

SO ORDERED.



Dated: October 27, 2010

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Handwritten signature of Charles G. Case, II in black ink.

CHARLES G. CASE, II
U.S. Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In re:	Chapter 11
NUTRACEA, a California corporation,	2:09-bk-28817-CGC
Debtor.	

FINDINGS OF FACT AND CONCLUSIONS OF LAW ON CONFIRMATION OF FIRST AMENDED PLAN OF REORGANIZATION PROPOSED BY DEBTOR AND THE UNSECURED CREDITORS COMMITTEE DATED AUGUST 10, 2010

This matter came before the court on October 19, 2010 at the hour of 11:00 a.m., for hearing on confirmation of the First Amended plan of Reorganization Proposed by Debtor and the Unsecured Creditors Committee dated August 10, 2010 (the “Plan”). Debtor appeared through counsel S. Cary Forrester, of Forrester & Worth, PLLC. The Unsecured Creditors Committee appeared through counsel Carolyn J. Johnsen of Jennings, Strauss and Salmon, PLC. Other appearances, if any, are as noted on the record.

1 Based upon the arguments and representations of counsel and the evidence adduced at the
2 hearing, together with the entire record before the court, and good cause appearing, the Court
3 makes the findings of fact and conclusions of law set forth below. To the extent that any
4 provision designated herein as a finding of fact should properly be characterized as a conclusion
5 of law, it is adopted as such. To the extent that any provision designated herein as a conclusion
6 of law should properly be characterized as a finding of fact, it is adopted as such.

7 **THE COURT MAKES THE FOLLOWING FINDINGS OF FACT:**

8 A. Pursuant to Bankruptcy Rule 3017(d) and this Court's Order Approving First
9 Amended Disclosure Statement, Granting Motion for Order Approving Procedures for Plan
10 Confirmation, and Fixing Time for Filing Acceptance or Rejection of Plan, Combined with
11 Notice Thereof, dated August 13, 2010 (the "**Order and Notice**"), and as evidenced by the
12 Certificate of Service filed on September 8, 2010 (DE #582), notice was provided as follows to
13 the parties described below:

- 14 (i) the Order and Notice, First Amended Disclosure Statement (with all exhibits), Plan
15 (with all exhibits), Voting Instructions and Ballots were timely served upon all
16 creditors and parties in interest; and,
17 (ii) the Order and Notice was timely served on all shareholders.

18 B. Pursuant to the Order and Notice, written objections to the Plan were required to
19 be filed on or before October 12, 2005, with copies served upon counsel for the Proponents. No
20 objections have been filed or served;

21 C. The Plan has been accepted by all creditors and equity security holders whose
22 acceptances are required by law, as evidenced by the Ballot Report filed on October 7, 2010 (DE
23 #644);

24 D. Each impaired class of claims has accepted the Plan;
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1 E. The Plan is feasible and confirmation is not likely to be followed by liquidation,
2 except to the extent that the Plan calls for liquidation, or by the further reorganization of Debtor;

3 F. Each holder of a claim or interest in the Debtor has accepted the Plan or will
4 receive or retain under the Plan property of a value, as of the Effective Date, that is not less than
5 the amount such holder would receive or retain if the Debtor were liquidated under Chapter 7 of
6 the Bankruptcy Code on the Effective Date;

7 G. As to the holders of secured claims, the Plan provides that they will retain their
8 liens to the extent of their allowed secured claims and receive on account of their claims deferred
9 cash payments totaling at least the amount of their allowed secured claims, as of the Effective
10 Date;

11 H. The Plan does not discriminate unfairly, and is fair and equitable, with respect to
12 any class of claims or interests that is impaired thereunder and has not accepted it.

13 I. All payments made or promised by the Debtor for services, costs or expenses in or
14 in connection with this case, or in connection with the Plan and incident to this case, have been
15 fully disclosed and approved or, if to be fixed after confirmation of the Plan, will be subject to the
16 approval of the Court;

17 J. Debtor has fully disclosed the identity and affiliations of all individuals proposed
18 to serve after confirmation of the Plan as a director, officer or voting trustee of Debtor and the
19 nature of all compensation to be paid to such individuals. The employment of such individuals
20 after confirmation of the Plan is equitable and consistent with the interests of creditors and equity
21 security holders, and with public policy;

22 K. All fees payable under 28 U.S.C. § 1930 have been paid, and the Plan provides for
23 the payment of any unpaid fees on the Effective Date;

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1 L. The Plan provides for the payment, on the Effective Date, of all administrative and
2 priority claims and expenses, except as the holders of such claims and expenses may have
3 otherwise agreed

4 M. The estate is not obligated for the payment of any “retiree benefits” as that term is
5 defined in 11 U.S.C. § 1114;

6 N. The Proponents of the Plan have complied with the provisions of the Bankruptcy
7 Code and the Plan has been proposed in good faith and not by any means forbidden by law;

8 O. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of
9 the application of Section 5 of the Securities Act of 1933; and,

10 P. The Plan does not alter the legal or equitable rights of Debtor’s equity security
11 holders.

12 **BASED UPON THE FOREGOING, THE COURT MAKES THE FOLLOWING**
13 **CONCLUSIONS OF LAW:**

14 1. The classification of claims and interests in the Plan is proper, complies with
15 applicable law, and satisfies the requirements of the Bankruptcy Code, including, but not limited
16 to, 11 U.S.C. §§ 1122 and 1123;

17 2. The Plan complies with the applicable requirements of the Bankruptcy Code
18 including, without limitation, 11 U.S.C. §§ 1122, 1123 and 1129;

19 3. The notices provided to creditors and interested parties in regard to approval of the
20 First Amended Disclosure Statement and confirmation of the Plan satisfy the requirements of
21 Rules 2002(b), 3017 and 3018, Federal Rules of Bankruptcy Procedure;

22 4. All members of classes designated as unimpaired in the Plan are conclusively
23 presumed to have accepted the Plan, pursuant to 11 U.S.C. § 1126(f); and

24 5. All classes designated as impaired in the Plan have accepted it.
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