

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

In re:

TRIAD GUARANTY INC.¹

Debtor.

Chapter 11

Case No. 13-11452 (MFW)

**NOTICE OF (A) HEARING TO CONFIRM AMENDED PLAN OF REORGANIZATION, (B)
OBJECTION AND VOTING DEADLINES, (C) SOLICITATION AND VOTING PROCEDURES,
AND (D) CERTAIN OTHER INFORMATION**

DISCLOSURE STATEMENT AND SOLICITATION PROCEDURES APPROVED.

On September 8, 2017, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered that certain Order (A) Approving Disclosure Statement, (B) Fixing the Voting Record Date, (C) Approving Solicitation and Voting Procedures With Respect to Amended Joint Plan of Reorganization of Triad Guaranty Inc. and Wolfgang Holdings LLC Pursuant to Chapter 11 of the Bankruptcy Code, (D) Approving Form of Solicitation Package and Notices, and (E) Scheduling Certain Dates in Connection Therewith (the “Disclosure Statement Order”) [D.I. 524]. In the Disclosure Statement Order, among other things, the Court approved the Disclosure Statement Regarding the Joint Plan of Reorganization Regarding Triad Guaranty Inc. and Wolfgang Holdings LLC Pursuant to Chapter 11 of the Bankruptcy Code (the “Disclosure Statement”) for the proposed Joint Plan of Reorganization Regarding Triad Guaranty Inc. and Wolfgang Holdings LLC Pursuant to Chapter 11 of the Bankruptcy Code attached thereto as Exhibit A (as amended, modified or supplemented from time to time, the “Plan”), as containing adequate information, as required under section 1125(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), and authorized the Debtor to solicit acceptances of the Plan.²

HEARING TO CONFIRM THE PLAN.

The Court has fixed **October 31, 2017 at 11:30 a.m. (ET)** (the “Confirmation Hearing Date”), or as soon thereafter as counsel may be heard, as the date and time for the hearing to consider confirmation of the Plan (the “Confirmation Hearing”). The Confirmation Hearing will be before the Honorable Mary F. Walrath, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Fifth Floor, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time by announcing such continuance in open court or in the agenda for such hearing, and the Plan may be further modified, if necessary, pursuant to 11 U.S.C. § 1127 prior to, during, or as a result of the Confirmation Hearing, without further notice to parties-in-interest.

PLAN OBJECTION DEADLINE.

The Court has fixed **October 16, 2017 at 4:00 p.m. (ET)** (the “Plan Objection Deadline”) as the deadline for filing and serving objections to confirmation of the Plan. To be considered, objections, if any, to the Plan must: (a) be made in writing; (b) comply with the Bankruptcy Code, the Bankruptcy Rules, and the

¹ The last four digits of the Debtor’s federal taxpayer identification number are 8519. The location of the Debtor’s headquarters and the Debtor’s service address is 1900 Crestwood Blvd., Birmingham, AL 35210.

² Terms not defined herein shall have the meanings ascribed to them in the Plan.

Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware; (c) state the name and address of the objecting party and the amount and nature of the claim or interest of such party against or in the Debtor, its estate, or its property; (d) state with particularity the legal and factual bases and nature of any objection to the Plan, including specific reference to the text of the Plan to which the objection is made and, if practicable, proposed modification to the Plan that would resolve such objection; and (e) be filed, together with proof of service, with the Court and served by personal service, overnight delivery, or first class mail, so that they are RECEIVED no later than the Plan Objection Deadline by the following parties (the “Notice Parties”):

<u>Counsel to the Debtor</u> Thomas M. Horan Mark L. Radtke David R. Doyle Shaw Fishman Glantz & Towbin LLC 300 Delaware Ave., Suite 1370 Wilmington, DE 19801	<u>US Trustee</u> Jane M. Leamy, Esq. United States Department of Justice Office of the United States Trustee J. Caleb Boggs Federal Building 844 King Street, Suite 2207, Lockbox 35 Wilmington, DE 19801
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VOTING RECORD DATE.

September 8, 2017 is the record date (the “Voting Record Date”) for purposes of determining which parties are entitled to vote on the Plan.

VOTING DEADLINE.

October 16, 2017 at 4:00 p.m. (ET) is the voting deadline (the “Voting Deadline”). All Ballots must be received by the Voting Agent by the Voting Deadline. Voting instructions will be sent with the ballots.

EXCULPATORY, INJUNCTIVE AND RELEASE PROVISIONS.

The following are summaries of the exculpatory, injunctive and release provisions that the Debtor will be seeking under **Article XII** the Plan:

12.2 INJUNCTION. Except as otherwise expressly provided in this Plan or in the Confirmation Order, on and after the Effective Date, pursuant to section 1141(d) of the Bankruptcy Code, all Entities who have held, hold, or may hold Claims, rights, Causes of Action, liabilities, or any Equity Interests based upon any act or omission, transaction, or other activity of any kind or nature related to the Debtor or the Chapter 11 Case that occurred prior to the Effective Date, regardless of the filing, lack of filing, allowance or disallowance of such a Claim or Equity Interest, and any successors, assigns or representatives of such Entities, shall be precluded and permanently and completely enjoined on and after the Effective Date from (a) the enforcement, attachment, collection, or recovery by any manner of means of any judgment, award, decree, or Order with respect to any Claim, Equity Interest, or any other right or claim against the Debtor, the Reorganized Debtor, or any assets or property of the Debtor or the Reorganized Debtor other than as expressly permitted under this Plan or the Confirmation Order, (b) the creation, perfection, or enforcement of any Lien or other encumbrance of any kind with respect to any Claim, Equity Interest, or any other right or claim against the Debtor, the Reorganized Debtor, or any assets or property of the Debtor or the Reorganized Debtor other than as expressly permitted under this Plan or the Confirmation Order, (c) asserting any right of setoff against any obligation due from the Debtor or against the property or interests in property of the Debtor on account of any such Claim or Equity Interest, other than as expressly permitted under this Plan or the Confirmation Order, (d) asserting any Claims or Equity Interests that are released hereby, (e) acting or proceeding in any manner, in any place whatsoever, that does not comply with or is inconsistent with the provisions of this Plan, the Confirmation Order, or the discharge provisions of section 1141 of the Bankruptcy Code, and (f) taking any actions to interfere with the implementation or consummation of this Plan.

12.3 RELEASES BY THE DEBTOR. EXCEPT AS EXPRESSLY PROVIDED IN THIS PLAN, UPON THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR RELEASEES ARE RELEASED BY THE DEBTOR, THE ESTATE, AND THE REORGANIZED DEBTOR FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS OR CAUSES OF ACTION THAT HAVE BEEN OR COULD HAVE BEEN ASSERTED ON BEHALF OF THE DEBTOR, THE ESTATE, OR THE REORGANIZED DEBTOR, 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 THE DEBTOR OR THE ESTATE, OR ANY PERSON CLAIMING DERIVATIVELY THROUGH OR ON BEHALF OF THE DEBTOR OR THE ESTATE WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR EQUITY INTEREST OR OTHER PERSON, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTOR, THE CHAPTER 11 CASE, THE ESTATE, THE CONDUCT OF THE DEBTOR'S BUSINESS, OR THIS PLAN (OTHER THAN THE RIGHTS OF THE DEBTOR AND THE REORGANIZED DEBTOR TO ENFORCE THIS PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES, INDENTURES, AND OTHER AGREEMENTS OR DOCUMENTS DELIVERED THEREUNDER), EXCEPT FOR ACTS CONSTITUTING FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE AS DETERMINED BY FINAL ORDER.

12.4 RELEASES BY HOLDERS OF CLAIMS (THIRD PARTY RELEASE). AS OF THE EFFECTIVE DATE, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHALL BE DEEMED TO RELEASE, AND FOREVER WAIVE AND DISCHARGE ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION, AND LIABILITIES (OTHER THAN THE RIGHTS TO ENFORCE THE DEBTOR'S OR THE REORGANIZED DEBTOR'S OBLIGATIONS UNDER ANY ORDER OF THE BANKRUPTCY COURT, THIS PLAN AND THE SECURITIES, CONTRACTS, INSTRUMENTS, RELEASES, AND OTHER AGREEMENTS AND DOCUMENTS DELIVERED THEREUNDER), 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, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTOR, THE CHAPTER 11 CASE, OR THIS PLAN AGAINST ANY CREDITOR AND DEBTOR RELEASEE, EXCEPT FOR ACTS CONSTITUTING FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE AS DETERMINED BY A FINAL ORDER; PROVIDED, HOWEVER, AS TO THE CREDITOR RELEASEES, THIS RELEASE SHALL NOT BE BINDING ON ANY HOLDER OF AN EQUITY INTEREST WHO TIMELY SUBMITS A BALLOT TO VOTE AGAINST THE PLAN. FOR THE AVOIDANCE OF DOUBT, HOLDERS OF EQUITY INTERESTS WHO RECEIVE THE DISCLOSURE STATEMENT AND PLAN AND ELECT NOT TO TIMELY RETURN A BALLOT ARE DEEMED TO CONSENT TO THE RELEASES OF THIS SECTION 12.4.

12.5 EXCULPATION AND LIMITATION OF LIABILITY. Except as otherwise provided by this Plan or the Confirmation Order, on the Effective Date, the Debtor and each of its respective current or former members, directors, officers, employees, advisors, attorneys, professionals, agents, partners, stockholders, or any of their successors and assigns who acted or were employed in such capacities during the Chapter 11 Case shall not have or incur and are hereby exculpated from any claims, obligations, rights, Causes of Action, and liabilities for any act or

omission in connection with, or arising out of, the Chapter 11 Case, including, without limiting the generality of the foregoing, the formulation, preparation, dissemination, implementation, confirmation or approval of this Plan, or any compromises or settlements contained therein, the Disclosure Statement related thereto, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in this Plan, except for acts or omissions which constitute fraud, willful misconduct, or gross negligence as determined by Final Order, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan and under the Bankruptcy Code.

PLAN TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

Pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor and any Entity, including, for the avoidance of doubt, the Tax Allocation Agreement, and which have not expired by their own terms on or prior to the Confirmation Date, shall be deemed assumed by the Debtor as of the Effective Date, except for any executory contract or unexpired lease that (i) has been assumed and assigned or rejected pursuant to an Order of the Bankruptcy Court entered prior to the Effective Date or (ii) that is specifically designated as a contract or lease to be assumed or assumed and assigned on the schedules to the Plan Supplement; provided, however, that the Debtor reserves the right, on or prior to the Confirmation Date, to amend such schedules to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be, as the case may be, either rejected, assumed, or assumed and assigned as of the Effective Date. The Debtor shall serve notice of any executory contract and unexpired lease to be rejected or assumed or assumed and assigned through the operation of this Section 6.1 by including schedules of such contracts and leases in the Plan Supplement. To the extent there are any amendments to such schedules, the Debtor shall provide notice of any such amendments to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document on the schedules to the Plan Supplement shall not constitute an admission by the Debtor that such document is an executory contract or an unexpired lease or that the Debtor has any liability thereunder.

COPIES OF SOLICITATION PACKAGE MATERIALS, INCLUDING DISCLOSURE STATEMENT AND PLAN.

The Plan, Disclosure Statement, Disclosure Statement Order, and all other materials in the Debtor's Solicitation Package (other than Ballots) may be obtained by visiting <https://www.donlinrecano.com/triad> or by contacting the Voting Agent in writing at DRCVote@DonlinRecano.com.

Dated: September 8, 2017

**SHAW FISHMAN GLANTZ
& TOWBIN LLC**

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