property subject to its ownership and control pursuant to the Plan, distributions made by it and other matters relating to the implementation of the Plan.

f. Expenses for Professionals of the Distribution Trust

The Distribution Trustee, on behalf of the Distribution Trust, may employ without further order of the Bankruptcy Court professionals to assist in carrying out its duties hereunder and may compensate and reimburse the expenses of these professionals without further order of the Bankruptcy Court from the Distribution Trust Expense Account in accordance with the Plan and the Distribution Trust Agreement.

g. Indemnification

The Distribution Trust Agreement may include reasonable and customary indemnification provisions. Any such indemnification shall be the sole responsibility of the Distribution Trust and payable solely from the Distribution Trust Expense Account.

h. Tax Treatment

The Distribution Trust generally is intended to be treated, for U.S. federal income Tax purposes, in part as a liquidating trust within the meaning of Treasury Regulations section 301.7701-4(d), for the benefit of the holders of Allowed Claims entitled to distributions of Pending Payments, and otherwise as one or more disputed ownership funds within the meaning of Treasury Regulations section 1.468B-9(b)(1), as more specifically provided for under the Distribution Trust Agreement. Accordingly, for all federal income Tax purposes the transfer of Distribution Trust Assets to the Distribution Trust will be treated as: (i) to the extent of Pending Payments, a transfer of the Pending Payments directly from the Debtor to the holders of such Allowed Claims followed by the transfer of such Pending Payments by the holders of Allowed Claims to the Distribution Trust in exchange for rights to distributions from the Distribution Trust; and (ii) to the extent of amounts that are not Pending Payments, as a transfer to one or more disputed ownership funds. The holders of Allowed Claims entitled to distributions of Pending Payments will be treated for federal income Tax purposes as the grantors and deemed owners of their respective shares of the Distribution Trust Assets in the amounts of the Pending Payments and any earnings thereon. The Distribution Trustee will be required by the Distribution Trust Agreement to file federal Tax returns for the Distribution Trust as a grantor trust with respect to any Pending Payments and as one or more disputed ownership funds with respect to all other funds or other property held by the Distribution Trust pursuant to applicable Treasury Regulations, and any income of the Distribution Trust will be treated as subject to Tax on a current basis. The Distribution Trust Agreement will provide that the Distribution Trustee will pay such Taxes from the Distribution Trust Assets as required by law and in accordance with Article VI.H.2. In addition, the Distribution Trust Agreement will require consistent valuation by the Distribution Trustee and the Beneficiaries, for all federal income Tax purposes, of any property held by the Distribution Trust. The Distribution Trust Agreement will provide that termination of the trust will occur no later than five years after the Effective Date, unless the Bankruptcy Court approves an extension based upon a finding that such an extension is necessary for the Distribution Trust to complete its claims resolution and liquidating purpose. The Distribution Trust Agreement also will limit the investment powers of the Distribution Trustee in accordance with IRS Rev. Proc. 94-45 and will require the Distribution Trust to distribute at least annually to the Beneficiaries (as such may have been determined at such time) its net income (net of any payment of or provision for Taxes), except for amounts retained as reasonably necessary to maintain the value of the Distribution Trust Assets or to meet Claims and contingent liabilities (including Disputed Claims).

C. Corporate Governance, Directors and Officers, Employment-Related Agreements

1. Certificates of Incorporation and Bylaws

Consistent with Article IV.B, the Debtor will cease to exist, and all existing certificates of incorporation and by-laws will be canceled, as of the Effective Date; accordingly, no new certificates of incorporation and by-laws will be adopted.

2. Corporate Action

The Dissolution Transactions and the following corporate actions and transactions will occur and be effective as of the date specified in the documents effectuating the applicable Dissolution Transactions (or other transactions) or the Effective Date, if no such other date is specified in such other documents, and will be authorized and approved in all respects and for all purposes without any requirement of further action by the Debtor, the Distribution Trustee or any other person or Entity: (a) the establishment of the Distribution Trust; (b) the appointment of the Distribution Trustee to act on behalf of the Distribution Trust; (c) the transfer of the Distribution Trust Assets to the Distribution Trust; (d) the creation of the Trust Accounts; (e) the distribution of Cash pursuant to the Plan; (f) the adoption, execution, delivery and implementation of all contracts, instruments, releases and other agreements or documents related to any of the foregoing; (g) the adoption, execution and implementation of the Distribution Trust Agreement; and (h) the other matters provided for under the Plan involving the corporate structure of the Debtor or corporate action to be taken by or required of the Debtor or the Distribution Trustee.

D. No Revesting of Assets

The property of the Estate shall not revert in the Debtor on or after the Effective Date but shall be deposited in the Trust Accounts and will vest in the Distribution Trust to be administered and distributed by the Distribution Trustee in accordance with the Plan and the Distribution Trust Agreement.

E. Trust Accounts

On or prior to the Effective Date, the following Trust Accounts will be established and maintained in federally insured domestic banks in the name of the Distribution Trustee and, if applicable, the Third Party Disbursing Agent for each such Trust Account. On the Effective Date, the Trust Accounts and the contents thereof, if any, will be transferred to and irrevocably vest in the Distribution Trust.

1. Priority Claims Trust Account

a. Creation and Funding

On the Effective Date, the Priority Claims Trust Account will be funded by the transfer of Cash from the Distribution Trust Assets or the proceeds thereof, in an amount determined in accordance with Articles I.A.6., III.A. and III.C. Cash deposited in the Priority Claims Trust Account will be used solely as provided in the Distribution Trust Agreement. If the balance of the Priority Claim Trust Account is insufficient to make all payments therefrom in

accordance with the terms of the Plan and the Distribution Trust Agreement, additional funds may be transferred from the Distribution Trust Account (to the extent Cash remains available therein) to the Priority Claims Trust Account as provided in the Distribution Trust Agreement. If the Distribution Trustee determines that the balance of the Priority Claims Trust Account is in excess of the amount that will be required to make all payments payable therefrom in accordance with the terms of the Plan and the Distribution Trust Agreement, the Distribution Trustee may transfer such excess to the Distribution Trust Account as provided in the Distribution Trust Agreement, with the consent of the Steering Committee. Prior to making any such transfer, the Distribution Trustee shall provide notice of such proposed transfer, including a deadline for objecting to such proposed transfer, to any holder of a Priority Claim who has not been paid by the Distribution Trustee. To the extent the parties are unable to reach an agreement on any objection, the Distribution Trustee shall contact the Bankruptcy Court and request a hearing with regard to such matter.

b. Closure

Upon obtaining an order of the Bankruptcy Court authorizing final distribution and closure of the Bankruptcy Case, any funds remaining in the Priority Claims Trust Account shall be distributed in accordance with the Plan and the Distribution Trust Agreement.

2. Distribution Trust Account

a. Creation and Funding

On or prior to the Effective Date, the Distribution Trust Account will be established to pay Allowed Claims. After first funding the Priority Claims Trust Account as provided in Article IV.E.1, the Distribution Trust Account will be funded by the transfer of Cash from the Distribution Trust Assets or the proceeds thereof, in an amount determined in accordance with Article III.C. The Distribution Trustee will act as the Disbursing Agent for the Distribution Trust Account.

b. Closure

Upon obtaining an order of the Bankruptcy Court authorizing final distribution and closure of the Bankruptcy Case, any funds remaining in the Distribution Trust Account shall be distributed in accordance with the Plan and the Distribution Trust Agreement

3. Distribution Trust Expense Account

a. Creation and Funding

On or after the Effective Date, the Distribution Trust Expense Account will be established to pay Distribution Trust Expenses. The Distribution Trust Expense Account will be funded by the transfer of Cash from the Distribution Trust Assets or the proceeds hereof by the Distribution Trustee in the aggregate amount of \$1,390,000.00. The Distribution Trustee will act as the Disbursing Agent for the Distribution Trust Expense Account.

b. Closure

Upon obtaining an order of the Bankruptcy Court authorizing final distribution and closure of the Bankruptcy Case, any funds remaining in the Distribution Trust Expense Account shall be distributed in accordance with the Plan and the Distribution Trust Agreement.

F. Preservation of Rights of Action; Settlement of Claims and Releases

1. Preservation of Rights of Action

Except as provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Distribution Trustee will retain and may enforce any claims, demands, rights and causes of action that the Estate may hold against any person or Entity to the extent not released under Article IV.F.3 or otherwise, including the Recovery Actions. The Distribution Trustee may pursue such retained claims, demands, rights or causes of action, as appropriate, in accordance with the best interests of the Estate that held such claims, demands, rights or causes of action. Any recovery of Cash by the Distribution Trustee on account of such actions will be deposited in the Distribution Trust Account and distributed pursuant to the terms of the Plan and the Distribution Trust Agreement. A nonexclusive schedule of currently pending actions and claims brought by the Debtor is attached as Exhibit IV.F.1. In accordance with and subject to any applicable law, the inclusion or failure to include any right of action or claim on Exhibit IV.F.1 shall not be deemed an admission, denial or waiver of any claims, demands, rights or causes of action that the Debtor or the Estate may hold against any Entity.

2. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan, including the releases set forth in Article IV.F.3, will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made pursuant to the Plan on account of any Allowed Claim or Allowed Interest. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtor, the Estate and Claim and Interest holders and is fair, equitable and reasonable.

3. Release of Claims

a. General Releases

Without limiting any applicable provisions of or releases contained in the Plan, as of the Effective Date, the Debtor, on behalf of itself, the Estate and their respective successors, assigns and any and all Entities who may purport to claim by, through, for or because of them, shall be deemed to forever release, waive and discharge all Causes of Action arising prior to the Petition Date that such Entity has, had or may have against each

of: (i) New World and each of the present or former directors, officers, employees, members, managers, agents, attorneys, representatives and advisors of New World, acting in such capacity; and (ii) those current and former employees of the Debtor listed on Exhibit IV.F.3; *provided, however*, that the releases provided in this paragraph shall not include (A) any Recovery Actions relating to transfers to Entities who were insiders at the time of payment or (B) any actual or potential objections to the pre- or postpetition claims of any Entity against the Estate.

b. General Releases by Holders of Claims

Without limiting any other applicable provisions of, or releases contained in, the Plan or the Bankruptcy Code, as of the Effective Date, to the maximum extent permitted by law, neither (i) the Debtor, Vincent Lin, Dawn Ragan and Dennis Simon, each in their individual capacities; (ii) New World and each of its present or former directors, officers, employees, attorneys, accountants, underwriters, investment bankers, financial advisors and agents, acting in such capacity; (iii) the Creditors' Committee and its members, and their respective agents and professionals, in each case acting in such capacity; (iv) the Debtor's bankruptcy counsel, Klee, Tuchin, Bogdanoff and Stern LLP, (v) the Debtor's financial advisor, XRoads Solutions Group LLC and (vi) those current and former employees of the Debtor listed on Exhibit IV.F.3 shall have or incur any liability to any Entity for any act taken or omission made in good faith in connection with this case or related to this case or related to formulating, implementing, or confirming the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan. Nothing in this Article IV. F.3.b shall be deemed to release or prejudice the right of any party in interest to object to any Professional Fee Claim.

c. Injunction Related to Releases

As further provided in Article X.A and subject to the limitations set forth therein, the Confirmation Order will enjoin the commencement or prosecution by any Entity, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released pursuant to the Plan.

G. Termination of All Employee and Workers' Compensation Benefits

Except as otherwise provided in the Distribution Trust Agreement, all existing employee benefit plans and workers' compensation benefits not previously expired or terminated by the Debtor will be terminated on or before the Effective Date.

H. Limitations on Amounts to Be Distributed to Holders of Allowed Insured Claims

Distributions under the Plan to each holder of an Allowed Insured Claim will be in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified, but solely to the extent that such Allowed Insured Claim is not satisfied from proceeds payable to the holder thereof under any pertinent insurance policies and applicable law. Nothing in this Article IV.H will constitute a waiver of any claims, obligations,

suits, judgments, damages, demands, debts, rights, causes of action or liabilities that any Entity may hold against any other Entity, including the Debtor's insurance carriers.

I. Cancellation of Instruments and Securities

Except as provided in any contract, instrument or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article III, all outstanding secured and unsecured notes, instruments and securities, including options and warrants, issued by the Debtor will be canceled and of no further force and effect, without any further action on the part of the Bankruptcy Court, the Debtor, the Distribution Trustee or any other Entity. The holders of or parties to such canceled instruments and securities will have no rights arising from or relating to such instruments and securities or the cancellation thereof, except the rights provided pursuant to the Plan. As of the Effective Date, the Old Stock shall be deemed canceled and of no further force and effect.

J. Effectuating Documents; Further Transactions

The Distribution Trustee or its designee will be authorized to (1) execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan and (2) certify or attest to any of the foregoing actions.

ARTICLE V TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Executory Contracts and Unexpired Leases to Be Rejected

On the Effective Date, except for the Executory Contracts or Unexpired Leases listed on Exhibit V.C and to the extent that the Debtor either previously has assumed and assigned or rejected an Executory Contract or Unexpired Lease pursuant to an order of the Bankruptcy Court or has filed a motion to assume or assume and assign an Executory Contract or Unexpired Lease prior to the Effective Date, each Executory Contract and Unexpired Lease entered into by the Debtor prior to the Petition Date that has not previously expired or terminated pursuant to its own terms will be rejected pursuant to section 365 of the Bankruptcy Code. Each contract and lease will be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

B. Bar Date for Rejection Claims

Notwithstanding anything in the Bar Date Order to the contrary, if the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan or section 365 of the Bankruptcy Code gives rise to a Claim by the other party or parties to such contract or lease, such Rejection Claim will be forever barred and will not be enforceable against the Distribution Trustee or the Distribution Trust unless a proof of Claim is Filed and served on the Distribution Trustee, pursuant to the procedures specified in the Confirmation Order and the notice of the entry of the

Confirmation Order or another order of the Bankruptcy Court, no later than 30 days after the Effective Date.

C. Executory Contracts and Unexpired Leases to Be Assumed

1. Assumption Generally

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, the Debtor shall assume and assign to the Distribution Trust each of the respective Executory Contracts and Unexpired Leases listed on Exhibit V.C. Nothing herein shall constitute an admission that any contract or lease is an Executory Contract or Unexpired Lease or that the Debtor has any liability thereunder.

2. Assumptions of Executory Contracts and Unexpired Leases

Each Executory Contract or Unexpired Lease assumed and assigned under Article V.C.1 shall include any modifications, amendments, supplements or restatements to such contract or lease.

D. Payments Related to the Assumption of Executory Contracts and Unexpired Leases

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract and Unexpired Lease to be assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code: (1) by payment of the Cure Amount Claim in Cash on the Effective Date; or (2) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. Pursuant to section 365(b)(2)(D) of the Bankruptcy Code, no Cure Amount Claim shall be allowed for a penalty rate or other form of default rate of interest. If there is a dispute regarding (1) the amount of any Cure Amount Claim; (2) the ability of the Distribution Trust or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed; or (3) any other matter pertaining to assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

**ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in this Article VI, distributions of Cash to be made on the Effective Date to holders of Administrative Claims, Priority Tax Claims, Priority Claims and Secured Claims that are Allowed as of the Effective Date will be deemed made on the Effective Date if made no later than 30 days after the Effective Date.

B. Method of Distributions to Holders of Allowed Claims

The Distribution Trustee in its capacity as Disbursing Agent, or such Third Party Disbursing Agents as the Distribution Trustee may employ in its sole discretion, will make all distributions of Cash required under the Plan to holders of Allowed Claims. Each Third Party Disbursing Agent will serve without bond, and any Third Party Disbursing Agent may employ or contract with other entities to assist in or make the distributions required by the Plan.

C. Method of Distributions to New World

On the Effective Date, New World shall, in its sole discretion, direct the Distribution Trustee in its capacity as the Distribution Agent, or such Third Party Disbursing Agent as the Distribution Trustee may employ, in its sole discretion, to distribute to New World any and all Distribution Trust Assets, except Cash. Thereafter, the Distribution Trustee shall distribute Cash to New World to the extent that the Priority Claims Trust Account, the Distribution Trust Account and the Distribution Trust Expense Account have been fully funded in accordance with Article III.C.

D. Compensation and Reimbursement for Services Related to Distributions and Cash Investment Yield

1. Compensation and Reimbursement

Each Third Party Disbursing Agent providing services related to distributions pursuant to the Plan will receive from the Distribution Trust Expense Account, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services. These payments will be made on terms agreed to with the Distribution Trustee and will not be deducted from distributions (including any distributions of Cash Investment Yield) to be made pursuant to the Plan to holders of Allowed Claims receiving distributions from a Third Party Disbursing Agent.

2. Investment of Cash Related to Distributions

To assist in making distributions under the Plan, the applicable Trust Accounts may be held in the name of one or more Third Party Disbursing Agents for the benefit of holders of Allowed Claims under the Plan. The Third Party Disbursing Agents will invest the Cash in the Trust Accounts as directed by the Distribution Trustee; *provided, however*, that should such Distribution Trustee determine, in his sole discretion, that the administrative costs associated with such investment will exceed the return on such investment, he may direct the Third Party Disbursing Agent not to invest such Cash. Distributions of Cash from accounts held by Third Party Disbursing Agents will include a Pro Rata share of the Cash Investment Yield, if any, from such investment of Cash.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions to Holders of Allowed Claims

Distributions to holders of Allowed Claims will be made by a Disbursing Agent (a) at the addresses set forth on the respective proof of Claim, request for payment of Administrative Claim or similar document Filed by holders of such Claims; (b) at the addresses set forth in any written certification of address change delivered to the Disbursing Agent (including pursuant to a letter of transmittal delivered to a Disbursing Agent) after the date of Filing of any related proof of Claim, requests for payment of Administrative Claim or similar document; or (c) at the addresses reflected in the applicable Debtor's Schedules if no proof of Claim has been Filed and the Disbursing Agent has not received a written notice of a change of address.

2. Undeliverable Distributions Held by Disbursing Agents

a. Holding of Undeliverable Distributions

Subject to Article VI.E.2.c, distributions returned to a Disbursing Agent or otherwise undeliverable will remain in the applicable Trust Account for the benefit of such claimants.

b. After Distributions Become Deliverable

On each Quarterly Distribution Date, the applicable Disbursing Agents will make all distributions that become deliverable to holders of Allowed Claims during the preceding calendar quarter; *provided, however*, that the Distribution Trustee determines, with the consent of the Steering Committee, that the amount of any quarterly distribution is too small to justify the administrative costs associated with such distribution, the Distribution Trustee may postpone such quarterly distribution until the next Quarterly Distribution Date. Each such distribution will include to the extent applicable a Pro Rata share of the Cash Investment Yield from the investment of any undeliverable Cash from the date that such distribution would have first been due had it then been deliverable to the date that such distribution becomes deliverable.

c. Failure to Claim Undeliverable Distributions

Any holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable distribution to be made by a Disbursing Agent within 180 days after the later of (i) the Effective Date and (ii) the last date on which a distribution was deliverable to such holder will have its claim that relates to such undeliverable distribution deemed satisfied, waived and released and will be forever barred from asserting any such claim against the Debtor, the Distribution Trustee, their respective property or the Trust Accounts.

F. Distribution Record Date

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of any Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date will be treated as the holders of such Claims for all purposes,

notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Distribution Record Date. The applicable Disbursing Agent will have no obligation to recognize the transfer or sale of any Claim that occurs after 4:00 p.m. San Francisco time on the Distribution Record Date and will be entitled for all purposes herein to recognize and make distributions only to those holders who are holders of such Claims as of the close of business on the Distribution Record Date.

G. Means of Cash Payments

Except as otherwise specified herein, Cash payments made pursuant to the Plan will be in U.S. currency by checks drawn on the applicable Trust Accounts or, at the option of the Distribution Trustee, by wire transfer from a domestic bank.

H. Timing and Calculation of Amounts to Be Distributed

1. Allowed Claims

Each holder of an Allowed Claim will receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class pursuant to the terms and conditions of the Plan and the Distribution Trust Agreement, subject to any setoffs or deductions set forth therein.

2. Compliance With Tax Requirements

a. In connection with the Plan, to the extent applicable, each Disbursing Agent will comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan will be subject to such withholding and reporting requirements. Each Disbursing Agent will be authorized to take any actions that it determines, in its reasonable discretion, to be necessary or appropriate to comply with such withholding and reporting requirements.

b. Notwithstanding any other provision of the Plan or the Distribution Trust Agreement, each Entity receiving a distribution of Cash pursuant to the Plan will have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of such distribution, including income, withholding and other Tax obligations.

I. Surrender of Canceled Instruments or Securities

As a condition precedent to receiving any distribution the Plan on account of an Allowed Claim evidenced by the instruments or securities canceled pursuant to Article IV.I, the holder of such Claim must tender to the applicable Disbursing Agent the applicable instruments or securities evidencing such Claim or an affidavit of loss and indemnity satisfactory to such Disbursing Agent, together with any letter of transmittal required by such Disbursing Agent. Pending such surrender, any distributions pursuant to the Plan on account of any such Claim will be treated as an undeliverable distribution pursuant to Article V.I.E.2.

J. Setoffs

Except with respect to claims of the Debtor released pursuant to the Plan or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disbursing Agents or a Third Party Disbursing Agent, as instructed by the Distribution Trustee pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, may setoff against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim) the claims, rights and causes of action of any nature that the Debtor may hold against the holder of such Allowed Claim, so long as such rights have not otherwise been specifically waived hereunder, and *provided, however*, that neither the failure to effect a setoff nor the allowance of any Claim hereunder will constitute a waiver or release of any claims, rights and causes of action that the Debtor or its assignees may possess against such a Claim holder, which are expressly preserved under Article IV.F.

ARTICLE VII PROCEDURE FOR RESOLVING DISPUTED CLAIMS

A. Prosecution of Objections to Claims

1. Objections to Claims

All objections to Claims must be Filed and served on the holders of such Claims by the Claims Objection Bar Date, and, if Filed prior to the Effective Date, such objections must be served on the parties on the then-applicable service list in the Bankruptcy Case. If an objection has not been Filed to a proof of Claim or request for payment of Administrative Claim by the applicable Claims Objection Bar Date, the Claim to which the proof of Claim or request for payment of Administrative Claim relates will be treated as an Allowed Claim if such Claim has not been allowed earlier.

2. Authority to Prosecute Objections

After the Confirmation Date, only the Debtor and New World (or after the Effective Date, the Distribution Trustee on behalf of the Distribution Trust) will have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to any alternative dispute resolution or similar procedures approved by the Bankruptcy Court. After the Effective Date, the Distribution Trustee may settle or compromise any Disputed Claim without approval of the Bankruptcy Court in accordance with the Distribution Trust Agreement and Article IV.A.

B. Treatment of Disputed Claims

1. No Payments on Account of Disputed Claims and Disputed Claims Reserves

Notwithstanding any other provisions of the Plan, no payments or distributions will be made on account of a Disputed Claim until such Claim becomes an Allowed Claim. Distributions on account of any Disputed Claim that has become an Allowed Claim will be governed by the Distribution Trust Agreement.

2. Recourse

Each holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the undistributed Cash held in the applicable Trust Account for the satisfaction of such Allowed Claim and not to any other Trust Account or any assets previously distributed on account of any Allowed Claim.

ARTICLE VIII CONDITIONS PRECEDENT TO THE EFFECTIVE DATE OF THE PLAN

A. Conditions to the Effective Date

The Effective Date will not occur and the Plan shall not be consummated unless and until each of the following conditions has been satisfied:

1. In accordance with Article III.E of this Plan, the Affiliates, other than PrediWave Canada and Intellambda, shall have either (i) assigned any and all of their claims against the Debtor to the Debtor or the Distribution Trustee or (ii) executed a release with the Debtor or the Distribution Trustee that releases any and all claims they may hold against the Debtor.

2. The Distribution Trust Agreement has been executed and the Trust Accounts have been established.

3. The Confirmation Order has been entered, is in full force and effect and has not been stayed.

4. A Final Order has been entered by the Bankruptcy Court determining that Class 5 Claims are subordinated to all Class 3 and Class 4 Claims.

5. In a manner not inconsistent with the provisions of the Affiliate Administration Order, mutual general releases shall have been exchanged between: (a) New World, on the one hand, and Vincent Lin, on the other hand, (b) the Debtor, on the one hand, and Vincent Lin, on the other hand, and (c) each of the Affiliates (other than Intellambda and PrediWave Canada), on the one hand, and Vincent Lin, on the other hand. Notwithstanding anything to the contrary in the Plan, if any, this condition to effectiveness can only be waived by written agreement by and among New World, the Debtor and Vincent Lin.

B. Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date is not satisfied in accordance with Article VIII.A, then upon motion by New World made before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court; *provided, however,* that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is either satisfied or waived before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Article VIII.B: (1) the Plan will be null and void in all respects, including with respect to the release of Claims and termination of Interests; and (2) nothing contained in the

Plan will: (a) constitute a waiver or release of any claims by or against, or any Interest in, the Debtor; or (b) prejudice in any manner the rights of the Debtor or any other party in interest.

ARTICLE IX CRAMDOWN

New World requests Confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. New World reserves the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

ARTICLE X INJUNCTION AND SUBORDINATION RIGHTS

A. Injunctions: Claims Against the Debtor and Its Successors Enjoined

Except as provided in the Plan or the Confirmation Order and other than with respect to a right of recoupment or a setoff, to the extent permissible by applicable law, as of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability subject to the Plan or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan will be permanently enjoined from taking any of the following actions in respect of any such Claims, debts, liabilities, Interests or rights: (a) commencing or continuing in any manner any action or other proceeding against the Debtor, New World, the Distribution Trust or the Distribution Trustee, other than to enforce any right pursuant to the Plan to a distribution from the Trust Accounts; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor, New World, the Distribution Trust or the Distribution Trustee other than as permitted pursuant to clause (a) above; (c) creating, perfecting or enforcing any Lien or encumbrance against the Debtor, New World, the Distribution Trust, their respective property or the Trust Accounts; (d) asserting a right of subrogation of any kind against any debt, liability or obligation due to the Debtor or the Distribution Trustee; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

B. Subordination Rights

The classification and manner of satisfying Claims and Interests under the Plan does not take into consideration subordination rights, and nothing in the Plan or Confirmation Order shall affect any subordination rights that a holder of a Claim may have with respect to any distribution to be made pursuant to the Plan, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code or otherwise.

ARTICLE XI RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain such exclusive jurisdiction over the Bankruptcy Cases after the Effective Date as is legally permissible, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, reclassify, estimate or establish the priority, secured or unsecured status (or proper Plan classification) of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance, priority or classification of Claims or Interests;
2. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;
3. Resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which any Debtor is a party or with respect to which any Debtor may be liable and to hear, determine and, if necessary, liquidate any Claims arising therefrom;
4. Ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;
5. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, including the Causes of Action, and grant or deny any applications involving the Debtor or the Distribution Trustee that may be pending on the Effective Date or brought thereafter;
6. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order, including the Distribution Trust Agreement;
7. Resolve any cases, controversies, suits or disputes that may arise in connection with the Causes of Action or the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan, including the Distribution Trust Agreement, or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;
8. Modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into, delivered or created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan;
9. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

10. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or distributions pursuant to the Plan or stayed;

11. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order,

12. Resolve any objections or other matters relating to objections to requests for payments pursuant to the Professional Fee Order.

13. Enter a final decree closing the Bankruptcy Case; and

14. Determine matters concerning state, local and federal Taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code, including any Disputed Claims for Taxes.

ARTICLE XII MISCELLANEOUS PROVISIONS

A. Dissolution of the Creditors' Committee, the Professional Fee Claims of the Professionals Retained by the Debtor, and Formation of the Steering Committee

1. Dissolution of the Creditors' Committee

On the Effective Date, the Creditors' Committee, as set forth below, will dissolve and the members thereof will be released and discharged from all duties and obligations arising from or related to the Bankruptcy Cases. The Professionals retained by the Creditors' Committee and the members thereof will not be entitled to assert any Professional Fee Claims for any services rendered or expenses incurred after the Effective Date, except for fees for time spent and expenses incurred (a) in connection with any application for allowance of compensation and reimbursement of expenses pending on the Effective Date or Filed and served after the Effective Date pursuant to Article III.A.1.d.ii, (b) in connection with any appeal pending as of the Effective Date, including any appeal of the Confirmation Order and (c) at the request of the Distribution Trustee, whether or not the Distribution Trustee has retained such Professional.

2. Professional Fee Claims of the Professionals Retained by the Debtor

The Professionals retained by the Debtor will not be entitled to assert any professional Fee Claims for any services rendered or expenses incurred after the Effective Date, except for fees for time spent and expenses incurred (a) in connection with any application for allowance of compensation and reimbursement of expenses pending on the Effective Date or Filed and served after the Effective Date pursuant to Article III.A.1.d.ii and (b) at the request of the Distribution Trustee, whether or not the Distribution Trustee has retained such Professional.

3. Formation of the Steering Committee

On the Effective Date, the Steering Committee shall be formed with its duties limited to: (a) overseeing the General Unsecured Claims reconciliation and settlement process conducted by or on behalf of the Distribution Trustee; (b) formulating with the Distribution Trustee appropriate procedures for the settlement of Claims; (c) overseeing the distributions to the holders of General Unsecured Claims under this Plan; (d) appearing before and being heard by the Bankruptcy Court and other courts of competent jurisdiction in connection with the above limited duties; and (e) such other matters as may be agreed upon between the Distribution Trustee and the Steering Committee or specified in this Plan or the Distribution Trust Agreement. For so long as the Claims reconciliation process shall continue, the Distribution Trustee shall make regular reports to the Steering Committee as and when the Distribution Trustee and the Steering Committee may reasonably agree. The members of the Steering Committee and their applicable contact information are listed on Exhibit XII.A.3. The Steering Committee may employ, without further order of the Court, professionals to assist it in carrying out its duties as limited above, including any professionals retained in these Bankruptcy Cases, and the Distribution Trustee shall pay the reasonable costs and expenses of the Steering Committee, including reasonable professional fees, in the ordinary course without further order of the Bankruptcy Court, from the Distribution Trust Expense Account.

B. Finality of Santa Clara Judgment

New World's claim against the Debtor is allowed in the amount of the Santa Clara Judgment. To the extent permissible under applicable law, the Santa Clara Judgment will become final upon the Effective Date and no one receiving notice of the Plan and/or benefits under the Plan (including Claim resolution) will be entitled to appeal or otherwise challenge the Santa Clara Judgment.

C. Modification of the Plan

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code, New World or the Distribution Trustee, as applicable, reserves the right to alter, amend or modify the Plan before its substantial consummation.

D. Revocation of the Plan

New World reserves the right to revoke or withdraw the Plan prior to Confirmation. If New World revokes or withdraws the Plan, or if Confirmation does not occur, then the Plan will be null and void in all respects, and nothing contained in the Plan will: (1) constitute a waiver or release of any claims by or against, or any Interests in, the Debtor; or (2) prejudice in any manner the rights of the Debtor or any other party.

E. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

F. Service of Certain Plan and Disclosure Statement Exhibits

With respect to any Exhibits that are not being Filed or served with copies of the Plan and the Disclosure Statement, New World shall File such Exhibits no later than 10 days before the deadline to vote to accept or reject the Plan.

G. Service of Documents

Any pleading, notice or other document required by the Plan or Confirmation Order to be served on or delivered to New World, the Debtor, the Distribution Trustee or the Creditors' Committee must be sent by overnight delivery service, facsimile, courier service or messenger to all of the following parties:

1. New World

Karol K. Denniston, Esq.
Amy Wallace Potter, Esq.
DLA Piper USA LLP
550 South Hope Street, Suite 2300
Los Angeles, CA 90071
Tel: 213.330.7850
Fax: 213.330.7701

and

Richard A. Chesley, Esq.
Paul E. Harner, Esq.
Paul, Hastings, Janofsky & Walker LLP
191 North Wacker Drive, 30th Floor
Chicago, IL 60606
Tel: 312.499.6000
Fax: 312.499.6100

2. The Debtor:

Lee R. Bogdanoff, Esq.
Thomas E. Patterson, Esq.
Michael L. Tuchin, Esq.
Jonathan Shenson, Esq.
Klee, Tuchin, Bogdanoff and Stern LLP
1999 Avenue of the Stars
39th Floor
Los Angeles, CA 90067
Tel: 310.407.4000
Fax: 310.407.9090

3. The Distribution Trustee:

Robert F. Troisio
Morris Anderson & Associates, Ltd.
2 Pettinaro Drive
Millville, DE 19970

4. The Creditors' Committee:

John D. Fiero, Esq.
Pachulski Stang Ziehl Young Jones & Weintraub LLP
150 California Street
15th Floor
San Francisco, CA 94111
Tel: 415.263.7000
Fax: 415.263.7010

5. The United States Trustee

Minnie Loo, Esq.
Margaret H. McGee, Esq.
Office of the United States Trustee
1301 Clay Street, # 690-N
Oakland, CA 94612

[signature page follows]

Dated: May 9, 2007

Respectfully submitted,

NEW WORLD TRUST LIMITED

By: /s/ Dumas Chow Wai Sang
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Title: General Counsel

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