



ORDERED in the Southern District of Florida on September 03, 2010.

**Paul G. Hyman, Chief Judge
United States Bankruptcy Court**

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov**

In re: Chapter 11
PALM BEACH FINANCE PARTNERS, L.P., Case No. 09-36379-BKC-PGH
a Delaware limited partnership, *et al.*,¹
Debtors. (Jointly Administered)

**ORDER (I) APPROVING SECOND AMENDED DISCLOSURE STATEMENT FILED
BY PLAN PROPONENTS BARRY MUKAMAL, CHAPTER 11 TRUSTEE OF THE
DEBTORS AND GEOFFREY VARGA, AS JOINT OFFICIAL LIQUIDATOR OF PALM
BEACH OFFSHORE, LTD. AND PALM BEACH OFFSHORE II, LTD.;**
(II) SETTING HEARING ON CONFIRMATION OF PLAN;
(III) SETTING HEARING ON FEE APPLICATIONS;
(IV) SETTING VARIOUS DEADLINES; AND
(V) DESCRIBING PLAN PROPONENTS' OBLIGATIONS

CONFIRMATION HEARING AND HEARING ON FEE APPLICATIONS:

OCTOBER 19, 2010 at 9:30 AM

¹The address and last four digits of the taxpayer identification number for each of the Debtors follows in parenthesis: (i) Palm Beach Finance Partners, L.P., 3601 PGA Blvd, Suite 301, Palm Beach Gardens, FL 33410 (TIN 9943); and (ii) Palm Beach Finance II, L.P., 3601 PGA Blvd, Suite 301, Palm Beach Gardens, FL 33410 (TIN 0680).

LOCATION:

United States Bankruptcy Court
1515 North Flagler Drive
Room 801, Courtroom A
West Palm Beach, Florida 33401

PROPONENTS' DEADLINE FOR SERVING THIS ORDER,
DISCLOSURE STATEMENT, PLAN, AND BALLOT:

September 9, 2010 (40 days before Confirmation Hearing)

DEADLINE FOR OBJECTIONS TO CLAIMS:

November 1, 2011 (1 year after Effective Date of Confirmed Plan)

DEADLINE FOR FEE APPLICATIONS:

September 28, 2010 (21 days before Confirmation Hearing)

PROPONENTS' DEADLINE FOR SERVING NOTICE OF FEE APPLICATIONS:

October 5, 2010 (14 days before Confirmation Hearing)

DEADLINE FOR OBJECTIONS TO CONFIRMATION:

October 5, 2010 (14 days before Confirmation Hearing)

DEADLINE FOR FILING BALLOTS ACCEPTING OR REJECTING PLAN:

September 29, 2010 (20 days before Confirmation Hearing)

DEADLINE FOR FILING MOTIONS TO ESTIMATE CLAIMS FOR VOTING PURPOSES:

October 5, 2010 (14 days before Confirmation Hearing if Objection
to Claims filed 30 days before Confirmation Hearing)

PROPONENTS' DEADLINE FOR FILING
PROPONENTS' REPORT AND CONFIRMATION AFFIDAVIT:

October 14, 2010 (3 business days before Confirmation Hearing)

DEADLINE TO FILE APPLICATIONS FOR ALLOWANCE OF ADMINISTRATIVE
EXPENSE CLAIMS:

December 20, 2010 (60 days after Effective Date of Confirmed Plan)

The Court conducted a hearing on August 31, 2010 to consider approval of the Disclosure Statement, as amended, filed by Plan Proponents Barry Mukamal, as Chapter 11 Trustee of the Debtors and Geoffrey Varga, as Joint Official Liquidator of Palm Beach Offshore, Ltd. and Palm Beach Offshore II, Ltd. (the "Plan Proponents"). The Plan Proponents filed a Disclosure Statement on July 26, 2010 [ECF NO. 191], which was amended by the filing of an Amended Disclosure Statement on August 27, 2010 [ECF NO. 231], which was further amended as announced by the Plan Proponents at the hearing in that a Second Amended Joint Plan would be substituted as Exhibit "A" to the Amended Disclosure Statement and reflected on the record as required by the Court by way of the Plan Proponents' filing of redlines showing the modifications made [ECF NO. 247] and culminating in the filing of the Second Amended Disclosure Statement filed on September 3, 2010 [ECF NO. 246] (the "Disclosure Statement"). The Disclosure Statement contains "adequate information" regarding the Second Amended Joint Plan of Liquidation filed by the Plan Proponents ("Plan") in accordance with 11 U.S.C. § 1125(a). Therefore, pursuant to 11 U.S.C. § 1125(b) and Bankruptcy Rule 3017(b), the Disclosure Statement is approved.

This Order sets a hearing to consider confirmation of the Plan ("Confirmation Hearing"), a hearing on fee applications and sets forth the deadlines and requirements relating to confirmation provided in the Bankruptcy Code, Bankruptcy Rules and Local Rules of this Court.

1. HEARING TO CONSIDER CONFIRMATION OF PLAN

The Court has set a hearing to consider confirmation of the Plan for the date and time indicated above as "CONFIRMATION HEARING". The Confirmation Hearing may be continued to a future date by notice given in open Court at the Confirmation Hearing.

2. DEADLINE FOR FILING AND HEARING ON FEE APPLICATIONS

The last day for filing and serving fee applications is indicated above as "DEADLINE FOR FEE APPLICATIONS". All prospective applicants for compensation, including attorneys,

accountants and other professionals, shall file applications which include actual time and costs, plus an estimate of additional time and costs to be incurred through confirmation. In this case, the deadline for the filing and serving of fee applications only pertains to the Chapter 11 Trustee's counsel (Meland Russin & Budwick, P.A.), the Chapter 11 Trustee's accountant (MarcumRachlin), the Chapter 11 Trustee's local counsel in Minnesota (Parker Rosen LLC) and the Chapter 11 Trustee (Barry Mukamal). At or prior to confirmation, said applicants must file a supplement with documentation supporting the estimated time and costs. Fee applications shall be timely filed with the Court and served (with all exhibits, including documentation of estimated time) on (i) the Debtors; (ii) the Plan Proponents (if other than the Debtors); (iii) any Committees that have been appointed; (iv) any Chapter 11 Trustee or Examiner that has been appointed; and (v) the U.S. Trustee.

Fee applications will be set for hearing together with the Confirmation Hearing. The Plan Proponents shall serve notice of all fee applications pursuant to paragraph 6 below. The Plan Proponents shall file a certificate of service as required under Local Rule 2002-1(F).

3. DEADLINE FOR OBJECTIONS TO CONFIRMATION

The last day for filing and serving objections to confirmation of the Plan is indicated above as "DEADLINE FOR OBJECTIONS TO CONFIRMATION". Objections to confirmation shall be filed with the Court and served on (i) the Debtors; (ii) the Plan Proponents (if other than the Debtors); (iii) any Committees that have been appointed; (iv) any Chapter 11 Trustee or Examiner that has been appointed; and (v) the U.S. Trustee.

4. DEADLINE FOR FILING BALLOTS ACCEPTING OR REJECTING PLAN

The last day for filing a ballot accepting or rejecting the Plan is indicated above as "DEADLINE FOR FILING BALLOTS ACCEPTING OR REJECTING PLAN". All parties entitled to vote should receive a ballot from the Plan Proponents by U.S. Mail pursuant to paragraph 6(A) of

this Order. If you receive a ballot but your entire claim has been objected to, you will NOT have the right to vote until the objection is resolved, unless you request an Order under Bankruptcy Rule 3018(a) temporarily allowing your claim for voting purposes. Specifically, in accordance with the section above titled "DEADLINE FOR FILING MOTIONS TO ESTIMATE CLAIMS FOR VOTING PURPOSES", if an objection to your claim has been filed up to 30 days before the Confirmation Hearing, then you may file a motion to estimate your claim for voting purposes no later than 14 days before the Confirmation Hearing, upon which the Court will schedule an expedited hearing on your motion so that it is determined as soon as possible prior to the Confirmation Hearing. If objections to claims are not filed 30 days before the Confirmation Hearing, they may only be filed after the Confirmation Hearing through the deadline indicated above in the section titled "DEADLINE FOR OBJECTIONS TO CLAIMS." If an objection to your claim is filed up to 30 days before the Confirmation Hearing and you do not file a motion to estimate your claim for voting purposes at least 14 days before the Confirmation Hearing, the Court will not estimate your claim and you will NOT have the right to vote.

THE PLAN SEEKS THIRD PARTY RELEASES, INJUNCTIVE RELIEF AND EXCULPATORY RELIEF AND, AS SUCH, YOUR RIGHTS MAY BE AFFECTED BY CONFIRMATION OF THE PLAN. IF YOU FAIL TO VOTE TO ACCEPT OR REJECT THE PLAN AND THE COURT CONFIRMS THE PLAN, YOU WILL BE BOUND BY THE TERMS OF THE PLAN, WHICH INCLUDE: (I) A RELEASE AND WAIVER OF CLAIMS AGAINST KAUFMAN ROSSIN AS SET FORTH IN THE KAUFMAN ROSSIN SETTLEMENT AGREEMENT ATTACHED TO THE PLAN AS SCHEDULE 1.45 AND DESCRIBED IN ARTICLE 11.3 OF THE PLAN; AND (II) THE EXCULPATION AND INJUNCTION PROVISIONS SET FORTH IN ARTICLES 11.4 AND 11.5 OF THE PLAN.

THE KAUFMAN ROSSIN SETTLEMENT AGREEMENT AND ARTICLES 11.3, 11.4 AND 11.5 OF THE PLAN MAY IMPACT THE RIGHTS OF CLAIMANTS WHO HAVE OR HAVE NOT ASSERTED THEIR CLAIM IN THIS CASE.

5. DEADLINE FOR OBJECTIONS TO CLAIMS

The last day for filing and serving objections to claims is indicated above as “DEADLINE FOR OBJECTIONS TO CLAIMS”. All objections to claims must be filed before this date unless the deadline is extended by further Order.

6. PLAN PROPONENT'S OBLIGATIONS

(A) On or before the date indicated above as “PROPONENTS’ DEADLINE FOR SERVING THIS ORDER, DISCLOSURE STATEMENT, PLAN, AND BALLOT” the Plan Proponents shall serve a copy of this Order, the approved Disclosure Statement (with all amendments, if amendments were announced by the Plan Proponents or required by the Court at the disclosure hearing), and the Plan on all creditors, all equity security holders, and all other parties in interest, as required by the Bankruptcy Rules (including those entities as described in Bankruptcy Rule 3017(f)) and the Local Rules, including those listed on a “Master Service List” required to be filed pursuant to Local Rules 2002-1(H). At the time of serving this Order, the Local Form “Ballot and Deadline for Filing Ballot Accepting or Rejecting Plan”, customized as required by Local Rule 3018-1, or as otherwise approved by the Court, shall be served via U.S. Mail on all creditors and equity security holders entitled to vote on the Plan. The Plan Proponents shall file a certificate of service as required under Local Rule 2002-1(F).

(B) On or before the date indicated above as “PROPONENTS’ DEADLINE FOR SERVING NOTICE OF FEE APPLICATIONS”, the Plan Proponents shall serve a notice of hearing of all fee applications, identifying each applicant and the amounts requested. The notice shall be served on all creditors, all equity security holders, and all other parties in interest as required by the

Bankruptcy and Local Rules, including those listed on a "Master Service List" required to be filed pursuant to Local Rules 2002-1(H). The Plan Proponents shall file a certificate of service as required under Local Rule 2002-1(F).

(C) On or before 5:00 p.m. on the date indicated above as "PROPONENTS' DEADLINE FOR FILING PROPONENTS' REPORT AND CONFIRMATION AFFIDAVIT", the Plan Proponents shall file with the Court the Local Form "Certificate of Proponent of Plan on Acceptance of Plan, Report on Amount to be Deposited, Certificate of Amount Deposited and Payment of Fees," and the Local Form "Confirmation Affidavit". The "Confirmation Affidavit" shall set forth the facts upon which the Plan Proponents rely to establish that each of the requirements of 11 U.S.C. § 1129 are satisfied. The Confirmation Affidavit should be prepared so that by reading it, the Court can easily understand the significant terms of the Plan and other material facts relating to confirmation of the Plan. The individual executing the "Confirmation Affidavit" shall be present at the Confirmation Hearing.

If the Plan Proponents do not timely comply with any of the requirements of this Order, the Court may impose sanctions at the Confirmation Hearing without further notice including dismissal, conversion of the case to chapter 7, or the striking of the Plan. The Court will also consider dismissal or conversion at the Confirmation Hearing at the request of any party or on the Court's own motion.

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Submitted By:

Michael S. Budwick, Esquire

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MELAND RUSSIN & BUDWICK, P.A.

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Copies Furnished To:

Michael S. Budwick, Esquire is directed to serve copies of this Order on all interested parties and to file a certificate of service.