

**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)

Re: D.I. 484, 497, 498, 499, 509, 515, 516,
and 517

**ORDER (A) APPROVING AMENDED DISCLOSURE STATEMENT; (B)
FIXING THE VOTING RECORD DATE; (C) APPROVING SOLICITATION
AND VOTING PROCEDURES WITH RESPECT TO DEBTOR'S AMENDED
PLAN OF REORGANIZATION; (D) APPROVING FORM OF SOLICITATION
PACKAGE AND NOTICES; AND (E) SCHEDULING CERTAIN DATES IN
CONNECTION THEREWITH**

Upon the motion ("Motion")² of Triad Guaranty Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), seeking entry of an order (a) approving the proposed Amended Disclosure Statement Regarding the Amended Joint Plan of Reorganization of Triad Guaranty Inc. and Wolfgang Holdings LLC Pursuant to Chapter 11 of the Bankruptcy Code (as may be amended or supplemented and including all exhibits and supplements thereto, the "Disclosure Statement") in connection with the proposed Amended Joint Plan of Reorganization of Triad Guaranty Inc. and Wolfgang Holdings LLC (as may be amended or supplemented and including all exhibits and supplements thereto, the "Plan"), (b) fixing a voting record date pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for determining, among other things, the equity interest holders entitled to receive ballots and materials

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 Motion.

necessary for voting on the Plan, as specified in Bankruptcy Rule 3017(d), (c) approving solicitation and voting procedures with respect to the Plan, (d) approving the form of the solicitation package and the notices to be distributed with respect thereto, and (e) scheduling certain dates, including the following: (i) establishing deadlines for filing objections, if any, to the Plan and respective replies thereto; and (ii) establishing the voting deadline to accept or reject the Plan; and the Court having conducted the Disclosure Statement Hearing on September 8, 2017; and the Court having scheduled the Confirmation Hearing for October 31, 2017 at 11:30 a.m. (ET); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due, adequate, and sufficient notice of the Motion, the time fixed for filing objections and the Disclosure Statement Hearing having been given in accordance with Bankruptcy Rules 2002 and 3017; and it appearing that no other notice need be given; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtor, its creditors, its interest holders, and all parties-in-interest; and after due deliberation thereon; and, for the reasons stated in the Motion and based on the record in these cases and at the Disclosure Statement Hearing, and good, adequate and sufficient cause being shown to justify the immediate entry of this Order; and good and sufficient cause appearing therefor, it is hereby:

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted as set forth herein.

2. The Debtor is authorized and empowered to take all actions necessary to effectuate the relief granted pursuant to this Order.

3. The Disclosure Statement complies with section 1125 of the Bankruptcy Code and is hereby approved as containing adequate information, as defined by section 1125(a) of the Bankruptcy Code.

4. Any objections to approval of the Disclosure Statement that were not withdrawn at or prior to the Disclosure Statement Hearing are hereby overruled.

5. The Voting Record Date shall be September 8, 2017, for determining: (a) the interest holders (including “holders of stocks, bonds, debentures, notes and other securities”) entitled to receive the Solicitation Package pursuant to the Solicitation Procedures; (b) the interest holders entitled to vote to accept or reject the Plan; and (c) whether interests have been properly transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of the equity interest.

6. Any objections to the Plan (the “Plan Objections”) must be filed by the Plan Objection Deadline, October 16, 2017 at 4:00 p.m. (ET), and must: (a) be made in writing; (b) comply with the Bankruptcy Code, the Bankruptcy Rules, and the 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 by the following Notice Parties:

<p><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</p>	<p><u>US Trustee</u> Jane M. Leamy 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</p>
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7. The Confirmation Hearing will take place before the Honorable Mary F. Walrath at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Courtroom #4, Wilmington, Delaware 19801, on October 31, 2017 at 11:30 a.m. (ET). The Confirmation Hearing may be adjourned from time to time without notice other than announcement made at the Confirmation Hearing or any adjourned hearing or in the agenda for any such hearing.

8. The Debtor shall file its reply to any timely filed Plan Objections no later than 4:00 p.m. (ET) on October 26, 2017.

9. The Voting Deadline shall be October 16, 2017 at 4:00 p.m. (ET).

10. The Solicitation Procedures outlined in the Motion are hereby approved; provided however, that the Debtor has reserved, subject to Court approval, the right to further amend or supplement the Solicitation Procedures to better facilitate the solicitation process.

11. In particular, and for the avoidance of any doubt, the procedures set forth below and in the Motion are approved with respect to soliciting votes of Beneficial Holders of equity interests in the Debtor.

- a) The Voting Agent shall distribute or cause to be distributed the appropriate number of copies of Ballots to Nominees identified by the Voting Agent as Entities through which Beneficial Holders hold Class 3 Equity Interests as of the Voting Record Date;
- b) Any Nominee that is a holder of record with respect to Class 3 Equity Interests shall solicit votes from Beneficial Holders of such interests by:
 - (i) immediately distributing the Solicitation Package, including Ballots, it receives from the Voting Agent to all such Beneficial Holders;
 - (ii) providing such Beneficial Holders with a return address and envelope to send Ballots; (iii) promptly collecting Ballots from such Beneficial Holders that cast votes on the Plan; (iv) compiling and validating the votes and other relevant information of all such Beneficial Holders on the Master Ballot; and (v) transmitting the Master Ballot to the Voting Agent by the Voting Deadline.
- c) Any Beneficial Holder holding the Class 3 Equity Interests as a Record Holder in its own name shall vote on the Plan by completing and signing a Ballot and returning it directly to the Voting Agent on or before the Voting Deadline;
- d) Any Beneficial Holder holding Class 3 Equity Interests in “street name” through a Nominee must vote on the Plan through such Nominee by completing and signing the Beneficial Ballot and returning such Beneficial Ballot to the appropriate Nominee as promptly as possible and in sufficient time to allow such Nominee to process the Beneficial Ballot and return the Master Ballot to the Notice and Claims Agent prior to the Voting Deadline. Nominees only may return a Master Ballot by email to DRCVote@DonlinRecano.com. Any Beneficial Holder holding Equity Interests in “street name” that submits a Beneficial Ballot to the Debtor, the Debtor’s agents, or the Debtor’s legal advisors will not have such Beneficial Ballot counted for purposes of accepting or rejecting the Plan;
- e) Any Ballot returned to a Nominee by a Beneficial Holder shall not be counted for purposes of accepting or rejecting the Plan until such Nominee properly completes and delivers to the Voting Agent a Master Ballot that reflects the vote of such Beneficial Holders by the Voting Deadline or otherwise validates the Ballot in a manner acceptable to the Voting Agent. Nominees shall retain all Ballots returned by Beneficial Holders for a period of one (1) year after the Effective Date of the Plan;
- f) If a Beneficial Holder holds Interests through more than one Nominee or through multiple accounts, such Beneficial Holder may receive more than one Ballot and each such Beneficial Holder should execute a separate Ballot for each block of Interests that it holds through any Nominee and must return each such Ballot to the appropriate Nominee;

- g) If a Beneficial Holder holds a portion of an Equity Interest through a Nominee or Nominees and another portion in its own name as the record holder, such Beneficial Holder should follow the procedures described herein to vote the portion held in its own name and the procedures described in the rest of this section to vote the portion held by the Nominee(s); and
- h) Beneficial Holders holding Equity Interests through a Nominee must return their paper Beneficial Ballot to their Nominee, unless, at the option of the Nominee, the Nominee instructs their Beneficial Holders that they may relay votes or voting instructions electronically to the Nominee or the entity preparing the Master Ballot on such Nominee's behalf, and Nominees may use their customary procedures for obtaining such votes electronically.

12. The Debtor, or the Voting Agent, shall serve the Solicitation Package on the holders of Class 3 interests (as of the Voting Record Date) following entry of this Order, and no later than September 15, 2017.

13. The procedures for distribution of the Solicitation Package set forth in the Motion, as modified herein, satisfy the requirements of the Bankruptcy Code and the Bankruptcy Rules.

14. The Debtor or Voting Agent may serve the Plan, Disclosure Statement, and the proposed confirmation order by CD-ROM, USB drive, or similar means, without the need to serve paper copies of such documents.

15. The form of the Disclosure Statement Notice, substantially in the form attached hereto as Exhibit 1 is hereby approved.

16. The form of the Confirmation Hearing Notice, substantially in the form attached hereto as Exhibit 2, complies with the requirements of Bankruptcy Rules 2002(b), 2002(c)(3), and 2002(d), and is hereby approved.

17. The forms of the Non-Voting Status Notices, substantially in the forms attached hereto as Exhibit 3 and Exhibit 4, respectively, are hereby approved.

18. The forms of Ballots and voting instructions, substantially in the form attached hereto as Exhibit 5 are hereby approved.

19. All votes to accept or reject the Plan must be cast by using the appropriate Ballot.

20. All Ballots submitted by Record Holders and Nominees must be properly executed, completed and delivered by (a) first class mail; (b) overnight courier; or (c) personal delivery, so that the Ballots are actually received, in any case, by the Voting Agent, no later than the Voting Deadline at the following address:

<p><u>If by First Class Mail:</u></p> <p>Donlin, Recano & Company, Inc., Re: Triad Guaranty Inc. Attn: Voting Department P.O. Box 192016 Blythebourne Station Brooklyn, NY 11219</p>	<p><u>If by Hand Delivery or Overnight Courier:</u></p> <p>Donlin, Recano & Company, Inc., Re: Triad Guaranty Inc. Attn: Voting Department 6201 15th Ave. Brooklyn, NY 11219</p>
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Beneficial Holders shall submit their ballots to their Nominee(s) so that they are received in time to permit the Nominee to transmit such Ballot to the Voting Agent no later than the Voting Deadline.

Nominees only may submit Master Ballots by email to DRCVote@DonlinRecano.com.

21. These rules will apply with respect to the tabulation of Master Ballots cast by Nominees:

- a) votes cast by Beneficial Holders through Nominees will be applied to the applicable positions held by such Nominees in Class 3, as of the Voting Record Date, as evidenced by the applicable records. Votes submitted by a

Nominee, whether pursuant to a Master Ballot, will not be counted in excess of the amount of such Interests held by such Nominee as of the Voting Record Date;

- b) if conflicting votes or “over-votes” are submitted by a Nominee, whether pursuant to a Master Ballot, the Debtors will use reasonable efforts to reconcile discrepancies with the Nominees;
- c) if over-votes on a Master Ballot are not reconciled prior to the preparation of the vote certification, the Debtors shall apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and to reject the Plan submitted on the Master Ballot that contained the over-vote, but only to the extent of the Nominee’s position in Class 3; and
- d) a single Nominee may complete and deliver to the Notice and Claims Agent multiple Master Ballots. Votes reflected on multiple Master Ballots will be counted, except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the last-dated valid Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior dated Master Ballot.

22. The Debtor shall be excused from giving notice or providing service of any kind upon any person or entity to whom the Debtor mailed a notice regarding the Disclosure Statement Hearing and received any of such notice returned by the United States Postal Service marked “undeliverable as addressed,” “moved – left no forwarding address,” or “forwarding order expired,” or similar reason, unless the Debtor has been informed in writing by such person or entity of that person’s or entity’s new address; and the Debtor shall be excused from re-mailing such Solicitation Package, or other notices, as the case may be, to those entities whose addresses differ from the addresses in the claims register or the Debtor’s records as of the Voting Record Date, except to the extent that a Solicitation Package is returned with a forwarding address listed. If a creditor has changed its mailing address after entry of this Disclosure Statement Order, the burden shall be on the interest holder or party-in-interest to advise the Voting Agent and the Debtor of the new address.

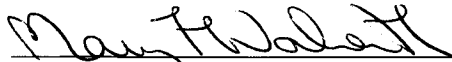
23. The terms of this Order shall be binding upon the Debtor, all creditors and interest holders of the Debtor, and any trustees appointed in these proceedings or any trustees appointed in any subsequent proceedings under chapter 7 or chapter 11 of the Bankruptcy Code relating to the Debtor, and all other parties-in-interest.

24. All time periods set forth in this Order shall be calculated in accordance with Fed. R. Bankr. P. 9006(a).

25. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

26. Notwithstanding any Bankruptcy Rule to the contrary, this Order shall be immediately effective and enforceable upon its entry.

Dated: September 8, 2017



The Honorable Mary F. Walrath
United States Bankruptcy Judge