

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
(FORT LAUDERDALE DIVISION)

FILED BY \_\_\_\_\_ DC  
05 FEB 16 PM 3:35  
U.S. BANKRUPTCY CT.  
SD OF FLA.  
MIA - OFFICE

In re )  
SOUTHEAST BANKING CORPORATION, ) Chapter 7  
Debtor. ) Case No. 91-14561-BKC-PGH  
\_\_\_\_\_ )

**MOTION FOR AUTHORITY TO MAKE REALLOCATED FDIC  
DISTRIBUTION TO SUBORDINATED INDENTURE TRUSTEES, AND  
RELEASE 48% GUARANTY RESERVE TO SENIOR INDENTURE TRUSTEE**

**NOTICE**

**Any interested party who fails to file and serve a written response to this Motion within twenty (20) days after the date of service stated in this Motion shall, pursuant to Local Rule 9013-1(D), be deemed to have consented to the entry of an Order in the form attached to this Motion. Any scheduled hearing may then be cancelled.**

Jeffrey H. Beck, as Trustee (the "Trustee") for the Chapter 7 estate of Southeast Banking Corporation (the "Estate"), by and through his undersigned counsel and pursuant to Section 726(a) of the Bankruptcy Code, 11 U.S.C. §726(a), the Order Approving and Implementing Global Settlement of Issues Affecting Calculation and Payment of Post Petition Interest and Attorneys' Fees and Related Priority and Subordination Issues, and Procedure for Interim Distributions of Post Petition Interest on Negative Notice Without Hearing dated November 3, 2003 (the "Global Settlement Order"), and the *Ex Parte* Order Approving Settlement and Compromise of Claim No. 1076 (American Pioneer Notes), and Fixing Deadline for Objections to Same dated December 30, 2004 (the "FDIC Claim Settlement Order"), moves for authority (a) to

make the Reallocated FDIC Distribution<sup>1</sup> to The Bank of New York (“BNY”) and U.S. Bank National Association (“U.S. Bank”) in their capacity as Subordinated Indenture Trustees, and (b) to release the 48% Guaranty Reserve (as established and maintained pursuant to the Global Settlement Order) to JPMorgan Chase Bank, in its capacity as Senior Indenture Trustee, with all such payments to be made by wire transfer. In support of the requested relief the Trustee would show the Court as follows:

### **Preliminary Statement**

1. By way of this Motion, the Trustee seeks authority to effectuate the purpose and intent of the Global Settlement Order following the consensual resolution of the FDIC Claim by way of the FDIC Claim Settlement Order. As described more fully below, the resolution of the FDIC Claim enables the Trustee to calculate the Subordinated FDIC Claim Amount and the Reallocated FDIC Distribution under the Global Settlement Order, and make the appropriate distributions of both that amount and the 48% Guaranty Reserve, all as contemplated in the Global Settlement Order.

2. The instant Motion is submitted to the Court under the negative notice procedures of Local Rule 9013-1(D), along with a separate Motion for Order Authorizing Ninth Interim Distribution to Pay Second Installment of Post Petition Interest (the “Ninth Interim Distribution Motion”). The cumulative effect of this Motion and the Ninth Interim Distribution Motion will be to authorize the distribution, in accordance with the Global Settlement Order and FDIC Claim Settlement Order, of the total sum of

---

<sup>1</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Global Settlement Order

\$20,908,316.00<sup>2</sup> previously maintained in the Disputed Claims Reserve in respect of the Subordinated FDIC Notes (referred to in the FDIC Claim Settlement Order as the American Pioneer Notes), and \$617,451.00 maintained in the 48% Guaranty Reserve created and maintained pursuant to the Global Settlement Order.

### **General Factual Background**

3. This case was commenced on September 20, 1991 (the "Petition Date"), by the filing of a voluntary petition for relief under Chapter 7 of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"). Jeffrey H. Beck serves as the duly qualified and appointed Trustee for the Chapter 7 estate.

4. Over the course of the case since 1993, the Trustee and his predecessor have made a series of Interim Distributions, each approved by one or more Orders of this Court<sup>3</sup>. As of the summer and fall of 2001, the cumulative effect of the first six Interim Distributions was to pay all allowed, timely-filed claims in full (without post-petition interest) and establish a Disputed Claims Reserve to afford similar treatment to disputed or unliquidated claims once resolved. Having made and reserved for those Interim Distributions, and retaining sufficient funds on hand to pay allowed late-filed claims in full as well, the Trustee sought to address the myriad of issues arising in connection with the payment of post-petition interest under Section 726(a)(5) of the

---

<sup>2</sup> This figure represents the balance of the amount previously included for the FDIC Claim in the Disputed Claims Reserve, after payment of the \$5.5 million settlement amount to the FDIC-Corporate in accordance with the FDIC Settlement Order.

<sup>3</sup> The history of the Interim Distributions is recounted in detail in the Ninth Interim Distribution Motion.

Bankruptcy Code, 11 U.S.C. §726(a)(5), by filing the Postpetition Interest Motion on March 25, 2002.

5. Following months of intense and protracted negotiations the Trustee reached a global settlement with the Ad Hoc Committee and Gabriel Capital, L.P. and its affiliates ("Gabriel Capital"), resolving all of the issues surrounding the calculation and payment of post-petition interest and attorneys fees. That settlement is described in extensive detail and was approved by the Court in the Global Settlement Order.<sup>4</sup>

6. A central feature of the settlement of intercreditor issues between the holders of Senior Notes and the holders of Subordinated Notes under the Global Settlement Order is the concept of the "Senior Note Shortfall," which is the difference between \$12,907,043 and the Senior Note holders' ratable share of distributions made on account of post-petition interest, before taking into account any reallocations under the Global Settlement Order. Under the Global Settlement Order, the "Subordinated Notes Fraction" of 48% of this Senior Note Shortfall is to be reallocated and paid over to the Senior Indenture Trustee out of distributions that would otherwise be made to holders of Subordinated Notes as their ratable share of any distribution on account of post-petition interest. This "Subordinated Notes Fraction" equals that portion of the aggregate post-petition interest under the Subordinated Notes and under certain notes referred to as the "FDIC Notes," that is represented by the Subordinated Notes' post-petition interest claim, the portion of such aggregate post-petition interest under the

---

<sup>4</sup> Details of the global settlement and the process surrounding its approval may found at the Court-approved website <[www.sebcglobalsettlement.com](http://www.sebcglobalsettlement.com)>.

Subordinated Notes and FDIC Notes that is represented by the FDIC Notes' post-petition interest claim being referred to as the "FDIC Notes Fraction."

7. Based on the respective post-petition interest claims under the Subordinated Notes and the FDIC Notes, if the claim based on the FDIC Notes (the "FDIC Claim") was allowed in full and the subordination provisions of the FDIC Notes were enforceable with respect to the Senior Note holders' claims for post-petition interest, then: (i) approximately 88.4% of this 48% (or about 42.4% of the Senior Note Shortfall) would be funded from distributions that would otherwise have been made on account of the Subordinated Notes, and (ii) the balance of the 48% (about 5.6% of the Senior Note Shortfall) would be funded out of amounts that would otherwise have been distributed on account of the FDIC Notes.

8. Because of the then-existing uncertainty over the actual result of litigating or settling the allowance and subordination of the FDIC Claim, and in order to ensure that holders of Senior Notes received a full 48% of the Senior Note shortfall, the Global Settlement Order provided for what was known as the "48% Guaranty Reserve," to be funded out of the distributions that would otherwise have been made to the holders of Subordinated Notes in an amount equal to approximately 5.6% of the Senior Note shortfall. This amount would be released only when issues relating to the allowance and subordination of the FDIC Claim were resolved by a final order, whether through litigation or settlement.

9. By Order dated November 3, 2003, the Court approved an Eighth Interim Distribution in the amount of \$30 million, to pay a first installment of post-petition interest and make an allocation to the Disputed Claims Reserve. In connection with the Eighth

Interim Distribution, and in accordance with the terms of the Global Settlement Order, a total of \$5,327,689.80 was withheld from the amount that would otherwise have been paid on account of the Subordinated Noteholders' pro-rata share of that distribution, and applied as follows: (a) \$4,710,238.76 was reallocated and distributed directly to the Senior Indenture Trustee for distribution to the holders of Senior Notes; and (b) \$617,451.04 was retained by the Trustee in the 48% Guaranty Reserve. As reflected on the attached Exhibit A, the balance of the 48% Guaranty Reserve (rounded to the nearest whole dollar) will be distributed to the Senior Indenture Trustee.

10. Since the funding of the Eighth Interim Distribution, the allowance and subordination of the FDIC Claim have been resolved by the FDIC Claim Settlement Order, which has become final and is no longer subject to rehearing or appeal. As set forth in the FDIC Claim Settlement Order, the FDIC Claim was allowed in the reduced amount of \$15,954,158.10, of which \$10,454,158.10 (the "Subordinated FDIC Claim Amount") is deemed subordinated to the Senior Notes, is to be reallocated to the Subordinated Indenture Trustees and, in essence, constitutes the "Reallocated FDIC Distribution" under the Global Settlement Order.

11. Under the mechanisms contemplated by the SEBC Global Settlement Order, the following would occur with respect to this Reallocated FDIC Distribution: (i) a portion of this amount equal to the FDIC Notes Fraction of 48% of the Senior Note Shortfall (as calculated for purposes of the Eighth Interim Distribution) would be distributed to the Senior Indenture Trustee for distribution to holders of the Senior Notes; (ii) the balance would be distributed to the Subordinated Indenture Trustees, for distribution to the holders of Subordinated Notes; (iii) because the FDIC Notes Fraction

of 48% of the Senior Note Shortfall will be less than 5.6% of the Senior Note Shortfall (as a result of the fact that the FDIC Claim was not allowed in full under the FDIC Claim Settlement Order), part of the 48% Guaranty Reserve would be paid to the Senior Indenture Trustee; and (iv) the balance of the 48% Guaranty Reserve would be paid to the Subordinated Indenture Trustees.

### **Request for Relief**

12. To simplify matters, the Settlement Agreement approved in the FDIC Claim Settlement Order provides for the Subordinated FDIC Claim Amount of \$10,454,158.00 to be distributed directly to the Subordinated Indenture Trustees, rather than being split up as contemplated by clauses (i) and (ii) of the preceding sentence. The proposed distribution of the Subordinated FDIC Claim Amount is described in the analysis attached to this Motion as Exhibit B.

13. In order to provide holders of Senior Notes with the full 48% of the Senior Note Shortfall, however, the entire amount contained in the 48% Guaranty Reserve should be distributed to the Senior Indenture Trustee, for distribution to the holders of Senior Notes. When added to the amounts previously distributed directly to the Senior Indenture Trustee out of the distribution that would otherwise have been made to the holders of Subordinated Notes under the Eighth Interim Distribution, the result will be that the holders of Senior Notes will have received the full 48% of the Senior Note Shortfall, as calculated for purposes of the Eighth Interim Distribution. **Gabriel Capital (which represents in excess of a majority in principal amount of the Senior Notes), the Ad Hoc Committee of Subordinated Note Holders (which represents the holders of in excess of a majority in aggregate principal amount of the**

**Subordinated Notes, but which holders may not own the majority of each individual issue of such Notes) and the Trustee are all in accord with this approach.**

14. Because of the formula provided by the Global Settlement Order for the calculation of the Senior Note Shortfall, the amount of such Senior Note Shortfall will be reduced as a result of additional distributions to holders of Senior Notes on account of their ratable share of post-petition interest in each subsequent interim distribution and in the final distribution in this case. In order to ensure that, following any such distribution, holders of Senior Notes have not received an aggregate amount in excess of 48% of the Senior Note Shortfall out of the distributions that would otherwise have been made to holders of Subordinated Notes as their ratable share of post-petition interest, the Global Settlement Order includes a mechanism for, in effect, reimbursing holders of Subordinated Notes for amounts previously reallocated from their distribution to the holders of Senior Notes, as the calculated Senior Note Shortfall diminishes as a result of each subsequent distribution. Under this mechanism, 48% of the distribution that would otherwise be made to the Senior Indenture Trustee, as the Senior Noteholders' ratable share of each distribution, will instead be paid over to the Subordinated Indenture Trustee, for distribution to the holders of Subordinated Notes.

### **Conclusion**

15. The distributions contemplated in this Motion will give effect to the series of agreements negotiated between and among the Trustee, the Ad Hoc Committee and Gabriel Capital, as approved by the Court in the Global Settlement Order and FDIC Claim Settlement Order. With those issues resolved, the Trustee can then proceed



without undue delay or difficulty to make the Ninth Interim Distribution of an additional \$10,454,158.00, as contemplated in the Ninth Interim Distribution Motion filed of even date herewith. Thus, the relief requested herein is not only in the best interests of the estate and creditors, but also consistent with the established practice of making interim distributions over the past twelve years of this case.

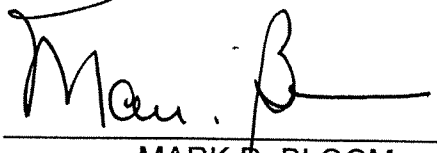
WHEREFORE, the Trustee requests that the Court enter the attached Order authorizing and directing him (a) to make the Reallocated FDIC Distribution of \$10,454,158.00 to the Subordinated Indenture Trustees for payment to the holders of the Subordinated Notes, and (b) to release the 48% Guaranty Reserve of \$617,451.00 to the Senior Indenture Trustee for payment to the holders of the Senior Notes, with all such payments to be made by wire transfer at the option of the Trustee.

I HEREBY CERTIFY that I am admitted to the Bar of the United States District Court for the Southern District of Florida and I am in compliance with the additional qualifications to practice in this Court set forth in Local Rule 2090-1(A).

DATED this 16<sup>th</sup> day of February, 2005.

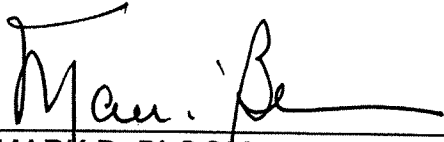
Respectfully submitted,

GREENBERG, TRAURIG, P.A.  
Attorneys for the Trustee  
1221 Brickell Avenue  
Miami, Florida 33131  
Telephone: (305) 579-0500  
Facsimile: (305) 579-0717

By:   
MARK D. BLOOM  
Florida Bar No. 303836

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Motion has been served by first class U.S. mail, postage prepaid, upon all parties identified on the attached Service List, this 16<sup>th</sup> day of February, 2005.

  
\_\_\_\_\_  
MARK D. BLOOM

\\MIA-SRV01\BLOOMM\732178v04\10764.012300

**Southeast Banking Corporation**  
**Case No. 91-14561-BKC-PGH**

**Distribution of 48% Guarantee Reserve to Senior Debt**

	Claim No.	Principal Claim	Post Petition Interest Claim	48% Guarantee Reserve Distribution
<b>Bondholder Claims</b>				
<u>Senior Debt</u>				
11.25% Issue	551	\$ 60,031,774.63	\$ 8,008,076.69	617,451.00
<u>Subordinated Debt</u>				
BNY 4 3/4% Issue	795, 801	12,334,529.00	4,514,198.87	-
BNY 10.50% Issue	800	104,670,884.92	38,244,740.39	-
Subtotal - BNY		117,005,413.92	42,758,939.26	-
USB FRN due 1996	796	45,609,909.73	16,693,138.14	-
USB FRN due 1997	799	76,759,981.25	28,094,003.65	-
USB 6 1/2% Issue	798	50,049,865.14	18,318,153.18	-
Subtotal - USB		172,419,756.12	63,105,294.97	-
Subtotal - Subordinated Bondholder Claims		289,425,170.04	105,864,234.23	-
Total Bondholder Claims		349,456,944.67	113,872,310.93	617,451.00
<b>Non-Bondholder Claims</b>				
Bullard, John. P	903	496,502.00	Not entitled	-
Chinea, Miriam	465	2,102.12	923.74	-
Davila, Marietta	371	1,137.00	499.63	-
DuPont III, Francis I.	96, 510	2,437.82	1,453.47	-
Durante, Maria	350	2,199.93	1,311.64	-
Ebert, Douglas E.	525	596,720.69	Not entitled	-
Evans, Patricia Ann	-	3,613.08	1,094.79	-
Florida Department of Revenue	823	20,844.83	8,261.87	-
Florida Department of Revenue	824, 1033, 1074	8,953.29	3,542.78	-
Florida Department of Revenue	825	11,536.50	4,558.58	-
Florida Department of Revenue	826	50.30	20.98	-
Florida Department of Revenue	827	3,795,837.54	2,022,639.37	-
Forames, Michelle	398	1,781.25	782.74	-
Gallooly, William	531	6,000.00	2,636.58	-
Gobbel Hays Partners, P.C.	374	38,312.06	12,462.48	-
Hector, Louis	763	110,178.44	65,690.47	-
Holman, Scott	897	71.68	Not entitled	-
Hudak, Kristen	912	600,000.00	306,912.66	-
Jordan, Castle W.	771	1,539.23	917.72	-
Lawhorn, Jess	501	20,942.44	8,858.10	-
Lyons, Helen M.	457	173.33	18.46	-
Perkins, Roy	594, 595	80,000.00	33,837.89	-
Plechaty, William	619	400,000.00	204,449.41	-
Porta, John	682, 1109	1,522,288.00	838,598.38	-
Quackenbush, Michael	705	418,250.00	176,843.56	-
Safeco Insurance Companies	1122, 1128	725,000.00	246,214.70	-
Seivers, Lois	627	8,076.94	3,549.25	-
Smith, Ronald Allen	239	67.01	24.13	-
Tauil, Constantino	136	2,950.46	1,296.52	-
Tomberlin, Estate of Sarah H.	632, 892	94,145.00	56,131.03	-
Travelers Insurance Company	755	957,000.00	309,931.61	-
Withhorn, Florence	29	1,915.65	371.56	-
Zwick, Charles J.	308, 1045, 1111	310,000.00	184,827.86	-
		10,240,626.59	4,498,661.96	-
American Pioneer Federal Savings Bank	1,076	23,275,720.00	13,877,424.27	-
Total Non-Bondholder Claims		33,019,844.59	18,376,086.23	-
Grand Total		\$ 382,973,291.26	\$ 132,248,397.16	\$ 617,451.00

**Southeast Banking Corporation**  
**Case No. 91-14561-BKC-PGH**

**Distribution of \$10,454,158 to Subordinated Debt (Note 1)**

	Claim No.	Principal Claim	Post Petition Interest Claim	Subordinated FDIC Claim Distribution
<b>Bondholder Claims</b>				
<u>Senior Debt</u>				
11.25% Issue	551	\$ 60,031,774.63	\$ 8,008,076.69	-
<u>Subordinated Debt</u>				
BNY 4 3/4% Issue	795, 801	12,334,529.00	4,514,198.87	445,779.90
BNY 10.50% Issue	800	104,670,884.92	38,244,740.39	3,776,691.55
Subtotal - BNY		117,005,413.92	42,758,939.26	4,222,471.45
USB FRN due 1996	796	45,609,909.73	16,693,138.14	1,648,457.62
USB FRN due 1997	799	76,759,981.25	28,084,003.65	2,774,300.08
USB 6 1/2% Issue	798	50,049,865.14	18,318,153.18	1,808,928.85
Subtotal - USB		172,419,756.12	63,105,294.97	6,231,686.55
Subtotal - Subordinated Bondholder Claims		289,425,170.04	105,864,234.23	10,454,158.00
Total Bondholder Claims		349,456,944.67	113,872,310.93	10,454,158.00
<b>Non-Bondholder Claims</b>				
Bullard, John. P	903	496,502.00	Not entitled	-
Chinea, Miriam	465	2,102.12	923.74	-
Davila, Marietta	371	1,137.00	499.63	-
DuPont III, Francis I.	96, 510	2,437.82	1,453.47	-
Durante, Maria	350	2,199.93	1,311.64	-
Ebert, Douglas E.	525	596,720.69	Not entitled	-
Evans, Patricia Ann	-	3,613.08	1,094.79	-
Florida Department of Revenue	823	20,844.83	8,261.87	-
Florida Department of Revenue	824, 1033, 1074	8,953.29	3,542.78	-
Florida Department of Revenue	825	11,536.50	4,558.58	-
Florida Department of Revenue	826	50.30	20.98	-
Florida Department of Revenue	827	3,795,837.54	2,022,639.37	-
Forames, Michelle	398	1,781.25	782.74	-
Galogly, William	531	6,000.00	2,636.58	-
Gobbel Hays Partners, P.C.	374	38,312.06	12,462.48	-
Hector, Louis	763	110,178.44	65,690.47	-
Holman, Scott	897	71.68	Not entitled	-
Hudak, Kristen	912	600,000.00	306,912.66	-
Jordan, Castle W.	771	1,539.23	917.72	-
Lawhorn, Jess	501	20,942.44	8,858.10	-
Lyons, Helen M.	457	173.33	18.46	-
Perkins, Roy	594, 595	80,000.00	33,837.89	-
Plechaty, William	619	400,000.00	204,449.41	-
Porta, John	682, 1109	1,522,288.00	838,598.38	-
Quackenbush, Michael	705	418,250.00	176,843.56	-
Safeco Insurance Companies	1122, 1128	725,000.00	246,214.70	-
Seivers, Lois	627	8,076.94	3,549.25	-
Smith, Ronald Allen	239	67.01	24.13	-
Tauil, Constantino	136	2,950.46	1,296.52	-
Tomberlin, Estate of Sarah H.	632, 892	94,145.00	56,131.03	-
Travelers Insurance Company	755	957,000.00	309,931.61	-
Withhorn, Florence	29	1,915.65	371.56	-
Zwick, Charles J.	308, 1045, 1111	310,000.00	184,827.86	-
		10,240,626.59	4,498,661.96	-
American Pioneer Federal Savings Bank	1,076	23,275,720.00	13,877,424.27	-
Total Non-Bondholder Claims		33,019,844.59	18,376,086.23	-
Grand Total		\$ 382,973,291.26	\$ 132,248,397.16	\$ 10,454,158.00

**Note 1 )** Pro-rata distribution calculated using post-petition interest claim amount.

Mark D. Bloom, Esq.  
Greenberg Traurig, P.A.  
1221 Brickell Avenue  
Miami, Florida 33131

Timothy J. Norris, Esq.  
Buchanan Ingersoll, P.C.  
NationsBank Tower, Suite 2100  
100 SE. Second Street  
Miami, FL 33131

Johney M. Evans, Jr.  
4114 Rocky Road  
#2067  
Dallas, TX 75244-6280

Michael P. Brundage, Esq.  
Hill, Ward & Henderson, P.A.  
Post Office Box 2231  
Tampa, FL 33610

State of Florida  
Department of Revenue  
Bankruptcy Section  
P.O. Box 6668  
Tallahassee, FL 3231 4-6668

Stephen H. Case, Esq.  
Davis Polk & Wardwell  
450 Lexington Avenue  
New York, N.Y. 10017

Isaac M. Pachulski, Esq.  
Stutman, Treister & Glatt  
1901 Avenue of the Stars  
12<sup>th</sup> Floor  
Los Angeles, CA 90067

James Donnell, Esq.  
Andrews & Kurth  
4200 Texas Commerce Tower  
Houston, TX 77002

Patricia A. Redmond, Esq.  
Stearns, Weaver, Miller  
2200 Museum Tower  
150 West Flagler Street  
Miami, FL 33130

Richard P. Carmody, Esq.  
Lange, Simpson, Robinson  
& Somerville  
1700 First Alabama Bank Bldg.  
Birmingham, Alabama 35203

J. Gregory Taylor, Esq.  
Diamond McCarthy Taylor  
Finley, Bryant & Lee, LLP  
1201 Elm Street, Suite 3400  
Dallas, TX 75270

Barry D. Hunter, Esq.  
Brown, Todd & Heyburn, PLLC  
2700 Lexington Financial Center  
250 West Main Street  
Lexington, Kentucky 40507

Gary S. Bush  
The Bank of New York  
101 Barclay Street, Floor 8W  
New York, N.Y. 10286

David E. Rogers, Esq.  
McDermott, Will & Emery  
600 13th Street, N.W.  
Washington, D.C. 20005

Pamela Lawrence  
Director  
Tribeca Investments, LLC.  
388 Greenwich Street, 36th Floor  
New York, New York 10013

Don Saxon, Director  
State of Florida  
Office of Financial Regulation  
200 East Gaines Street  
Tallahassee, FL 32399

Theodore A. Jewell, Esq.  
Stearns, Weaver, Miller, et al.  
150 West Flagler Street, #2200  
Miami, FL 33130

Edward A. Moss, Esq.  
Shook Hardy & Bacon  
Suite 2400 Miami Center  
201 South Biscayne Blvd.  
Miami, FL 33131

William A. Brandt, Jr.,  
Development Specialists, Inc.  
900 First Union Financial Ctr  
200 South Biscayne Boulevard  
Miami, FL 33131

Geoffrey S. Aaronson, Esq.  
Adorno & Zeder, PA.  
2601 South Bayshore Drive  
16th Floor  
Miami, Florida 33133

Paul J. McMahon, Esq.  
Paul J. McMahon, PA.  
2840 S.W. 3rd Avenue  
Miami, FL 33129

Regina Thomas, Esq.  
Office of U.S. Trustee  
51 S.W. First Ave., Rm. 1204  
Miami, FL 33130

Richard J. Rappaport, Esq.  
Ross & Hardies  
150 N. Michigan Avenue, Suite 2500  
Chicago, IL 60601

Doug Darbut, Esq.  
Holland & Knight  
701 Brickell Avenue  
Miami, FL 33131

Marcos D. Jimenez, U.S. Attorney  
U.S. Attorney Office  
99 N.E. 4th Street  
Miami, FL 33132

Mr. Scott Strodthoff  
U.S. Bank Corporate Trust Services  
60 Livingston Avenue  
St. Paul, Minnesota 55107

Estate of Southeast Banking Corporation  
225 Northeast Mizner Boulevard  
Suite 780  
Boca Raton, Florida 33432

Paul S. Singerman, Esq.  
Berger & Singerman  
200 South Biscayne Blvd.  
Suite 1000  
Miami, FL 33131

Arley D. ("Trip") Finley, Esq.  
Diamond McCarthy Taylor & Finley,  
LLP  
6504 Bridge Point Pkwy, #400  
Austin, TX 78730-5062

Stephen W. Pickert, Esq.  
Moye, O'Brien, O'Rourke et al  
800 South Orlando Avenue  
Maitland, FL 32751

Stephen A. Goodwin, Esq.  
Carrington, Coleman, Sloman  
& Blumenthal  
200 Crescent Court, Suite 1500  
Dallas, TX 75201

Mr. William Dodge, VP  
The Chase Manhattan Bank  
**MAIL RETURNED -  
UNDELIVERABLE  
NO FORWARDING ADDRESS**

Harvey J. Cavayero, Esq.  
H. Cavayero & Associates  
**MAIL RETURNED - UNDELIVERABLE  
NO FORWARDING ADDRESS**

Kenneth H. Eckstein, Esq.  
Arthur H. Aulises III, Esq.  
Kramer, Levin, Nattalis & Frankel  
919 Third Avenue  
New York, NY 10022

Lewis F. Murphy, Esq.  
Steel, Hector, Davis  
4000 First Union Financial Ctr  
200 South Biscayne Blvd.  
Miami, FL 33131

Jerry M. Markowitz, Esq.  
Markowitz, Davis and Ringel  
9130 South Dadeland Boulevard  
Two Datan Center, Suite 1225  
Miami, FL 33156

Robert Julian, Esq.  
Murphy, Sheneman Julian & Rogers  
101 California Street  
39th Floor  
San Francisco, CA 94111

E. Gordon Robinson, Jr.  
Securities & Exchange Comm.  
3475 Lenox Road, N.E., #1000  
Atlanta, GA 30326-1232

Jack N. Mayer  
Gabriel Capital Group  
450 Park Avenue, Suite 3201  
New York, N.Y. 10022

Kenneth B. Robinson, Esq.  
Rice & Robinson, P.A.  
848 Brickell Avenue  
11th Floor  
Miami, FL 33131

John W. Kozyak, Esq.  
Kozyak, Tropin, Throckmorton  
2525 Ponce de Leon Boulevard  
9th Floor  
Coral Gables, FL 33134

David E. Retter, Esq.  
Sarah L. Reid, Esq.  
Kelley, Drye & Warren LLP  
101 Park Avenue  
New York, NY 10178

Robert M. Brochin, Esq.  
Morgan, Lewis & Bockius  
5300 First Union Financial Center  
200 S. Biscayne Blvd.  
Miami, FL 33131

Gary Jackson, Esq.  
550 17th Street, N.W.  
Room H 11097  
Washington, D.C. 20429

Allan Brent Diamond  
Diamond McCarthy Taylor & Finley  
909 Fannin, Suite 1515  
Houston, TX 77010

John D. Eaton, Esq.  
Steel Hecto & Davis, LLP  
200 S. Biscayne Boulevard, #4100  
Miami, FL 33131

Internal Revenue Service  
S.P.F. Bankruptcy  
Stop 5730  
P.O. Box 17167  
Ft. Lauderdale, FL 33318

Federal Deposit Insurance Corp.  
Attn: DSC Legal Department  
10 Tenth Street, N.E.  
Suite 800  
Atlanta, GA 30309-3906

Scott L. Baena, Esq.  
Bilzin Sumberg Baena Price & Axelrod  
2500 Wachovia Financial Center  
200 South Biscayne Boulevard  
Miami, FL 33131

Thomas E. Glick, P.A.  
12000 Biscayne Boulevard  
Suite 800  
North Miami, FL 33181

Gobbell Hays Partners, Inc.  
217 Fifth Avenue North  
Nashville, TN 37219  
Attn: Ronald Gobbell, Pres.

Jeffrey H. Beck, Trustee  
J Beck & Associates, Inc.  
225 Northeast Mizner Blvd.,  
Suite 780  
Boca Raton, FL 33432

Kendall B. Coffey, Esq.  
Coffey & Wright LLP  
2665 S. Bayshore Drive  
Penthouse 2B  
Miami, FL 33133

Kathleen L. Donohue  
U.S. Department of Justice  
1114 Federal Office Building  
51 S.W. First Avenue  
Miami, FL 33130

Michael Josephs, Esq.  
Josephs, Jack, Miranda,  
McCullough & McKeown, P.A.  
2950 S.W. 27th Avenue,  
Suite 100  
Miami, Florida 331 33-3765

E. Penn Nicholson, Esq.  
Powell, Goldstein, Frazer  
191 Peachtree St. N.E., 16th Flr.  
Atlanta, GA 30303

John Ashcroft, U.S. Attorney General  
Office of the Attorney General  
U.S. Department of Justice,  
Room 4545  
10th and Constitution Avenue NW  
Washington, DC 20530

Craig W. Budner, Esq.  
Hughes & Luce, L.L.P.  
1717 Main Street  
Suite 2800  
Dallas, TX 75201

Marika Lancaster  
U.S. Department of Justice  
Rm. 6231, Judiciary Center Bldg.  
P.O. Box 14198-Ben Franklin Stn.  
Washington, D.C. 20044

Mark O. Brodsky, Esquire  
Elliott Associates, L.P.  
712 Fifth Avenue  
36th Floor  
New York, NY 10019

Mr. Soneet Kapila  
Kapila & Company  
1000 South Federal Highway,  
Suite 200  
Ft. Lauderdale, FL 33316

Michael J. Pucillo, Esq.  
Burt & Pucillo  
515 North Flagler Drive  
Suite 1701  
West Palm Beach, FL 33401

Melinda S. Thornton  
Assistant County Attorney  
Metro-Dade Center, Suite 2810  
111 N.W. First Street  
Miami, FL 33128-1993

Robert Tache  
Detoitte & Touche, L.L.P.  
200 East Las Olas Blvd., Suite 1400  
Ft. Lauderdale, FL 33301

Joseph Colavecchi, Esq.  
221 East Market Street  
P.O. Box 131  
Clearfield, PA 16830

James D. McCarthy, Esq.  
Diamond McCarthy Taylor Finley  
Bryant & Lee, LLP  
1201 Elm Street, Suite 3400  
Dallas, TX 75270

Stephen D. Busey, Esq.  
Smith Hulsey & Busey  
1800 First Union Nat'l Bank Twr  
225 Water Street  
Jacksonville, FL 32202

Legal Department  
Federal Reserve Bank of Atlanta  
1000 Peachtree Street NE  
Atlanta, GA 30309-3904

Office of the General Counsel  
Federal Deposit Insurance Corp.  
550 17<sup>th</sup> Street NW  
Washington, DC 20429-9990

John P. Bullard, Jr.  
1514 Hanover West Drive  
Atlanta, GA 30327

Michael D'Alessio  
Wechsler & Co., Inc.  
105 South Bedford Road, #310  
Mount Kisco, N.Y. 10549

Warren H. Smith & Associates, P.C.  
Republic Center  
325 N. St. Paul, Suite 1275  
Dallas, TX 75201

Francis L. Carter, Esq.  
Ferrell, Schultz Carter and Fertel  
Suite 1920, Miami Center  
201 South Biscayne Boulevard  
Miami, FL 33131-2305

Hugh M. Ray, Esq.  
Jeffrey E. Spiers, Esq.  
Andrews & Kurth, L.L.P.  
4200 Texas Commerce Tower  
Houston, TX 77002

Emmet J. Bondurant, Esq.  
Bondurant, Mixson & Elmore, LLP  
3900 One Atlantic Center  
1201 West Peachtree Street, N.W.  
Atlanta, GA 30309-34 17

William L. Eddleman, Jr.  
American Capital Resolution, Inc.  
**MAIL RETURNED - UNDELIVERABLE**  
**NO FORWARDING ADDRESS**

David S. Rosner, Esq.  
Kasowitz, Benson & Torres & Friedman  
Co-counsel to Gabriel Capital  
1633 Broadway  
New York, NY 10019

J. Haley/Jim Paul, Esq.  
Haley, Sinagra & Perez  
100 South Biscayne Blvd., #800  
Miami, FL 33131

Craig V. Rasile, Esq.  
Hunton & Williams LLP  
1111 Brickell Avenue  
Suite 2500  
Miami, FL 33131

Dan Zinman, Esq.  
Kasowitz Benson Torres & Friedman  
1633 Broadway  
New York, NY 10019

Dan Gropper  
Elliott Associates, L.P.  
712 Fifth Avenue  
36th Floor  
New York, NY 10019

Gerald J. Houlihan, Esq.  
Houlihan & Partners, PA.  
2600 Douglas Road  
Suite 600  
Miami, FL 33134



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
(FORT LAUDERDALE DIVISION)

In re	)	CASE NO. 91-14561-BKC-PGH
	)	
SOUTHEAST BANKING CORPORATION,	)	CHAPTER 7
	)	
Debtor.	)	
	)	

---

**ORDER GRANTING MOTION FOR AUTHORITY TO MAKE REALLOCATED  
FDIC DISTRIBUTION TO SUBORDINATED INDENTURE TRUSTEES, AND  
RELEASE 48% GUARANTY RESERVE TO SENIOR INDENTURE TRUSTEE**

**THIS CAUSE** came before the Court in Chambers, for consideration of the Trustee's Motion for Authority to Make Reallocated FDIC Distribution to Subordinated Indenture Trustees, and Release 48% Guaranty Reserve to Senior Indenture Trustee (the "Motion") pursuant to the negative notice procedure established by Local Rule 9013-1 (B) of this Court. The Court having read and considered the foregoing Motion and otherwise been duly advised in the premises, and it appearing from the Certificate of No Response filed by counsel for the Trustee that no responses have been received or filed within the 20-day period provided under that Local Rule, finds and determines that good and sufficient notice of the proposed relief has been provided, and that the relief requested is fair and reasonable and in the best interests of the estate and creditors, and both consistent with and in the contemplation of the Global Settlement Order and FDIC Claim Settlement Order, both as defined and described in the Motion. Accordingly, it is

ORDERED AND ADJUDGED as follows:

1. The Motion for Authority to Make Reallocated FDIC Distribution to Subordinated Indenture Trustees, and Release 48% Guaranty Reserve to Senior Indenture Trustee is GRANTED;

2. The Trustee is **AUTHORIZED** and **DIRECTED** to distribute the sum of \$617,451.00, constituting the remainder of the 48% Guaranty Reserve, to the Senior Indenture Trustee for payment to the holders of the Senior Notes, and to make the Reallocated FDIC Distribution of \$10,454,158.00 to the Subordinated Indenture Trustees, for payment to the holders of the Subordinated Notes, as provided in the attached Exhibits A and B, respectively, all such distributions to be made by wire transfer at the option of the Trustee; and

3. The Trustee is **AUTHORIZED** and **DIRECTED** to take such action as may reasonably be necessary to effectuate the foregoing payments and distributions in conformity with the foregoing terms of this Order and, to the extent not inconsistent, the Motion, without necessity of further notice, hearing or Order of this Court..

DONE AND ORDERED in the Southern District of Florida, on \_\_\_\_\_,  
2005.

\_\_\_\_\_  
HONORABLE PAUL G. HYMAN, JR.  
UNITED STATES BANKRUPTCY JUDGE

Copies furnished to:  
Jeffrey H. Beck, Trustee  
Mark D. Bloom, Esq., Attorney for Trustee

*(Attorney Bloom is directed to serve conformed copies of this Order upon all parties shown on the attached Service List and to file a Certificate of Service confirming same.)*

**Southeast Banking Corporation**  
**Case No. 91-14561-BKC-PGH**

**Distribution of 48% Guarantee Reserve to Senior Debt**

	Claim No.	Principal Claim	Post Petition Interest Claim	48% Guarantee Reserve Distribution
<b>Bondholder Claims</b>				
<u>Senior Debt</u>				
11.25% Issue	551	\$ 60,031,774.63	\$ 8,008,076.69	617,451.00
<u>Subordinated Debt</u>				
BNY 4 3/4% Issue	795, 801	12,334,529.00	4,514,198.87	-
BNY 10.50% Issue	800	104,670,884.92	38,244,740.39	-
Subtotal - BNY		117,005,413.92	42,758,939.26	-
USB FRN due 1996	796	45,609,909.73	16,693,138.14	-
USB FRN due 1997	799	76,759,981.25	28,094,003.65	-
USB 6 1/2% Issue	798	50,049,865.14	18,318,153.18	-
Subtotal - USB		172,419,756.12	63,105,294.97	-
Subtotal - Subordinated Bondholder Claims		289,425,170.04	105,864,234.23	-
Total Bondholder Claims		349,456,944.67	113,872,310.93	617,451.00
<b>Non-Bondholder Claims</b>				
Bullard, John. P	903	496,502.00	Not entitled	-
Chinea, Miriam	465	2,102.12	923.74	-
Davila, Marietta	371	1,137.00	499.63	-
DuPont III, Francis I.	96, 510	2,437.82	1,453.47	-
Durante, Maria	350	2,199.93	1,311.64	-
Ebert, Douglas E.	525	596,720.69	Not entitled	-
Evans, Patricia Ann	-	3,613.08	1,094.79	-
Florida Department of Revenue	823	20,844.83	8,261.87	-
Florida Department of Revenue	824, 1033, 1074	8,953.29	3,542.78	-
Florida Department of Revenue	825	11,536.50	4,558.58	-
Florida Department of Revenue	826	50.30	20.98	-
Florida Department of Revenue	827	3,795,837.54	2,022,639.37	-
Forames, Michelle	398	1,781.25	782.74	-
Galogly, William	531	6,000.00	2,636.58	-
Gobbel Hays Partners, P.C.	374	38,312.06	12,462.48	-
Hector, Louis	763	110,178.44	65,690.47	-
Holman, Scott	897	71.68	Not entitled	-
Hudak, Kristen	912	600,000.00	306,912.66	-
Jordan, Castle W.	771	1,539.23	917.72	-
Lawhorn, Jess	501	20,942.44	8,858.10	-
Lyons, Helen M.	457	173.33	18.46	-
Perkins, Roy	594, 595	80,000.00	33,837.89	-
Plechaty, William	619	400,000.00	204,449.41	-
Porta, John	682, 1109	1,522,288.00	838,598.38	-
Quackenbush, Michael	705	418,250.00	176,843.56	-
Safeco Insurance Companies	1122, 1128	725,000.00	246,214.70	-
Seivers, Lois	627	8,076.94	3,549.25	-
Smith, Ronald Allen	239	67.01	24.13	-
Tauil, Constantino	136	2,950.46	1,296.52	-
Tomberlin, Estate of Sarah H.	632, 892	94,145.00	56,131.03	-
Travelers Insurance Company	755	957,000.00	309,931.61	-
Withhorn, Florence	29	1,915.65	371.56	-
Zwick, Charles J.	308, 1045, 1111	310,000.00	184,827.86	-
		10,240,626.59	4,498,661.96	-
American Pioneer Federal Savings Bank	1,076	23,275,720.00	13,877,424.27	-
Total Non-Bondholder Claims		33,019,844.59	18,376,086.23	-
Grand Total		\$ 382,973,291.26	\$ 132,248,397.16	\$ 617,451.00

**Southeast Banking Corporation**  
**Case No. 91-14561-BKC-PGH**

**Distribution of \$10,454,158.00 to Subordinated Debt (Note 1)**

	Claim No.	Principal Claim	Post Petition Interest Claim	Subordinated FDIC Claim Distribution
<b>Bondholder Claims</b>				
<u>Senior Debt</u>				
11.25% Issue	551	\$ 60,031,774.63	\$ 8,008,076.69	-
<u>Subordinated Debt</u>				
BNY 4 3/4% Issue	795, 801	12,334,529.00	4,514,198.87	445,779.80
BNY 10.50% Issue	800	104,670,884.92	38,244,740.39	3,776,691.55
Subtotal - BNY		117,005,413.92	42,758,939.26	4,222,471.45
USB FRN due 1996	796	45,609,909.73	16,693,138.14	1,648,457.62
USB FRN due 1997	799	76,759,981.25	28,094,003.65	2,774,300.08
USB 6 1/2% Issue	798	50,049,865.14	18,318,153.18	1,808,928.85
Subtotal - USB		172,419,756.12	63,105,294.97	6,231,686.55
Subtotal - Subordinated Bondholder Claims		289,425,170.04	105,864,234.23	10,454,158.00
Total Bondholder Claims		349,456,944.67	113,872,310.93	10,454,158.00
<b>Non-Bondholder Claims</b>				
Bullard, John. P	903	496,502.00	Not entitled	-
China, Miriam	465	2,102.12	923.74	-
Davila, Marietta	371	1,137.00	499.63	-
DuPont III, Francis I.	96, 510	2,437.82	1,453.47	-
Durante, Maria	350	2,199.93	1,311.64	-
Ebert, Douglas E.	525	596,720.69	Not entitled	-
Evans, Patricia Ann	-	3,613.08	1,094.79	-
Florida Department of Revenue	823	20,844.83	8,261.87	-
Florida Department of Revenue	824, 1033, 1074	8,953.29	3,542.78	-
Florida Department of Revenue	825	11,536.50	4,558.58	-
Florida Department of Revenue	826	50.30	20.98	-
Florida Department of Revenue	827	3,795,837.54	2,022,639.37	-
Forames, Michelle	398	1,781.25	782.74	-
Gallo, William	531	6,000.00	2,636.58	-
Gobbel Hays Partners, P.C.	374	38,312.06	12,462.48	-
Hector, Louis	763	110,178.44	65,690.47	-
Holman, Scott	897	71.68	Not entitled	-
Hudak, Kristen	912	600,000.00	306,912.66	-
Jordan, Castle W.	771	1,539.23	917.72	-
Lawhom, Jess	501	20,942.44	8,858.10	-
Lyons, Helen M.	457	173.33	18.46	-
Perkins, Roy	594, 595	80,000.00	33,837.89	-
Plechaty, William	619	400,000.00	204,449.41	-
Porta, John	682, 1109	1,522,288.00	838,598.38	-
Quackenbush, Michael	705	418,250.00	176,843.56	-
Safeco Insurance Companies	1122, 1128	725,000.00	246,214.70	-
Seivers, Lois	627	8,076.94	3,549.25	-
Smith, Ronald Allen	239	67.01	24.13	-
Tauil, Constantino	136	2,950.46	1,296.52	-
Tomberlin, Estate of Sarah H.	632, 892	94,145.00	56,131.03	-
Travelers Insurance Company	755	957,000.00	309,931.61	-
Withhorn, Florence	29	1,915.65	371.56	-
Zwick, Charles J.	308, 1045, 1111	310,000.00	184,827.86	-
		10,240,626.59	4,498,661.96	-
American Pioneer Federal Savings Bank	1,076	23,275,720.00	13,877,424.27	-
Total Non-Bondholder Claims		33,019,844.59	18,376,086.23	-
Grand Total		\$ 382,973,291.26	\$ 132,248,397.16	\$ 10,454,158.00

**Note 1 )** Pro-rata distribution calculated using post-petition interest claim amount.