

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

AGT WIND DOWN ACQUISITION LLC, *et al.*,

Case No. 09-12889 (REG)

Debtors.

(Jointly Administered)

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**ORDER APPROVING (I) DISCLOSURE STATEMENT, (II) FORM OF AND  
MANNER OF NOTICES, (III) FORM OF BALLOTS AND (IV) SOLICITATION  
MATERIALS AND SOLICITATION PROCEDURES**

Upon the motion of AGT Wind Down Acquisition LLC, *et al.*, the jointly administered debtors and debtors-in-possession (the “Debtors”)<sup>1</sup> and the Official Committee of Unsecured Creditors (the “Committee” and collectively together with the Debtors the “Applicants”), for entry of an order approving (i) the first modified disclosure statement (the “Disclosure Statement”) for the First Modified Plan of Liquidation of the Debtors dated March 17, 2010 (the “Plan”),<sup>2</sup> (ii) the form and manner of notices, (iii) the form of ballots and (iv) the solicitation materials and solicitation procedures (the “Motion”); and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 11 U.S.C. § 158(a); and a hearing on the approval of the Disclosure Statement having been held on March 18, 2010 (the “Hearing”);

NOW, THEREFORE, the Court hereby finds as follows:

A. The Disclosure Statement complies with the requirements of the Bankruptcy Code and the Bankruptcy Rules and contains adequate information as such term is defined in section 1125 of the Bankruptcy Code.

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<sup>1</sup> The Debtors in these cases are: AGT Acquisition Wind Down LLC, Sports & Fitness Ventures LLC, AGT Services Wind Down LLC, CFI Wind Down, LLC, AGT Atlanta Wind Down LLC, CFI Georgia Wind Down, LLC, CFI Atlanta Wind Down, LLC, AGT Crunch Chicago LLC, Crunch CFI GW, LLC, AGT Los Angeles Wind Down LLC, AGT Union Street LLC, AGT Miami Wind Down LLC, AGT New York Wind Down LLC, Fort Greene Sports Club, LLC, Hauppauge Sports Club, LLC, CFI New York Wind Down, LLC, Park Slope Sports Club, LLC, 113 4th Sports Club, LLC, AGT San Francisco Wind Down LLC, CFI San Francisco Wind Down, LLC, AGT Washington D.C. Wind Down LLC, and The Silver Springs Sports Club, L.L.C.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

B. Proper and adequate notice of the time fixed for filing objections to the Disclosure Statement and the Hearing on approval of the Disclosure Statement has been given to all parties in interest.

C. The solicitation procedures proposed in the Motion are fair and reasonable.

ACCORDINGLY, after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED that the Motion is granted to the extent set forth herein; and it is further

ORDERED that the Disclosure Statement is hereby approved; and it is further

ORDERED that the Debtors are authorized to (i) make non-material changes to the Disclosure Statement and related documents (including, without limitation, the exhibits thereto) and (ii) revise the Disclosure Statement and related documents (including, without limitation, the exhibits thereto) to add further disclosure concerning events occurring at or after the Hearing, prior to distributing it to each entity whose Claim against the Debtors are impaired and is entitled to vote on the Plan; and it is further

ORDERED that the Confirmation Hearing will be held in the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton U.S. Custom House, Room **621**, One Bowling Green, New York, New York 10004, on **May 20, 2010** at **11:00 a.m.** (prevailing Eastern time); and it is further

ORDERED that objections or proposed modifications, if any, to the Plan must (i) be in writing, (ii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party, (iii) state with particularity the basis and nature of any objection or proposed modification, and (iv) comply with the Bankruptcy Rules and the Local Rules to be filed with the Clerk of the Court, with a copy delivered to Chambers, and served so as to be received by (a) counsel to the Debtors, (b) counsel to the Creditors' Committee and (c) the United States Trustee no later than 4:00 p.m. (prevailing Eastern time) on the date that is seven (7) days prior to the date of the Confirmation Hearing (the "Plan Objection Deadline"); and it is further

ORDERED that the form of the Confirmation Hearing Notice attached as to the Motion is hereby approved; and it is further

ORDERED that the form of notice to holders of claims in Classes 1 and 2B attached as to the Motion, and the form of notice to holders of interests in Class 4 attached to the Motion, are hereby approved; and it is further

ORDERED that the form of the Ballots attached to the Motion are hereby approved; and it is further

ORDERED that the Solicitation Procedures are hereby approved; provided, however, that the Applicants have reserved the right to modify, amend or supplement the Solicitation

Procedures; and it is further

ORDERED that the Debtors, within five (5) business days after entry of this Order approving the Disclosure Statement, shall cause (i) the Plan, the Disclosure Statement and the Confirmation Hearing Notice to be distributed to all known holders of Administrative Claims and Priority Tax Claims, and (ii) the Solicitation Package be distributed to all known holders of claims in **Classes 2A and 3** (other than holders of Disputed Voting Claims); and it is further

ORDERED that consistent with section 1126 of the Bankruptcy Code and Bankruptcy Rule 3017(d), the Solicitation Package will not be distributed to holders of claims against or interests in the Debtors that are placed in a class under the Plan that is deemed to accept or reject the Plan under section 1126 of the Bankruptcy Code; and it is further

ORDERED that the date hereof shall be the record date (the "Voting Record Date") for purposes of determining which creditors are entitled to vote on the Plan; and it is further

ORDERED that Ballots of the holders of claims in Classes 2A and 3 be delivered by first class mail, messenger, or overnight courier to: SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753 Attn: Katina Broutzas, Esq. (the "Solicitation Agent"), so as to be received no later than 4:00 p.m. (prevailing Eastern time) on or before **May 12, 2010** (the "Voting Deadline"); and it is further

ORDERED that any motion pursuant to Bankruptcy Rule 3018(a) shall be filed no later than ~~seven business (7) days prior to voting deadline~~ **April 28, 2010** and it is further

ORDERED, that for voting purposes only, and not for the purpose of determining who has an allowed claim or who is entitled to receive a distribution under the Plan, the following voting procedures are approved:

(a) Except as provided herein, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtors and the Committee may, in their sole discretion, reject such Ballot as invalid and, therefore, decline to utilize it in connection with seeking confirmation of the Plan by the Bankruptcy Court.

(b) If a Ballot is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, each such person should indicate such capacity when signing its Ballot and, if so requested by the Debtors or the Claims Agent, must submit proper evidence satisfactory to the Debtors of their authority to so act.

(c) Any holder of a Voting Claim against the Debtors (i) for which the Debtors have filed an objection, whether such objection related to the entire claim or a portion thereof, (ii) who is a defendant in an adversary proceeding where such claim would be subject to disallowance under section 502(d) of the Bankruptcy Code, or (iii) who has filed a proof of claim in an unliquidated or unknown amount (such claims in clauses (i), (ii), and (iii) being referred to herein as "Disputed Voting Claims"), shall not be entitled to vote on the Plan and shall not be counted in determining whether the requirements of section 1126 of the Bankruptcy Code have been met. If any holder of a Disputed Voting Claim disagrees with such voting status, then it must file with the Bankruptcy Court and serve upon counsel to the Debtors and counsel to the Committee, at least ten (10) business days prior to the Voting Deadline (the "Resolution Deadline"), a motion (a

“Temporary Allowance Motion”) requesting temporary allowance of its claim for voting purposes only in accordance with Bankruptcy Rule 3018(a). No later than two (2) business days after the filing and service of such Temporary Allowance Motion, the Voting Agent will send the movant a Solicitation Package, and the movant shall be required to return its ballot to the Voting Agent by the Voting Deadline. If the Applicants and the holder of the Disputed Voting Claim cannot resolve consensually the temporary allowance of the Disputed Voting Claim, the Court may consider the Temporary Allowance Motion at the Confirmation Hearing. The Applicants and the Voting Agent’s rights with respect to the Temporary Allowance Motion and the Disputed Voting Claim are reserved.

(d) The allowance of any Voting Claim for voting purposes on the Plan shall not constitute a waiver of any rights of the Applicants to object to such claim for purposes of allowance or distribution under the Plan or otherwise.

ORDERED that to ensure that its vote is counted, each holder of a claim in **Classes 2A and 3** must (i) complete a Ballot, (ii) indicate the holder’s decision whether to accept or reject the Plan in the boxes provided in the Ballot, and (iii) sign and return the Ballot, by the Voting Deadline, to the address set forth on the envelope enclosed therewith; and it is further.

ORDERED that the following general voting procedures and standard assumptions be used in tabulating ballots:

- (a) All votes must be cast either to accept or to reject the Plan and may not be split;
- (b) Any Ballot that partially rejects and partially accepts, or conditionally accepts the Plan, will be deemed to be an acceptance of the Plan;
- (c) Except as the Voting Agent may otherwise agree in its discretion, a Ballot received by facsimile, e-mail, or any other electronic means will not be counted;
- (d) Except as the Voting Agent may otherwise agree in its discretion, only Ballots properly executed and timely received by the Voting Agent will be counted;
- (e) The Voting Agent, in its discretion, may waive any defect in any Ballot at any time, whether before or after the Voting Deadline;
- (f) The Voting Agent reserves the right, in its discretion, either to reject any and all Ballots not in proper form or to otherwise attempt to cure any and all defective Ballots;
- (g) Any Ballot that is illegible or contains insufficient information to permit identification of the claimant or interest holder may not be counted;
- (h) Any Ballot cast by a person or entity that does not hold a Claim or Interest in a Voting Class will not be counted; and
- (i) Except as the Voting Agent may otherwise agree in its discretion, any Ballot that does not bear an original signature will not be counted.

ORDERED that the Debtors are authorized and empowered to take all actions and execute such other documents as may be necessary to implement the relief granted herein; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this order.

Dated: New York, New York

**March 18, 2010**

**s/ Robert E. Gerber**

HONORABLE ROBERT E. GERBER  
UNITED STATES BANKRUPTCY JUDGE