

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11

BAYOU GROUP, LLC, et al.,¹ : Case No.: 06-22306 (RDD)
: :
Debtors. : Jointly Administered
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ORDER: (I) AUTHORIZING, BUT NOT DIRECTING, FINAL DISTRIBUTION, (II) APPROVING TERMINATION BUDGET AND RELATED PROFESSIONAL FEES, (III) AUTHORIZING THE REORGANIZED DEBTORS TO COMPLETE CERTAIN ADMINISTRATIVE TASKS, (IV) APPROVING ENTRY OF A FINAL DECREE CLOSING THE CHAPTER 11 CASES, (V) APPROVING RELEASES; (VI) APPROVING TERMINATION OF GARDEN CITY GROUP, INC. AS CLAIMS AGENT, (VII) APPROVING THE FORM AND MANNER OF NOTICE OF THE MOTION, AND (VIII) RETAINING JURISDICTION; AND GRANTING RELATED RELIEF

This matter having come before the Court on the motion, dated April 17, 2014 (the “**Motion**”),² filed by the Reorganized Debtors seeking entry of a final decree and order, pursuant to 11 U.S.C. §§ 105(a) and 350(a), and Federal Rule of Bankruptcy Procedure 3022, (i) authorizing, but not directing, Final Distribution, (ii) approving a Termination Budget, including related professional fees contained therein, (iii) authorizing the Reorganized Debtors to complete certain outstanding administrative tasks following entry of the Final Distribution Order, (iv) approving entry of a final decree closing the Chapter 11 Cases that remain open, subject to completion of the Final Distribution and other administrative tasks set forth herein, (v) releasing

¹ Prior to confirmation of the Plan, the Debtors consisted of Bayou Group, LLC (“**Bayou Group**”), Bayou Management, LLC (“**Bayou Management**”), Bayou Advisors, LLC (“**Bayou Advisors**”), Bayou Equities, LLC (“**Bayou Equities**,” and together with Bayou Group, Bayou Management, and Bayou Advisors, the “**Bayou Non-Fund Debtors**”), Bayou Fund, LLC (“**Bayou Fund**”), Bayou Superfund, LLC (“**Bayou Superfund**”), Bayou No Leverage Fund, LLC (“**Bayou No Leverage**”), Bayou Affiliates Fund, LLC (“**Bayou Affiliates**”), and Bayou Accredited Fund, LLC (“**Bayou Accredited**,” and together with Bayou Fund, Bayou Superfund, Bayou No Leverage, and Bayou Affiliates, the “**Bayou Hedge Funds**”). Pursuant to the Plan, the Bayou Non-Fund Debtors were deemed merged into Bayou Management and the Bayou Hedge Funds were deemed merged into Bayou Superfund.

² Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion or in the Plan.

the Litigation Trustee, the Litigation Trusts and the Post-Effective Date Committee, as contemplated by the Plan and the related documents, (vi) approving termination of The Garden City Group, Inc. (“GCG”) as claims and noticing agent, (vii) approving the form and manner of notice of the Motion, and (viii) retaining jurisdiction to enforce or interpret its own orders pertaining to the Chapter 11 Cases including, but not limited to, the Plan, the Confirmation Order, and the Final Distribution Order; and upon the record of and the representations made at the hearing held on the Motion on May 13, 2014; and this Court having determined that the relief requested in the Motion and granted herein is in the best interests of the Debtors, their estates, their creditors, the beneficiaries of the Litigation Trusts and other parties-in-interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:

- A.** The predicates for the relief requested herein are Bankruptcy Code sections 105(a) and 350(a), Bankruptcy Rule 3022, and the Plan;
- B.** Notice of the Motion and the proposed Final Distribution Order in the manner described in the Motion was good and sufficient under the particular circumstances and no other or further notice need be given;
- C.** A reasonable opportunity to object and be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities;
- D.** The Final Distribution, as described in the Motion, satisfies the requirements of the Plan, the Confirmation Order, and the Trust Agreements;

E. Upon completion of the Final Distribution and the administrative tasks set forth in the Motion, the Debtors' estates will have been fully administered within the meaning of 11 U.S.C. § 350 and in accordance with the Plan;

F. Upon completion of the Final Distribution and the administrative tasks set forth in the Motion, the Released Parties will have each fulfilled their obligations under the Plan;

G. Good cause exists to dissolve the Reorganized Debtors in the Open Cases, to terminate the Litigation Trusts, and upon entry of the final decree, to discharge and release the Released Parties;

H. The Litigation Trusts will automatically terminate upon full administration and distribution of the Litigation Trusts' assets;

I. The relief granted herein is in the best interests of the Reorganized Debtors, their estates, their creditors, and other parties in interest; and, therefore, it is hereby

ORDERED, DECREED AND ADJUDGED THAT:

1. The Motion is granted in its entirety.
2. The Reorganized Debtors are authorized, but not directed, to carry out the Final Distribution.
3. The Litigation Trustee is authorized to pay the full amounts requested in the monthly statements of fees and expenses prepared by professionals retained by the Litigation Trustee and the Post-Effective Date Committee for the period January 1, 2014, through and including February 28, 2014, without further order of this Court.
4. The Termination Budget attached hereto as Exhibit 1 is approved, and the Litigation Trustee is hereby authorized to make all payments and distributions in accordance with the Termination Budget.

5. The Reorganized Debtors are authorized to complete all outstanding administrative tasks after entry of this Order, including dissolution of the Reorganized Debtors in the Open Cases in accordance with section 6.5 of the Plan and applicable law, termination of the Litigation Trusts in accordance with Article 9 of the Trust Agreements (including the donation of any Unclaimed Distributions and any unapplied funds under the Termination Budget to a charitable organization in accordance with section 9.2(b) of the Trust Agreements and as set forth in the Motion), the filing of tax returns and payment of any taxes, United States Trustee fees, professional fees, and other administrative costs.

6. The Reorganized Debtors are authorized to file an application for a Final Decree upon notice of presentment, with notice to (i) the Post-Effective Date Committee and (ii) the United States Trustee.

7. Upon entry of the Final Decree, the Litigation Trustee, Litigation Trusts and Post-Effective Date Committee, as well as any of their respective representatives, members, officers, directors, shareholders, employees, advisors, attorneys, affiliates, or agents acting in such capacity (the “**Released Parties**”) are forever exculpated by all Persons, including all holders of Claims against and interests in the Debtors and the Debtors’ estates, and parties-in-interest to the Debtors’ Chapter 11 Cases, and each of the Released Parties is hereby released and discharged to the fullest extent permissible under applicable law from any and all claims that (a) have been, could have been, or which may in the future be asserted against any of the Released Parties for any act or omission occurring through the date of entry of the Final Decree in these Chapter 11 Cases, and (b) relate to the Debtors, the Reorganized Debtors, the Litigation Trusts, the Plan, the Confirmation Order or the Chapter 11 Cases, including, without limitation, any claims relating to or arising out of the implementation or administration of the Plan, the actions or omissions of

any of the Released Parties after the date of confirmation of the Plan, the assets or liabilities of the Debtors, the Reorganized Debtors, or the Litigation Trusts, or the responsibilities or obligations of any of the Released Parties with respect to the Plan, the Confirmation Order, the Litigation Trusts, the Debtors, or the Reorganized Debtors (collectively, the “**Released Claims**”); *provided, however*, that nothing herein shall be construed to release any of the Released Parties from claims for fraud, willful misconduct, gross negligence or criminal conduct; *provided further, however*, that no party may assert a claim relating to the Released Parties’ fraud, willful misconduct, gross negligence or criminal conduct in connection with the Released Claims without further order of this Court. Upon entry of the Final Decree, the Released Parties shall be expressly discharged from any further obligation or responsibility to take any additional action in connection with the administration of the Debtors’ estates.

8. Upon entry of the final decree, GCG shall (a) prepare final claims registers for the Clerk’s Office pursuant to the guidelines for implementing 28 U.S.C. § 156(c) and (b) box and transport all claims to the Federal Archives, at the direction of the Clerk’s Office. Such services will be covered by GCG’s flat fee set forth in the Termination Budget.

9. Except as expressly provided herein, upon entry of the Final Decree, GCG is released as claims and noticing agent in the Chapter 11 Cases under Bankruptcy Rule 2002, 28 U.S.C. § 156(c) and this Court’s November 14, 2008, order appointing GCG as claims, noticing, and balloting agent and authorizing the transition of services from the Debtors’ former claims agent, Wells Fargo Trumbull, to GCG [Docket No. 976].

10. This Order shall be promptly served by the Reorganized Debtors upon (i) the United States Trustee, (ii) counsel for the Post-Effective Date Committee, (iii) all known beneficiaries of the Litigation Trusts, (iv) the Internal Revenue Service, (v) any known taxing

authorities of the Reorganized Debtors, and (vi) all entities who have filed a notice of appearance or request for service of papers pursuant to Bankruptcy Rule 2002. Copies of this Order shall also be made available on the claims agent's website, <http://www.bayoubankruptcy.com>.

11. This Court shall retain jurisdiction to enforce or interpret its own orders pertaining to the Chapter 11 Cases including, but not limited to, the Plan, the Confirmation Order, and this Order.

Dated: May 13, 2014
White Plains, New York

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Termination Budget

In re Bayou Group, LLC
Termination Budget
January 2014 – September 2014

		Unpaid 2013 Fees	January 2014	February 2014	March 2014 Through Entry of Final Decree (Flat Fee)	TOTAL
<i>Professional Fees:</i>						
Dechert LLP	Counsel for the Reorganized Debtors and Litigation Trusts	\$3,626.90	\$28,503.30	\$20,524.20	\$90,000.00	\$142,654.40
Klestadt & Winters, LLP	Conflicts Counsel for the Reorganized Debtors and Litigation Trusts	\$1,571.31	\$0.00	\$0.00	\$0.00	\$1,571.31
Solic Capital	Financial Advisors for the Reorganized Debtors and Litigation Trusts	\$0.00	\$0.00	\$0.00	\$12,000.00	\$12,000.00
Paritz & Company, P.A.	Accountants for the Reorganized Debtors and Litigation Trusts	\$10,669.80	\$0.00	\$0.00	\$45,000.00	\$55,669.80
K&L Gates, LLP	Litigation Counsel for the Post- Effective Date Committee	\$6,701.35	\$6,257.46	\$2,525.85	\$60,000.00	\$75,484.66
<i>Total</i>		\$22,569.36	\$34,760.76	\$23,050.05	\$207,000.00	\$287,380.17
Professional Fees		\$22,569.36	\$34,760.76	\$23,050.05	\$207,000.00	\$287,380.17
Garden City Group, Inc.	Claims and Noticing Agent	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00
Litigation Trustee Fees		\$0.00	\$0.00	\$0.00	\$120,000.00	\$120,000.00
United States Trustee Fees	<i>Bayou Superfund LLC</i>	\$0.00	\$0.00	\$0.00	\$31,375.00	\$31,375.00
<i>(based on expected disbursements)</i>	<i>Bayou Management, LLC</i>	\$0.00	\$0.00	\$0.00	\$7,475.00	\$7,475.00
	<i>Bayou Group, LLC</i>	\$0.00	\$0.00	\$0.00	\$975.00	\$975.00
TOTAL		\$22,569.36	\$34,760.76	\$23,050.05	\$369,325.00	\$449,705.17

	<i>Approximate assets as of the date of the Motion</i>	<i>Termination Budget</i>	<i>Estimated to be available for Final Distribution</i>
Bayou Hedge Funds Litigation Trust	\$14,407,225.76	(\$441,255.17)	\$13,965,970.59
Bayou Management Litigation Trust	\$1,260,558.88	(\$8,450.00)	\$1,252,108.88