

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re:	) Chapter 11
	)
RCS CAPITAL CORPORATION, <u>et al.</u> ,	) Case No. 16-10223 (MFW)
	)
	) Jointly Administered
	)
Reorganized Debtors. <sup>1</sup>	) Ref. Docket No. <u>1086</u> & <u>1098</u>
	)

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**ORDER ESTABLISHING THE DISPUTED CLAIMS RESERVE IN  
CONNECTION WITH THE FOURTH AMENDED JOINT PLAN OF REORGANIZATION  
FOR RCS CAPITAL CORPORATION AND ITS AFFILIATED DEBTORS UNDER  
CHAPTER 11 OF THE BANKRUPTCY CODE**

Upon the *Creditor Trust's Motion for Order Establishing the Disputed Claims Reserve in Connection with the Fourth Amended Joint Plan of Reorganization for RCS Capital Corporation and Its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code* dated February 14, 2017 (the "Motion")<sup>2</sup> seeking entry of an order establishing a disputed claims reserve (the "Disputed Claims Reserve") for disputed claims in Class 5 (collectively, the "Disputed General Unsecured Claims") in connection with distributions to be made under the *Fourth Amended Joint Plan of Reorganization for RCS Capital Corporation and Its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 745] (as may be amended, the "Plan"); and the Court having subject matter jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice

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<sup>1</sup> The "Reorganized Debtors" in these chapter 11 cases, along with the last four digits of their respective federal tax identification numbers, are: RCS Capital Corporation n/k/a Aretex Group, Inc. (4716); American National Stock Transfer, LLC (3206); Braves Acquisition, LLC (6437); DirectVest, LLC (9461); J.P. Turner & Company Capital Management, LLC (7535); RCS Advisory Services, LLC (4319); RCS Capital Holdings, LLC (9238); Realty Capital Securities, LLC (0821); SBSI Insurance Agency of Texas, Inc. (9203); SK Research, LLC (4613); Trupoly, LLC (5836); We R Crowdfunding, LLC (9785). The Reorganized Debtors' corporate headquarters and mailing address is located at 200 North Sepulveda Blvd., Suite 1200, El Segundo, CA 90245 Attn: Legal Department.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

of the Motion having been provided, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors' estates and creditors, and the Court having reviewed the Motion, including the Jacobs Declaration, and having heard the statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.
2. For the sole purpose of establishing the Disputed Claims Reserve for Series A-1 Class A Units, the Creditor Trust is authorized to reserve Series A-1 Class A Units in an amount as if all Disputed General Unsecured Claims were allowed in an aggregate amount not exceeding \$64 million.
3. The Disputed Claims Reserve as set forth in the Motion is approved in all respects.
4. Holders of Disputed General Unsecured Claims that become Allowed General Unsecured Claims shall only be entitled to receive their share of the Series A-1 Class A Units from the Disputed Claims Reserve based on the Allowed amount of their General Unsecured Claims, and in no event shall the claimants have any recourse to the Creditor Trust, the Reorganized Debtors, or the Debtors' estates.
5. Before the Creditor Trust issues Series A-1 Class A Units from the Disputed Claims Reserve to any holder of a formerly Disputed General Unsecured Claim that has become Allowed, the Creditor Trust shall file a notice on the Court's docket indicating the

Creditor Trust's intent to issue such Units (each, a "Notice") and serve such Notice on the holders of Disputed General Unsecured Claims. Parties-in-interest shall have fourteen (14) days from the filing of the Notice to object to the issuance of such Series A-1 Class A Units from the Disputed Claims Reserve. If no objections are received by the deadline, the Creditor Trust shall be authorized to issue the Units from the Disputed Claims Reserve. If an objection is received and the parties are unable to reach a resolution, a hearing shall be held on the matter at a date and time to be determined by the Trust Administrator, in his discretion, subject to the Court's availability.

6. Pursuant to Section 6.11(h) of the Plan, to the extent the Creditor Trust Administrator determines that any Series A-1 Class A Units in the Disputed Claims Reserve are not necessary for the satisfaction of Disputed General Unsecured Claims, the Creditor Trust Administrator may cancel such Series A-1 Class A Units, and distribute the Creditor Trust Assets in the Disputed Claims Reserve in respect thereof to the holders of the Series A-1 Class A Units then outstanding. Once all Disputed General Unsecured Claims have been resolved, any assets remaining in the Disputed Claims Reserve shall be distributed to the holders of Series A-1 Class A Units then outstanding, and any remaining Series A-1 Class A Units held in the Disputed Claims Reserve shall be canceled.

7. Nothing herein or in the Motion, nor any action by the Creditor Trust to implement this Order, shall constitute an admission of the validity, nature, amount or priority of any Disputed Claim.

8. The Creditor Trust is authorized to take any and all actions that are necessary or appropriate to establish and administer Disputed Claims Reserve consistent with the terms of the Plan and the Confirmation Order and to implement the terms of this Order.

9. The establishment of the Disputed Claims Reserve is without prejudice to the rights, defenses, and objections of the Creditor Trust and/or the Reorganized Debtors to the

merits of the Disputed General Unsecured Claims. The Creditor Trust and this Court are not making a determination that the Creditor Trust, the Debtors' estates, or the Reorganized Debtors are liable on account of the Disputed General Unsecured Claims in any amount. Nothing set forth in the Motion or this Order shall be admissible against the Creditor Trust or the Reorganized Debtors in any proceeding in connection with the litigation or liquidation of the Disputed General Unsecured Claims that have not yet been allowed.

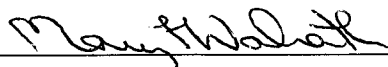
10. The rights of the Creditor Trust to object to, and defend against, the Disputed General Unsecured Claims are fully preserved.

11. The establishment of the Disputed Claims Reserve is without prejudice to the ability of the Creditor Trust to seek relief from the Court to disallow any Disputed General Unsecured Claims or to fix the allowed amount of any Disputed General Unsecured Claims in accordance with the Plan, the Bankruptcy Code, or the prior orders of this Court.

12. The Disputed General Unsecured Claims remain "Disputed" as defined in the Plan and shall remain so unless and until they are disallowed or become "Allowed" as defined in the Plan.

13. This Court shall retain jurisdiction to resolve all matters relating to the implementation of this Order.

Dated: March 6, 2017  
Wilmington, Delaware

  
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The Honorable Mary F. Walrath  
United States Bankruptcy Judge