

**TAB M**

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	:	Chapter 11
	:	Case No. 07 - 10562 (BLS)
PAC-WEST TELECOMM, INC., <i>et al.</i> , <sup>1</sup>	:	
	:	(Jointly Administered)
Debtors and Debtors in Possession.	:	

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**FINAL MODIFIED SECOND AMENDED JOINT PLAN OF REORGANIZATION  
OF PAC-WEST TELECOMM, INC. AND ITS DEBTOR AFFILIATES  
(WITH TECHNICAL AMENDMENTS)**

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Dated: November 19, 2007

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<sup>1</sup> The Debtors are the following entities: Pac-West Telecomm, Inc., PWT of New York, Inc., PWT Services, Inc., Pac-West Telecomm of Virginia, Inc., Installnet, Inc., and U.S. Net Solutions, Inc.

expenses of Professional Persons must be filed and served within twenty (20) calendar days of service of the relevant fee application.

#### 10.4 **Treatment of Disputed Claims.**

10.4.1 **No Distribution Pending Allowance.** If any portion of a Claim is a Disputed Claim, no payment or distribution provided for under the Plan shall be made on account of the portion of such Claim that is a Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim.

10.4.2 **Distribution After Allowance.** On the next Distribution Date following the date on which a Disputed Claim becomes an Allowed Claim, the Distribution Agent shall distribute to the Person holding such Claim any Cash or other property that would have been distributable to such Person if such Claim had been an Allowed Claim on the Effective Date.

10.4.3 **Reserves for Disputed Claims.** In the event that an Unsecured Claim is a Disputed Claim, the Distribution Agent(s) shall establish reserves in an amount equal to the amount that would have been distributed to the Holder of the Unsecured Claim based on the face value of such Unsecured Claim had its Disputed Claim been deemed an Allowed Claim on the Effective Date. If the Disputed Unsecured Claim subsequently becomes an Allowed Claim, in part or in full, the Holder of such Unsecured Claim shall be entitled to recover under this Plan that Holder's Pro Rata share of the amount reserved on account of such Unsecured Claim (but only to the extent of the Allowed Amount of such Disputed Unsecured Claim).

## ARTICLE XI

### **EFFECTS OF PLAN CONFIRMATION**

11.1 **Discharge.** The rights afforded under this Plan and the Confirmation Order and the treatment of Claims and Interests thereunder shall be in exchange for, and in complete satisfaction, discharge, and release of, all Claims and satisfaction or termination of all Interests, including any interest accrued on Claims from and after the Petition Date. Except as otherwise expressly provided in the Plan or the Confirmation Order, upon the occurrence of the Effective Date, the Debtors shall be discharged, effective immediately, from any Claim and any "debt" (as that term is defined in section 101(12) of the Bankruptcy Code), and the Debtors' liability in respect thereof shall be extinguished completely, whether reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, that arose from any agreement of the Debtors entered into or obligation of the Debtors incurred before the Confirmation Date, or from any conduct of the Debtors prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest accrued and expenses incurred, if any, on any such debts, whether such interest accrued or such expenses were incurred before or after the Petition Date, and including, without limitation, any liability of a kind specified in Bankruptcy Code section 502(g), 502(h) and 502(i), whether or not a proof of claim was filed or is deemed filed under Bankruptcy Code section 501, such Claim is allowed under Bankruptcy Code section 502 or the Person holding such Claim has accepted the Plan. The discharge granted under this section 11.1 shall void any judgment obtained against the

Debtors or Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim.

11.2 **Revesting.** Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, without any further action, Reorganized Debtors will be vested with all of the property of the Debtors' Estates free and clear of all Claims, Liens and Interests, and may operate their businesses and may use, acquire, or dispose of their assets free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court; *provided, however,* that such property of the Debtors' Estates shall be subject to the Liens granted pursuant to the New Senior Secured Note and any Liens retained on account of Class 3 Secured Claims. Except as otherwise expressly provided in the Plan, all Rights of Action are hereby preserved, retained for enforcement solely and exclusively by and at the discretion of the Reorganized Debtors.

11.3 **Preservation of All Rights of Action.** Except as otherwise expressly provided herein or in any other Final Order, the Debtors on behalf of themselves and the Reorganized Debtors and, as provided in section 10.1.1 of the Plan, the Class 4 Liquidating Trustee exclusively reserve all rights to commence and pursue, as appropriate, any and all Rights of Action, whether arising prior to or after the Petition Date, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Cases. While the Debtors have attempted to identify in the Disclosure Statement the Rights of Action that may be pursued, the failure to list therein any potential or existing Right of Action generally or specifically is not intended to limit the rights of the Debtors, the Reorganized Debtors, or the Class 4 Liquidating Trustee to pursue any such action.

Unless a Right of Action against any Person is expressly waived, relinquished, released, compromised, or settled as provided or identified in the Plan or any Final Order, the Debtors on behalf of themselves and Reorganized Debtors and, as provided in section 10.1.1 of the Plan, the Class 4 Liquidating Trustee expressly and exclusively reserve all Rights of Action for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches shall apply to such Rights of Action upon or after the confirmation or consummation of the Plan. In addition, except as otherwise provided herein, the Debtors on behalf of themselves and Reorganized Debtors expressly and exclusively reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are defendants or interested parties against any Person.

## ARTICLE XII

### **RELEASES, INJUNCTIONS AND EXCULPATION**

12.1 **Release of Releasees by Debtors.** Except as otherwise provided in the Plan or the Confirmation Order, from and after the Effective Date, each of (i) the present directors, officers, and employees, agents, attorneys, accountants, or advisors or other professionals of the Debtors or Reorganized Debtors (including, without limitation, CXO and its directors, officers, members, employees, agents and contractors, and any Professional Person retained by the Debtors pursuant to a Final Order of the Bankruptcy Court, regardless of whether such

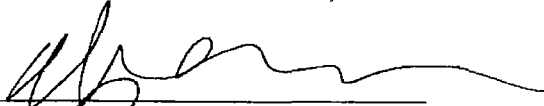
Professional Person still continues to provide services to the Debtors), solely in such capacities, (ii) the Lender and its affiliates, (iii) the Committee and its members (in such capacity), (iv) the Class 4 Liquidating Trustee and the Class 4 Liquidating Trust, (v) the Prepetition Notes Trustees (in such capacities), (vi) the respective advisors, attorneys, accountants, and other professionals, and the successors and assigns, of the parties set forth in items (ii) through (v) in section 12.1 of the Plan (solely in such capacities) and (vii) any Person claimed to be liable derivatively through any of the foregoing parties (collectively, the "Releasees"), shall be released by the Debtors, their respective subsidiaries, and any Person claiming by, through or under any of them (but, as to any such Person, only to the extent that Person claims through them), from any and all claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that any Debtor or any of their respective subsidiaries is entitled to assert in its own right or on behalf of the Holder of any Claim or Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event, or other occurrence taking place on or prior to the Effective Date. Notwithstanding the foregoing, the Releasees shall not be released from any claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, arising under executory contracts assumed under the Plan or acts or omissions which are the result of fraud, gross negligence, willful misconduct, or willful violation of the law.

**12.2 Injunctions and Stays.** Unless otherwise provided in the Plan or the Confirmation Order, all injunctions and stays provided for in the Cases pursuant to Bankruptcy Code sections 105 and 362 or otherwise in effect on the Confirmation Date, shall remain in full force and effect until the Effective Date. From and after the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons are permanently enjoined from, and restrained against, commencing or continuing in any court any suit, action, or other proceeding, or otherwise asserting any claim or interest, seeking to hold (a) Reorganized Debtors, (b) the property of Reorganized Debtors, (c) the Class 4 Liquidating Trust, (d) the Class 4 Liquidating Trustee, or (e) the property of the Class 4 Liquidating Trust, including, without limitation, the Class 4 Liquidating Trust Assets, liable for any claim, obligation, right, interest, debt or liability that has been discharged or released pursuant to sections 11.1 or 12.1 of the Plan. From and after the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons are permanently enjoined from, and restrained against, commencing or continuing in any court any suit, action, or other proceeding, or otherwise asserting any claim or interest, seeking to hold any of the Releasees liable for any claim, obligation, right, interest, debt or liability that has been released pursuant to section 12.1 of the Plan.

The satisfaction, release, and discharge granted pursuant to the Plan shall also act as an injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or cause of action satisfied, released, or discharged under the Plan to the fullest extent authorized or provided by the Bankruptcy Code, including, without limitation, to the extent provided for or authorized by sections 524 and 1141 thereof. Subject to the discharge granted under Bankruptcy Code sections 524 and 1141, the injunction described herein shall not preclude police, federal tax, or regulatory agencies from fulfilling their statutory duties to the extent permitted under section 362(b) of the Bankruptcy Code.

Dated: November 19, 2007

PAC-WEST TELECOMM, INC., PWT OF  
NEW YORK, INC., PWT SERVICES,  
INC., PAC-WEST TELECOMM OF  
VIRGINIA, INC., INSTALLNET, INC.,  
AND, U.S. NET SOLUTIONS, INC.

By:   
Name: Michael E. Katzenstein  
Title: Chief Restructuring Officer