

**TRADEMARK ASSIGNMENT**

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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
World Nutrition, Inc.		03/26/2010	CORPORATION: ARIZONA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Marlyn Nutraceuticals, Inc.		
<b>Street Address:</b>	4404 E. Elwood St.		
<b>City:</b>	Phoenix		
<b>State/Country:</b>	ARIZONA		
<b>Postal Code:</b>	85040		
<b>Entity Type:</b>	CORPORATION: ARIZONA		
<b>PROPERTY NUMBERS Total: 6</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2879856	WORLD NUTRITION	
Registration Number:	2870110	W WORLD NUTRITION INCORPORATED	
Registration Number:	2875301	CALGUARD	
Registration Number:	2934292	VITALZYM TOTAL SYSTEM SUPPORT	
Registration Number:	3662564	NATTOVITA	
Registration Number:	3783555	VITÄLZYM	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(602)648-7009		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	602-351-8269		
<b>Email:</b>	mmorris@perkinscoie.com		
<b>Correspondent Name:</b>	Michelle Morris		
<b>Address Line 1:</b>	2901 North Central Avenue		
<b>Address Line 2:</b>	Suite 2000		
<b>Address Line 4:</b>	Phoenix, ARIZONA 85012		

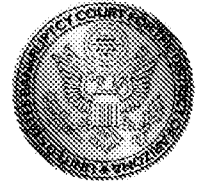
CH \$165.00 2879856

ATTORNEY DOCKET NUMBER:	59861-0002 SEC. INT.-WNI
NAME OF SUBMITTER:	Michelle M. Morris
Signature:	/Michelle M. Morris/
Date:	06/11/2010

**Total Attachments: 36**

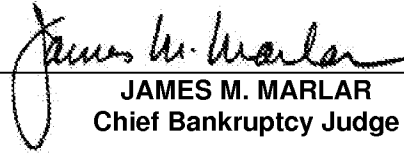
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THIS ORDER IS  
APPROVED.



Dated: March 26, 2010

1 Alisa C. Lacey (#010571)  
2 Josh Kahn (#026284)  
3 **STINSON MORRISON HECKER LLP**  
4 1850 N. Central Avenue, Suite 2100  
5 Phoenix, Arizona 85004-4584  
6 Tel: (602) 279-1600  
7 Fax: (602) 240-6925  
8 alacey@stinson.com

  
JAMES M. MARLAR  
Chief Bankruptcy Judge

6 Attorneys for Debtors

7 **IN THE UNITED STATES BANKRUPTCY COURT**  
8 **FOR THE DISTRICT OF ARIZONA**

9 In re  
10 WORLD NUTRITION, INC.,  
11 ANGLO SUMMIT HOLDINGS, LLC

Chapter 11  
Case No. 2:09-bk-23822-JMM  
Case No. 2:09-bk-23811-JMM  
(Jointly Administered)

**ORDER CONFIRMING THIRD AMENDED  
PLAN OF REORGANIZATION**

15 Debtors.

16 World Nutrition, Inc. ("WNI") and Anglo Summit Holdings, LLC ("ASH"), Debtors and  
17 Debtors-In-Possession in the above captioned Chapter 11 reorganization cases (jointly, "Debtors"),  
18 proposed and filed their Chapter 11 Plan of Reorganization on September 25, 2009. On December 6,  
19 2009, the Court approved the Debtor's Disclosure Statement. The Court began Plan confirmation  
20 proceedings January 22, 2010, and heard testimony from the Debtor's Chief Financial Officer, Chuck  
21 Eberhardt, on said date. On March 22, 2010, a Joint Third Amended Plan of Reorganization was filed  
22 by the Debtors and Marlyn Nutraceuticals, Inc. ("Marlyn") (which Plan is attached hereto as Exhibit 1  
23 and hereinafter referred to as the "Plan"). The Court has considered the Plan, the briefs, pleadings,  
24 including the Affidavit of Charles Eberhardt filed at DE #133, arguments of counsel, evidence offered  
25 at the confirmation hearing, and all other matters of record, including various settlements and  
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1 stipulations which have been reached among the Debtors and various parties in interest, and good  
2 cause appearing;

3 THE COURT FINDS:

4 1. The Plan complies with the applicable provisions of the Bankruptcy Code.

5 2. The proponents of the Plan have complied with the applicable provisions of the  
6 Bankruptcy Code.

7 3. The Plan has been proposed in good faith and not by any means forbidden by law.

8 4. Any payment made or to be made by the Debtors for services, compensation, or for  
9 costs and expenses in or in connection with these cases, or in connection with the Plan and incident to  
10 these cases, has been approved by the Court as reasonable, or will be approved as reasonable before it  
11 is paid.  
12

13 5. The Debtors have disclosed the identity and affiliations of any individual proposed to  
14 serve, after confirmation of the Plan, as a director, officer or Voting Trustee of the Reorganized  
15 Debtor, World Nutrition, Inc., and their appointment and continuance in such offices and capacities are  
16 consistent with the interests of creditors and equity security holders and with public policy. In  
17 particular, the Reorganized Debtor is assuming the employment agreements of Ryuji Hirooka and  
18 Charles Eberhardt, who will serve restively as Chief Executive Officer and Chief Financial Officer.  
19 To the extent any provision of such employment contracts conflicts with the Plan's terms as it relates to  
20 the Reorganized WNI, the Plan shall control and any such employment contract shall be modified so  
21 that it is consistent with the Plan.  
22

23 6. The rates charged by Debtors are not subject to any governmental regulatory  
24 commission.  
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1           7.       Each holder of a claim against or interest in the Debtor has accepted the Plan or will  
2 receive or retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less  
3 than the amount that such holder would receive or retain if the Debtors were liquidated under chapter  
4 of the Bankruptcy Code on such date.

5           8.       Based upon the Debtors' Ballot Report filed herein and Marlyn's Amended Proof of  
6 Claim filed with the Court, each class of claims and interests has accepted the Plan.

7           9.       The Plan provides for payment in full, on the Effective Date, of all administrative and  
8 priority claims and expenses, unless the holder of such a claim and expense has reached an agreement  
9 with the Reorganized Debtor regarding different treatment of its claim.

10          10.       At least one class of claims impaired under the Plan has accepted the plan, without  
11 considerations of acceptances by insiders.

12          11.       Confirmation of the Plan is not likely to be followed by liquidation or the need for  
13 further financial reorganization of the Debtor.

14          12.       All fees required to be paid pursuant to 28 U.S.C. § 1930 have been paid or the Plan  
15 provides for their payment by the Effective Date.

16          13.       The Debtors are not financially obligated for any contributions or payments owing to  
17 any retiree benefit plans.

18          14.       The principal purpose of the Plan is not to avoid taxes or the application of Section 5 of  
19 the Securities Act of 1933.

20          15.       The solicitation of acceptances of the Plan by the Debtors was in good faith.

21          16.       In the event that the Plan's provisions for the treatment of claims are contrary to the  
22 terms of any pre-confirmation, court approved Stipulation in Aid of Confirmation, the terms of the  
23 Stipulation in Aid of Confirmation shall control.  
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1           17.     The Plan is fair and equitable to all parties-in-interest, including without limitation, the  
2 Debtors, all unsecured creditors, and all secured creditors.

3           **BASED ON THE FOREGOING, IT IS HEREBY ORDERED THAT:**

4           A.     The Plan, which is attached hereto as Exhibit 1 and which appears at docket number  
5 132 is confirmed.

6           B.     The provisions of the Plan are binding on the Debtors and all creditors of the Debtors,  
7 holders of equity interest and any other parties-in-interest, as well as their respective heirs, successors,  
8 assigns, trustees, subsidiaries, affiliates, officers, directors, agents, employees, representatives,  
9 attorneys, beneficiaries, guardians and similar officers, or any person claiming through in the right of  
10 any such person.

11           C.     Pursuant to the Plan, and effective immediately upon entry of this Order, all Preferred  
12 Stock Equity Interests in the Debtor, including all Series A Preferred Stock, Series B Preferred Stock,  
13 and any redemption, stock buy-back, dividend, or other agreements relating to the Preferred Stock, are  
14 hereby terminated, cancelled and of no further force or effect. Except as provided in the Plan, the  
15 termination and cancellation of such Preferred Stock and all agreements relating thereto shall in no  
16 way lead to a Claim against World Nutrition, Inc. as Reorganized Debtor.

17           D.     The termination of the automatic stay of Section 362(a) of the Bankruptcy Code shall  
18 occur on the Effective Date.

19           E.     Except as otherwise provided in the Plan, effective upon entry of this Order, World  
20 Nutrition, Inc., as a reorganized debtor, is hereby vested with all assets of the Estate free and clear of  
21 all Claims, liens, charges, assignments and any other interests of creditors that arose prior to entry of  
22 this Order.  
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1 F. The Debtors are hereby discharged and released of any and all debts and Claims of any  
2 nature against the Debtors that arose at any time before the entry of this Order, including, but not  
3 limited to, all principal and any and all interest accrued on such Claims, except as provided in the Plan  
4 pursuant to § 1141(d)(1) of the Code, or as otherwise set forth in this Order. The discharge of the  
5 Debtors shall be effective as to each and every Claim, regardless of whether a proof of Claim therefore  
6 was filed, whether the Claim is an Allowed Claim, or whether the holder thereof voted to accept the  
7 Plan.  
8

9 G. The Court shall retain jurisdiction over these Chapter 11 Cases to the extent, and in the  
10 situations, provided for in the Plan.

11 H. Prior to the Effective Date, and pursuant to Section 10.1 of the Plan, the Reorganized  
12 Debtor shall enter into a written licensing agreement with American Institute of Eastern Medicine that  
13 is consistent with the terms of the Plan. Prior to executing such an agreement, the Reorganized Debtor  
14 shall send a copy of the proposed agreement to counsel for Marlyn for its approval. The Court shall  
15 retain jurisdiction to resolve any disputes between Marlyn and the Reorganized Debtor concerning  
16 whether the agreement is consistent with the Plan. In the event of such a dispute, the Reorganized  
17 Debtor shall not be considered in default under the Plan for failure to execute the licensing agreement  
18 by the Effective Date.  
19

20 I. Prior to the Effective Date, Marlyn shall execute a non-disclosure agreement pursuant  
21 to and consistent with the terms set forth in Plan, including Section 13.3 therein. The Court shall retain  
22 jurisdiction to resolve any disputes between Marlyn and the Reorganized Debtor concerning execution  
23 of the non-disclosure agreement provided for in Section 13.3 of the Plan.

24 J. World Nutrition, Inc., as the Reorganized Debtor, is hereby appointed as the disbursing  
25 agent pursuant to Article 8 of the Plan.  
26  
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1 K. This Order is a Final Order and the period in which an appeal must be filed shall  
2 commence immediately upon the entry hereof. Notwithstanding Bankruptcy Rule 3020(e), this Order  
3 shall be effective and enforceable immediately upon entry hereof.  
4

5 DATED AND SIGNED ABOVE  
6

7  
8  
9 **Approved by the Following Parties:**  
10

11 By /s/ Josh Kahn  
12 Alisa C. Lacey  
13 Josh Kahn  
14 Stinson Morrison Hecker, LLP  
15 1850 N. Central Avenue, Suite 2100  
16 Phoenix, AZ 85004-4584  
17 jkahn@stinson.com  
18 Attorneys for the Debtors

19 By /s/ Richard M. Lorenzen  
20 Richard M. Lorenzen  
21 Perkins Coie Brown & Bain, P.A.  
22 2901 North Central Avenue, Suite 2000  
23 Phoenix, AZ 85012-2788  
24 RLorenzen@perkinscoie.com  
25 Attorney for Marlyn Nutraceuticals, Inc.  
26  
27  
28



# EXHIBIT 1

1 C. Taylor Ashworth (#010143)  
Alisa C. Lacey (#010571)  
2 Josh Kahn (#026284)  
3 **STINSON MORRISON HECKER LLP**  
1850 N. Central Avenue, Suite 2100  
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alacey@stinson.com

6 Attorneys for World Nutrition, Inc.

7  
8 **IN THE UNITED STATES BANKRUPTCY COURT**  
9 **FOR THE DISTRICT OF ARIZONA**

10 In re  
11 **WORLD NUTRITION, INC.,**  
12 **ANGLO SUMMIT HOLDINGS, LLC,**  
13 Debtors.

Chapter 11  
Case No. 2:09-bk-23822-JMM  
(Joint Administration Pending)  
**Case No. 2:09-bk-23811-JMM**

14 **THIRD AMENDED PLAN OF**  
15 **REORGANIZATION FOR WORLD**  
16 **NUTRITION, INC.**

17 **Hearing Date:**  
18 **Hearing Time:**  
**Location: Courtroom #602**  
**230 N First Ave**  
**Phoenix AZ 85003**

19 **ARTICLE I**

20 **INTRODUCTION**

21 World Nutrition, Inc. ("WNI") and Anglo Summit Holdings, LLC ("ASH"), Debtors and  
22 Debtors-in-Possession in the above-captioned Chapter 11 reorganization cases (jointly, "Debtors"),  
23 hereby submit their Third Amended Plan of Reorganization. WNI and ASH filed their respective  
24 voluntary petitions seeking relief under Chapter 11 of the Bankruptcy Code on September 24, 2009  
25 (the "Petition Date"). An initial Plan of Reorganization was filed on September 25, 2009 (the "Initial  
26 Plan"); A Second Amended Plan of Reorganization was filed with the court on January 26, 2010; this  
27 Third Amended Plan of Reorganization was filed with the Court on March 22, 2010 (the Debtors'  
28

1 Initial Plan, as amended from time to time, is referred to herein as the "Plan"). All creditors and  
2 parties-in-interest are encouraged to consult the Disclosure Statement (the "Disclosure Statement")  
3 accompanying the Initial Plan before voting to accept or reject the Plan.

4 **NO SOLICITATION MATERIALS OTHER THAN THE DISCLOSURE STATEMENT,**  
5 **IN THE FORM APPROVED BY THE BANKRUPTCY COURT AND RELATED**  
6 **MATERIALS TRANSMITTED THEREWITH, ARE APPROVED OR AUTHORIZED BY**  
7 **THE BANKRUPTCY COURT AND THE BANKRUPTCY CODE IN SOLICITING**  
8 **ACCEPTANCES OR REJECTIONS OF THIS PLAN.**

9 **ARTICLE II**

10 **DEFINITIONS**

11 For purposes of this Plan, except as expressly provided or unless the context otherwise requires,  
12 all capitalized terms, not otherwise defined shall have the meanings ascribed to them in Article II of  
13 this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code  
14 or Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the  
15 Bankruptcy Rules. Whenever it appears appropriate from the context, each term stated in the singular  
16 or the plural include the singular and the plural, and each pronoun stated in the masculine, feminine or  
17 neuter includes the masculine, feminine and neuter.

18 **2.1. Administrative Claim.** "Administrative Claim" means a Claim or expense, or a  
19 portion of a Claim or expense, that is a cost or expense of the administration of Debtors' Estates  
20 allowed under §503(b) of the Bankruptcy Code that is entitled to priority under §507(a)(1) of the  
21 Bankruptcy Code, including but not limited to any actual and necessary cost and expense of preserving  
22 the Estate, or operating the business of Debtors, and all fees and expenses of professionals entitled to  
23 compensation pursuant to Sections 328, 330, 363, 503(b) and 543 of the Bankruptcy Code as approved  
24 by the Bankruptcy Court. Administrative Claims shall also include (i) any Cure Payments, and (ii) any  
25 and all pre- and post-confirmation fees due to the U.S. Trustee's Office. Administrative Claims are  
26 classified under the Plan as Class 1A Claims.

1           **2.2. Allowed Claim.** This term refers to and means: (a) a claim allowed by a Final Order  
2 of the Bankruptcy Court; (b) a claim as to which a timely and proper proof of claim or application for  
3 payment has been filed and as to which proof of claim or application for payment no objection has  
4 been made within the time allowed for making objections; or (c) a claim that is listed in the Schedule  
5 of Debtors' Assets and Liabilities, and is not designated as disputed, contingent or unliquidated.  
6 Interest accrued after the Petition Date shall not be a part of any Claim against WNI or ASH, except as  
7 required or permitted by law.

8           **2.3. Allowed Secured Claim.** This term refers to and means a claim that is both an  
9 Allowed Claim and a Secured Claim.

10           **2.4. Allowed Tax Claim.** This term refers to and means a claim that is both an Allowed  
11 Claim and a claim for taxes of the kind specified in Section 507(a)(8) of the Bankruptcy Code.

12           **2.5. Allowed Unsecured Claim.** This term refers to and means a claim that is both an  
13 Allowed Claim and an Unsecured Claim.

14           **2.6. Assumed Lease or Contract.** This term refers to and means an executory contract or  
15 lease entered into by a Debtor that has been assumed pursuant to Article 3.5 hereof.

16           **2.7. Available Profits.** This term refers to and means Net Profit less the annual \$450,000  
17 required to be made on the Distribution Dates.

18           **2.8. Ballot.** This term refers to and means the ballot for accepting or rejecting the Plan  
19 which will be distributed to holders of claims in Classes that are impaired under this Plan and are  
20 entitled to vote on this Plan.

21           **2.9. Bankruptcy Case.** This term refers to and means the above-captioned Chapter 11 case.

22           **2.10. Bankruptcy Code.** This term refers to and means Title 11 of the United States Code,  
23 11 U.S.C. §§ 101, et. seq., as now existing or hereafter amended during the Bankruptcy Case.

24           **2.11. Bankruptcy Court or Court.** This term refers to and means the United States  
25 Bankruptcy Court for the District of Arizona, Phoenix Division, or such other court as may have  
26 jurisdiction over this Chapter 11 case, and, with respect to any particular proceeding arising under Title  
27 11 of the United States Code, or arising in or related to this case, any other court which has jurisdiction  
28

1 over such proceeding; including the United States District Court for the District of Arizona to the  
2 extent that the reference for all or part of the Bankruptcy Case is withdrawn.

3       **2.12. Bankruptcy Rules.** This term refers to and means the Federal Rules of Bankruptcy  
4 Procedure promulgated under 28 U.S.C. § 2075 and the local rule of Court, as applicable during the  
5 term of the Bankruptcy Case.

6       **2.13. Bar Date.** This term refers to and means the date established by the Bankruptcy Court  
7 by which a claimant or equity holder must have filed a proof of claim or interest in the Bankruptcy  
8 Case for such a claim or interest to be considered for allowance.

9       **2.14. Business Day.** This term refers to and means every day except Saturdays, Sundays, and  
10 holidays observed by the Bankruptcy Court.

11       **2.15. Claim.** This term has the meaning set forth in Section 101(5) of the Bankruptcy Code.

12       **2.16. Claimholder.** This term means a holder of a Claim.

13       **2.17. Class.** This term refers to and means each of the categories of claims described in  
14 Article IV of the Plan.

15       **2.18. Confirmation.** This term refers to and means the entry of the Confirmation Order.

16       **2.19. Confirmation Date.** This term refers to and means the date on which the Clerk of the  
17 Bankruptcy Court enters the Confirmation Order on the docket.

18       **2.20. Confirmation Documents.** This term refers to and means such documents necessary to  
19 effectuate the Plan during the confirmation process and thereafter.

20       **2.21. Confirmation Hearing.** This term refers to and means the hearing regarding  
21 confirmation of the Plan conducted by the Bankruptcy Court pursuant to Bankruptcy Code Section  
22 1128, including any adjournment or continuation of that hearing from time to time.

23       **2.22. Confirmation Order.** This term refers to and means the order of Bankruptcy Court  
24 confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

25       **2.23. Cure Payment.** This term refers to and means a payment required under Section 365  
26 of the Bankruptcy Code to cure defaults under an Assumed Lease or Contract. Claims for Cure  
27 Payments are treated under the Plan as Administrative Claims, and are classified hereunder as Class  
28 1A Claims.

1           **2.24. Debtor.** This term collectively refers to and means World Nutrition, Inc and Anglo  
2 Summit Holdings, LLC.

3           **2.25. Disbursing Agent.** This term means the Person appointed to make distributions under  
4 the Plan pursuant to Article VIII hereof.

5           **2.26. Disclosure Statement.** This term refers to and means WNI's and ASH's Disclosure  
6 Statement for their Plan of Reorganization filed on September 25, 2009, in its initial form or as it may  
7 be altered, amended or modified.

8           **2.27. Disputed Claim.** This term refers to and means every claim: (a) that is scheduled by  
9 WNI or ASH as disputed, contingent or unliquidated; and/or (b) that is not an Allowed Claim.

10          **2.28. Distribution Dates.** This term refers to and means June 30 and December 31.

11          **2.29. Effective Date.** This term refers to and means the first Business Day that is at least 30  
12 days after the Confirmation Date. Where performance is to be rendered under the Plan to any creditor  
13 in respect to any Disputed Claim, such performance shall not be due (notwithstanding the occurrence  
14 of the Effective Date) unless and until such Disputed Claim becomes, wholly or in part, an Allowed  
15 Claim.

16          **2.30. Estate.** This term refers to and means the bankruptcy estates created in WNI's and  
17 ASH's Chapter 11 Bankruptcy Cases under Section 541 of the Bankruptcy Code.

18          **2.31. Face Amount.** This term refers to and means (a) when used in reference to a Disputed  
19 Claim, the full stated liquidated amount claimed by the Claimholder in any proof of Claim timely filed  
20 with the Bankruptcy Court or otherwise deemed timely filed with the Bankruptcy Court or otherwise  
21 deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law,  
22 and (b) when used in reference to an Allowed Claim, the allowed amount of such Claim.

23          **2.32. Final Order.** This term refers to and means an order or judgment of the Court which  
24 (a) shall not have been reversed, stayed, modified or amended and the time to appeal from, or to seek  
25 review or rehearing of, shall have expired and as to which no appeal or petition for review, or hearing  
26 for certiorari is pending, or (b) if appealed from, shall have been affirmed and no further hearing,  
27 appeal or petition for certiorari can be taken for granted, or as to which no stay has been entered to  
28 affect the operative provisions of such order or judgment.

1           **2.33. General Unsecured Claim.** This term refers to and means every Unsecured Claim  
2 against WNI and/or ASH included in Class 3B, and Class 3C (including, but not limited to, every such  
3 Claim arising from the rejection of an Executory Contract or Lease and every Claim which is the  
4 undersecured portion of any Secured Claim), which is not an Administrative Claim, a Secured Claim, a  
5 Priority Claim, an Insider Claim, or a General Unsecured Convenience Claim.

6           **2.34. General Unsecured Claim Rate.** This term refers to and means a rate of interest equal  
7 to 8.5% per annum until such time as Class 2A Claims have been paid in full, at which point this term  
8 shall refer to and mean a rate of interest equal to 7% per annum.

9           **2.35. General Unsecured Convenience Claim.** This term refers to and means an Unsecured  
10 Claim in an amount of \$2500 or less, inclusive of interest accrued thereon after the Petition Date  
11 through the later to occur of the Effective Date or the date when the Claim becomes Allowed;  
12 provided, that, if the holder of an Unsecured Claim in an amount greater than \$2500 makes an election  
13 to reduce such Claim to \$2500, such Claim will be treated as a General Unsecured Convenience Claim  
14 for all purposes. Such election will be made on the Ballot, completed and returned within the time  
15 fixed by order of the Court. Making this election will be deemed a waiver by such electing holder of  
16 any right to participate as a General Unsecured Claim in Class 3B as to any and all Claims held by  
17 such holder.

18           **2.36. Hirooka Note.** This term refers to and means the Promissory Note dated January 2,  
19 2009, executed by Hirooka in favor of WNI in the principal amount of \$105,827.66.

20           **2.37. Impaired/Impaired Class.** This term shall have the meaning ascribed to it in § 1124 of  
21 the Bankruptcy Code. Pursuant to § 1124, a Class of Claims is impaired under a plan of reorganization  
22 unless, with respect to each Claim of such Class: (i) it is paid in full on the Effective Date of the Plan;  
23 (ii) the Plan leaves unaltered the legal, equitable and contractual rights to which such Claim entitled  
24 the holder of such Claim; or (iii) all defaults are cured, the original maturity of the Claim is reinstated  
25 and the Claim is otherwise treated as provided in clause (ii) above.

26           **2.38. Initial Distribution Date.** This term refers to and means the first Distribution Date to  
27 occur at least 90 days after the Confirmation Date.

1           **2.39. Interest or Interests.** This term refers to and means the rights of a holder of a  
2 preferred stock or common stock equity interest in the Debtors.

3           **2.40. Insider Claim.** This term refers to a Claim asserted by a Person who held an Interest in  
4 the Debtor on the Petition Date, or was otherwise an "Insider", as defined in 11 U.S.C. § 101(31).

5           **2.41. Marlyn Claim.** This term refers to and means, collectively, both the Marlyn  
6 Compensatory Claim and the Marlyn Punitive Claim.

7           **2.42. Marlyn Compensatory Claim.** This term refers to and means the Claim held by  
8 Marlyn arising from the judgment entered in favor of Marlyn in Case No. 2:02 cv 1876 HRH, in the  
9 United States District Court for the District of Arizona (the "District Court Action"), for compensatory  
10 damages and attorneys' fees in the aggregate amount of \$703,133.44. The Marlyn Compensatory  
11 Claim shall be an Allowed Claim for all purposes in connection with the Plan, and not subject to  
12 objection, defense, offset, or counterclaim.

13           **2.43. Marlyn Punitive Damage Claim.** This term refers to and means the claim held by  
14 Marlyn arising from the judgment entered in favor of Marlyn in the District Court Action for punitive  
15 damages in the amount of \$1,000,000. The Marlyn Punitive Damage Claim shall be an Allowed Claim  
16 for all purposes in connection with the Plan, and not subject to objection, defense, offset, or  
17 counterclaim.

18           **2.44. Net Profit.** This term refers to and means the Reorganized Debtor's after tax annual  
19 profit for any given calendar year, beginning in 2010, excluding payments required to be made to  
20 creditors under this Plan. (In other words, Net Profit means the Reorganized Debtor's after tax annual  
21 revenues less the cost of goods sold and legitimate operating expenses, and operating expenses shall  
22 not include any payments required to be made to creditors under this Plan.)

23           **2.45. Person.** This term refers to and means any individual, corporation, general partnership,  
24 limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated  
25 organization, government unit (as defined in section 101(27) of the Bankruptcy Code), or other entity.

26           **2.46. Petition Date.** This term refers to and means September 24, 2009, the date upon which  
27 the Bankruptcy Case was commenced.



1           **2.47. Plan.** This term refers to and means this Plan of Reorganization as proposed by WNI  
2 and every modification thereof, if any, WNI may file.

3           **2.48. Plan Proponent.** This term refers to and means WNI, and such other Person who, with  
4 the consent of WNI, joins in executing and proposing the Plan.

5           **2.49. Principal.** This term refers to and means the holder of Common Stock in WNI.

6           **2.50. Priority Claim.** This term refers to and means a Claim entitled to priority treatment  
7 under Section 507(a) of the Bankruptcy Code. Priority Claims are classified under the Plan as  
8 Administrative Claims (Class 1A), Wage Claims (Class 1B), and Tax Claims (Class 1C).

9           **2.51. Priority Tax Claim.** This term refers to and means a claim for taxes of the kind  
10 specified under Section 507(a)(7) of the Bankruptcy Code, to the extent entitled to priority thereunder.  
11 Priority Tax Claims are classified under the Plan as Class 1C Claims.

12           **2.52. Pro Rata.** This term refers to and means, unless the Plan specifically provides  
13 otherwise, with respect to Claims, the proportion that the Face Amount of a Claim in a particular Class  
14 bears to the aggregate Face Amount of all Claims (including Disputed Claims, but excluding  
15 Disallowed Claims) in such Class. A Claim Holders' Pro Rata distribution pursuant to Sections 5.7 and  
16 5.8 herein shall be the proportion that the Face Amount of a Claim bears to the aggregate Face Amount  
17 of all Claims in the Unsecured Creditor Pool.

18           **2.53. Profit Sharing Distribution.** This term refers to and means 25% of Available Profits  
19 generated during the preceding calendar year. The remaining 50% of Available Profits, after the two  
20 semi-annual Profit Sharing Distributions, shall be retained by WNI, but may not be used to pay any  
21 bonus, dividend, or to make any loan or advance, to Mr. Hirooka or any other Insider, other than  
22 specifically authorized in the Plan.

23           **2.54. Profit Sharing Distribution Date.** This term refers to and means April 15 and October  
24 15.

25           **2.55. Reorganized Debtors.** This term refers to and means World Nutrition, Inc., following  
26 entry of the Confirmation Order.

27           **2.56. Secured Claim.** This term refers to and means every claim or portion thereof which is  
28 asserted by the creditor holding such a claim to be secured by a lien, security interest, or assignment

1 encumbering property in which WNI or ASH has an interest, provided, however, that such claim shall  
2 be a Secured Claim only to the extent of the validity, perfection, and enforceability of the claimed lien,  
3 security interest, or assignment, and only to the extent of the value of the interest of the creditor  
4 holding such claim against WNI's property.

5 **2.57. Secured Equipment Claim.** This term refers to and means every claim or portion  
6 thereof which is asserted by an equipment lessor creditor claiming to be secured by a lien, security  
7 interest, or assignment encumbering the equipment leased by WNI, provided, however, that such claim  
8 shall be a Secured Equipment Claim only to the extent of the validity, perfection, and enforceability of  
9 the claimed lien, security interest, or assignment, and only to the extent of the value of the interest of  
10 the equipment lessor holding such claim against WNI's property.

11 **2.58. Secured Creditor.** This term refers to and means every creditor that holds a Secured  
12 Claim in the Bankruptcy Case.

13 **2.59. Secured Claim Collateral.** This term refers to and means the collateral that secured  
14 WNI's obligations to the Secured Creditors referred to above.

15 **2.60. Secured Claim Rate.** This term refers to and means a rate of interest, to be determined  
16 by the Bankruptcy Court at the Confirmation Hearing, that, when applied to the amount of a Secured  
17 Claim paid in installments as provided herein, will result in such installments being of an aggregate  
18 value, as of the Effective Date, equal to the Allowed Secured Claim, consistent with the requirements  
19 of § 1129(b)(2)(A)(i)(II).

20 **2.61. Stipulation in Aid of Confirmation.** This term refers to and means any and all  
21 agreements entered into between the Estate and any party affecting the Plan or Confirmation.

22 **2.62. Tax Claim Rate.** This term refers to and means a rate of interest, to be determined by  
23 the Bankruptcy Court at the Confirmation Hearing, that, when applied to the amount of a Tax Claim  
24 paid in installments as provided herein, will result in such installments being of a total value, as of the  
25 Effective Date, equal to the Allowed Tax Claim, consistent with the requirements of §§ 511 and  
26 1129(a)(9)(C)(i). At the Confirmation Hearing, Debtor will request the Bankruptcy Court to determine  
27 the Tax Claim Rate in a fashion consistent with these sections of the Bankruptcy Code.







1 Each holder of a Class 1A, 1B, or 1C Claim, to the extent such Claim is an Allowed Claim,  
2 shall receive, on account of such Claim, payment of the Allowed Amount of such Claim, in cash, on  
3 the later of (i) the Effective Date, (ii) the date on which the Claim becomes Allowed, or (iii) the date  
4 upon which such obligation becomes due in accordance with its terms.

5 Professionals and entities who may be entitled to allowance of fees and expenses from the  
6 Estate pursuant to § 503(b)(2) through (6) of the Bankruptcy Code will receive cash in the amount  
7 awarded to such professionals or entities in accordance with, and at such times as may be provided in,  
8 Final Orders entered pursuant to §§ 330 or 503(b)(2) through (6) of the Bankruptcy Code.

9 Class 1A, 1B and 1C Claims are not Impaired.

10 **5.4. Class 2A: Wells Fargo Secured Claim.** The Class 2A Secured Claim of Wells Fargo  
11 arises from a \$500,000 line of credit in favor of WNI that was scheduled to become due on November  
12 10, 2009. Pursuant to the line of credit agreement, Wells Fargo is secured by all of WNI's Personal  
13 Property, including cash, accounts, accounts receivable, intellectual property and inventory. As of the  
14 Petition Date, the line of credit had been completely drawn upon leaving Wells Fargo a Secured Claim  
15 in the amount of \$500,000. On January 15, 2010, the Debtors and Wells Fargo filed a Stipulation in  
16 Aid of Confirmation (the "Wells Fargo Stipulation") that was approved by Order of the Bankruptcy  
17 Court on February 4, 2010. The Wells Fargo Stipulation provides that Wells Fargo's Class 2A Claim  
18 will be paid through twenty-four (24) consecutive monthly principal and interests payments beginning  
19 in February 2010 and ending in January 2012. The Wells Fargo Stipulation is incorporated into this  
20 Plan, and shall govern treatment of Wells Fargo's Class 2A Claim.

21 The Class 2A Claim of Wells Fargo shall retain a lien on the present collateral of Wells Fargo  
22 as provided in the line of credit agreement, to secure the payment of the amounts provided herein.  
23 Wells Fargo may acquire additional collateral to further secure its Class 2A claim pursuant to a Final  
24 Order from the Bankruptcy Court. The documents establishing the lien shall be modified to provide  
25 that no acceleration of the principal amount owed hereunder shall occur prior to the expiration of  
26 fifteen days written notice to the Reorganized Debtors, during which such period the Reorganized  
27 Debtors may cure any default. Unless Wells Fargo otherwise agrees, and except as provided in this  
28

1 Plan with regard to the Unsecured Creditor Pool, WNI will not encumber or transfer, or permit any  
2 involuntary encumbrance or transfer of its interest in Wells Fargo's collateral.

3 Class 2A is Impaired.

4 **5.5. Class 2B Equipment Lessor Secured Claims.** Unless otherwise set forth in a  
5 Stipulation in Aid of Confirmation, each holder of a Class 2B Claim, will be paid in accordance with  
6 the terms of the lease existing or otherwise entered into between the parties. Payments will be made  
7 monthly or quarterly as provided in the applicable lease agreement. Each holder of a Class 2B Claim  
8 shall retain its lien on the collateral securing the Debtors' obligations under the applicable lease.

9 Class 2B is Impaired.

10 **5.6. Class 3A General Unsecured Convenience Claims.**

11 Class 3A Claims shall be paid in cash, in full, at the later of the Effective Date or within 10  
12 days of such date that a Class 3A Claim becomes an Allowed Claim.

13 Class 3A is not Impaired.

14 **5.7. Class 3B General Unsecured Claims.**

15 Class 3B includes both General Unsecured Claims and the Marlyn Compensatory Claim. All  
16 Class 3B Claims shall be placed in the Unsecured Creditor Pool. Holders of Class 3B Claims shall  
17 receive, on account of such Claim, deferred cash payments of an aggregate value, as of the Effective  
18 Date, equal to the Allowed Amount of such Claim plus interest at the General Unsecured Claim Rate.  
19 Unless otherwise set forth in a Stipulation in Aid of Confirmation, each holder of a Class 3B Claim, to  
20 the extent such Claim is an Allowed Unsecured Claim, shall receive a Pro Rata distribution from each  
21 semi-annual unsecured creditor distribution, and any Profit Sharing Distribution, made by the  
22 Disbursing Agent to the Unsecured Creditor Pool. On each Distribution Date, the Reorganized Debtor  
23 shall make a distribution to the Unsecured Creditor Pool in the total amount of \$225,000, less any  
24 payment required to be made to Class 2A pursuant to this Plan. The Reorganized Debtor will also pay  
25 to the Unsecured Creditor Pool two semi-annual Profit Sharing Distributions on the Profit Sharing  
26 Distribution Dates. Distributions to the Unsecured Creditor Pool shall begin on or before the Initial  
27 Distribution Date, with subsequent payments being rendered on each consecutive Distribution Date  
28 until all Unsecured Claims have been paid in full. Profit Sharing Distributions shall begin on the first

1 Profit Sharing Distribution Date in 2011, and shall continue on each consecutive Profit Sharing  
2 Distribution Date until all Unsecured Claims have been paid in full.

3         The Unsecured Creditor Pool shall receive a *pari passu*, blanket security interest and lien  
4 against all of Debtor's real, and personal property, including without limitation: (a) all accounts  
5 (including health care insurance receivables), deposit accounts, contract rights, chattel paper (whether  
6 electronic or tangible), commercial tort claims, instruments, promissory notes, investment property,  
7 general intangibles (including payment intangibles and software), and, to the extent not otherwise  
8 covered, all trademarks, intellectual property, business records, customer lists, letter of credit rights,  
9 letters of credit, and other rights to payment of every kind now existing or at any time hereafter arising;  
10 (b) all inventory; (c) all Equipment; (d) all Documents of Title; (e) all Farm Products, (f) Titled Goods;  
11 and (g) all money and all investment property (including securities and financial assets) (individually  
12 and collectively, the "Unsecured Creditor Pool Collateral"), to secure its payments required to be made  
13 under this Plan. The lien granted to the Unsecured Creditor Pool will be second in priority to the lien  
14 granted to Class 2A, until the Class 2A debt is paid in full, whereupon it shall become a first priority  
15 security interest and lien against such assets until Classes 3B and 3C are paid in full. The said security  
16 interest and lien shall attach, be effective and automatically perfected upon entry of the Confirmation  
17 Order, with no further filing, recordation or other action. Notwithstanding the foregoing, the  
18 Unsecured Creditor Pool shall be represented by Marlyn, which shall have the authority but not the  
19 obligation to take any reasonable steps in furtherance of perfection, and to enforce the Unsecured  
20 Creditor Pool's lien and security interest provided for herein, including obtaining Court authority for  
21 any document or agreement it deems appropriate to formalize or perfect the Unsecured Creditor Pool  
22 lien. WNI and its counsel will cooperate with Marlyn in preparing any document or obtaining any  
23 such court order that is reasonably necessary. Marlyn shall have and incur no liability to any other  
24 creditor, interest holder, or party-in-interest, resulting from any actions or omissions in connection with  
25 its representation of the Unsecured Creditors Pool, except for gross negligence or willful misconduct.

26         Until the Class 3B and 3C Claims have been paid in full, together with interest, there will be no  
27 additional advances under the Class 2A credit facility, or any further secured or unsecured borrowing  
28



1 by WNI from any source, and WNI shall not transfer any asset(s), or any interest therein except in the  
2 ordinary course of WNI's current business.

3 Class 3B is Impaired.

4 **5.8. Class 3C Marlyn Punitive Damage Claim**

5 Class 3C shall consist of the Marlyn Punitive Damage Claim. Holders of a Class 3C Claim  
6 shall receive, on account of such Claim, deferred cash payments of an aggregate value, as of the  
7 Effective Date, equal to the Allowed Amount of such Claim plus interest at the General Unsecured  
8 Claim Rate. Each holder of a Class 3C Claim shall receive a Pro Rata distribution from each semi-  
9 annual unsecured creditor distribution, and any Profit Sharing Distribution, made by the Disbursing  
10 Agent to the Unsecured Creditor Pool. On each Distribution Date, the Reorganized Debtor shall make  
11 a distribution to the Unsecured Creditor Pool in the total amount of \$225,000, less any payment  
12 required to be made to Class 2A pursuant to this Plan. The Reorganized Debtor will also pay to the  
13 Unsecured Creditor Pool semi-annual Profit Sharing Distributions on the Profit Sharing Distribution  
14 Dates. Distributions to the Unsecured Creditor Pool shall begin on or before the Initial Distribution  
15 Date, with subsequent payments being rendered on each consecutive Distribution Date until all  
16 Unsecured Claims have been paid in full. Profit Sharing Distributions shall begin on the first Profit  
17 Sharing Distribution Date in 2011, and shall continue on each consecutive Profit Sharing Distribution  
18 Date until all Unsecured Claims have been paid in full.

19 Promptly following the Effective Date, Marlyn and WNI shall file notices withdrawing any  
20 notice(s) of appeal relating to the District Court Action, and will not thereafter file any further notice(s)  
21 of appeal in that matter, such that the judgment in favor of Marlyn in the District Court Action will be  
22 final, and non-appealable for all purposes.

23 The Unsecured Creditor Pool shall receive a *pari passu*, blanket security interest and lien  
24 against the Unsecured Creditor Pool Collateral, consisting generally of all of Debtor's real and personal  
25 property, to secure its payments required to be made under this Plan. The lien granted to the  
26 Unsecured Creditor Pool will be second in priority to the lien granted to Class 2A, until the Class 2A  
27 debt is paid in full, whereupon it shall become a first priority security interest and lien against such  
28 assets until Classes 3B and 3C are paid in full. The said security interest and lien shall be effective and

1 automatically perfected upon entry of the Confirmation Order, with no further filing, recordation or  
2 other action. Notwithstanding the foregoing, the Unsecured Creditor Pool shall be represented by  
3 Marlyn, which shall have the authority but not the obligation to take any reasonable steps necessary to  
4 perfect and enforce the Unsecured Creditor Pool's lien provided for herein, including obtaining Court  
5 authority for any document or agreement it deems appropriate to formalize or perfect the Unsecured  
6 Creditor Pool lien. WNI and its counsel will cooperate with Marlyn in preparing any document or  
7 obtaining any such court order reasonably necessary. Marlyn shall have and incur no liability to any  
8 other creditor, interest holder, or party-in-interest, in connection with any actions or omissions in  
9 connection with its representation of the Unsecured Creditors Pool, except for gross negligence or  
10 willful misconduct.

11           Until the Class 3B and 3C Claims have been paid in full, together with interest, there will be no  
12 additional advances under the Class 2A credit facility, or any further secured or unsecured borrowing  
13 by WNI from any source, and WNI shall not transfer any asset(s) or any interest therein except in the  
14 ordinary course of WNI's current business.

15           Class 3C is impaired.

16           **5.9. Class 3D Insider Claims.** Class 3D consists of the holders of Insider Claims. Class  
17 3D Claims will not be paid under the Plan, but may be paid, or offset against indebtedness owed by the  
18 holder of such Claim, in the Reorganized Debtor's sole discretion, after all other Claims have been paid  
19 in full in accordance with this Plan. Any debt or obligation owed by the holder of a Class 3D Claim to  
20 the Debtor on the Petition Date, including the Hirooka Note, shall not accrue interest and shall not  
21 become due and payable until all Claims have been paid in full pursuant to this Plan, provided,  
22 however, that in the event of a default under the Plan, this provision shall become null and void, and  
23 any debt owed to the Reorganized Debtor by the holder of a Class 3D Claim shall become immediately  
24 due and payable.

25           Class 3D is impaired.

26           **5.10. Class 4A Preferred Stock Equity Interests.** Class 4A consists of the holders of the  
27 Series A and Series B Preferred Stock in WNI. As of the Petition Date, there were 6256.3 shares of  
28 outstanding Series A Preferred Stock and 369.5 shares of outstanding Series B Preferred Stock. On the

1 Effective Date, all Preferred Stock interests in WNI shall be deemed cancelled and of no further force  
2 or effect. In addition, the cancellation of Preferred Stock shall in no way lead to any Claim against the  
3 Estate, including an Unsecured Claim on account of any redemption or stock buy-back agreement  
4 related to the Preferred Stock.

5 Class 4A is impaired.

6 **5.11. Class 4B Common Stock Equity Interests.** Holders of Class 4B Common Stock shall  
7 retain their Interests in WNI.

8 Class 4B is unimpaired.

## 9 ARTICLE VI

### 10 FUNDING OF PLAN AND PAYMENT OF CLAIMS

11 **6.1. Funding of the Plan.** The Plan will be funded from accumulated cash as well as the  
12 net operating revenues of the Reorganized Debtors. The Debtor attached financial projections, as  
13 Exhibit C to its Disclosure Statement, that show its anticipated gross revenues, operating expenses, and  
14 net operating revenues for the next 7 years. The Debtor also attached revised projections, as Exhibit A,  
15 the Summary of its Second Amended Plan of Reorganization filed with the Court on January 26, 2010.  
16 These figures demonstrate that WNI's plan is feasible, and when compared to the liquidation analysis,  
17 discussed more fully in Section 4.3 of the Disclosure Statement, plainly demonstrates that the  
18 treatment afforded to WNI's creditors is greatly improved under the Plan.

19 **6.2. Early Payment Under the Plan.** In addition to the payments required to be made on  
20 the Distribution Dates and Profit Sharing Distribution Dates, the Reorganized Debtor may, in its sole  
21 discretion, make other early payments to creditors for amounts owed under this Plan ("Early  
22 Payments"). The Reorganized Debtor shall in no way be penalized for such Early Payments, and such  
23 Early Payments shall not require prior Order or approval from the Court.

24 **6.3. Permissible Post-Confirmation Borrowing.** Notwithstanding any restrictions in this  
25 Plan that otherwise prohibit the Reorganized Debtor from incurring post-Confirmation Debt, the  
26 Reorganized Debtor may, in its sole discretion, obtain post-confirmation financing, without approval  
27 from the Court, the Unsecured Creditor Pool or Marlyn, if such financing is sufficient to pay all Claims  
28

1 provided for in this Plan, and the financing is in fact used for that purpose. (The Reorganized Debtor  
2 is permitted to re-finance its payment obligations under this Plan.)

### 3 **ARTICLE VII**

#### 4 **OWNERSHIP OF ESTATE CLAIMS**

5 On the Effective Date, the Reorganized Debtors shall succeed to all claims and causes of action  
6 of the Debtor, and the Debtors' Estates, including, without limitation, any Avoidance Actions. The  
7 Reorganized Debtors shall have the authority to direct the pursuit or settlement of any such claims.

### 8 **ARTICLE VIII**

#### 9 **THE DISBURSING AGENT**

10  
11 **8.1. Appointment.** A Disbursing Agent shall be appointed pursuant to the Confirmation  
12 Order. The Disbursing Agent shall, among other things, and as the nominee of the holders of Claims  
13 and Interests, receive payments for the Unsecured Creditor Pool, and make all payments and  
14 distributions contemplated by the Plan.

15 **8.2. Compensation of the Disbursing Agent.** The Disbursing Agent shall not be entitled to  
16 compensation for services rendered. If any reimbursement of expenses is sought by the Disbursing  
17 Agent, the same shall be subject to approval by the Bankruptcy Court and shall be payable from cash  
18 on hand after entry of such an order by the Bankruptcy Court.

19 **8.3. Reorganized Debtors as Disbursing Agent.** The Reorganized Debtors may be  
20 appointed as Disbursing Agent pursuant to the Confirmation Order to act in all such things as are  
21 required of the Disbursing Agent.

### 22 **ARTICLE IX**

#### 23 **POST-CONFIRMATION LIMITATIONS ON OFFICER COMPENSATION**

24 **9.1.** Hirooka will continue serving as President and CEO of the Reorganized Debtor.

25 **9.2.** Until all Claims are paid in full, Hirooka's post-confirmation compensation and  
26 reimbursable expenses shall be limited as follow:  
27

1           **9.2.1** Hirooka shall receive an annual base salary of \$261,686 for calendar year 2010,  
2 and such salary shall be subject to annual increases thereafter only in accordance with the five year  
3 moving average of the U.S. consumer price index. There shall be no payments, transfers, or advances  
4 to Hirooka or any other Insider, whether denominated as a dividend, a bonus, a loan, or otherwise,  
5 except as expressly provided in the Plan, until all Claims in Class 3B and Class 3C have been paid in  
6 full, together with interest. Hirooka's employment agreement (DE # 59, Exhibit 2) will be assumed, as  
7 modified in accordance with this Plan.  
8

9           **9.2.2** Hirooka shall be entitled to an annual housing allowance not to exceed  
10 \$108,000, inclusive of mortgage, insurance, taxes, utilities, HOA fees, repairs and maintenance. The  
11 housing allowance expenses may either be reimbursed to Hirooka or paid directly by the Reorganized  
12 Debtor.

13           **9.2.3** The Reorganized Debtor will provide Hirooka with a company vehicle, and shall  
14 pay all costs associated with the vehicle, provided, however, that the aggregate annual costs associated  
15 with this vehicle allowance shall not exceed \$26,000.  
16

17           **9.2.4** The Reorganized Debtor will not directly or indirectly pay, or reimburse more  
18 than \$60,000 per calendar year in expenses incurred by or associated with the activities of Mr.  
19 Hirooka, and shall not pay, directly or indirectly, any such expenses that are not reimbursable business  
20 expenses, as those terms are defined by the Internal Revenue Code, inclusive of expenses for food and  
21 beverage, travel, lodging, entertainment, and other business costs, nor any expenses not approved and  
22 reviewed prior to payment by Mr. Eberhardt or any successor or replacement non-Insider CFO. Such  
23 restrictions shall not impose limitations on the Reorganized Debtor's ability to incur and pay ordinary  
24 business expenses, including for the purchase of office supplies, office equipment and other office  
25 products.  
26  
27  
28

1 **9.3.** Charles Eberhardt will continue serving as Chief Financial Officer of the Reorganized  
2 Debtors.

3 **9.4.** Until all Claims are paid in full, Mr. Eberhardt's hourly rate shall not exceed \$150.00.

4 **9.5.** Until all Claims are paid in full, increases in the salaries of non-Insider employees shall  
5 be limited to annual cost of living adjustments in accordance with the five year moving average of the  
6 U.S. consumer price index, unless otherwise approved by Marlyn in accordance with this provision.  
7 The Reorganized Debtor may also make reasonable salary adjustments to non-Insider employees  
8 employee in excess of the U.S. consumer price index, provided, however, that the proposed terms of  
9 such salary adjustment must first be sent to Marlyn's Chief Financial Officer, or the employee at  
10 Marlyn designated to receive such communications, including a notice that any objection such  
11 adjustments must be made in writing within seven days of Marlyn's receipt. If Marlyn believes the  
12 proposed adjustment is not reasonable under the circumstances, then it may object to such salary  
13 adjustment by providing the Reorganized Debtor written notice of its objection within seven days of  
14 receipt of such proposed adjustment. If no objection is received by the Reorganized Debtor, then the  
15 proposed adjustment will be permitted. If such an objection is made by Marlyn, then the proposed  
16 adjustment may not be effectuated unless Marlyn and the Reorganized Debtor reach an agreement on  
17 permissible terms thereof, or this Court issues an Order permitting the requested salary adjustment.  
18  
19

20 **ARTICLE X**

21 **AGREEMENT WITH AMERICAN INSTITUTE OF EASTERN MEDICINE**

22 **10.1.** Prior to the Effective Date, the Reorganized Debtor will enter into a written licensing  
23 agreement with American Institute of Eastern Medicine ("AIEM"), under which the Reorganized  
24 Debtor will pay to AIEM a \$5,000 monthly license fee in exchange for an exclusive license to  
25 distribute and sell Ketsumeisei products in the United States. Such license agreement shall be subject  
26 to a 90 day cancellation by either party, and shall also contain all other agreements or understandings  
27  
28

1 between the parties, including without limitation, payment terms for the license fee and product  
2 purchases. There will be no other fees, or minimum order requirements or penalties, paid to AIEM  
3 during the performance of the Plan. The license agreement will be provided to Marlyn and its counsel  
4 at least seven days prior to the Effective Date.

5 **10.2.** The Reorganized Debtor shall not pay in excess of \$45.00 per unit of Ketsumeisei,  
6 provided, however, that such price shall be subject to annual adjustments to reflect applicable currency  
7 rate fluctuations.

8 **10.3.** With the exception of the purchase of product from AIEM and the license fee provided  
9 for in this Article, the Reorganized Debtor shall not make any other payment to AIEM or on AIEM's  
10 behalf, and there will be no further payment of AIEM operating or other expenses, whether in the form  
11 of rent, travel, entertainment, or otherwise.

## 12 **ARTICLE XI**

### 13 **ALLOWANCE AND DETERMINATION OF CLAIMS**

14 **11.1. Categorization of Claims.** A Claim shall be an Allowed Claim, an Estimated Claim, a  
15 Reserved-For Claim, or a Disallowed Claim, based on the following provisions.

16 **11.2. Allowed Claims.** A Claim shall be an Allowed Claim only if, and to the extent, the  
17 Claim has been Timely Submitted, Allowable, and Determined, in accordance with the following:

18 **11.2.1 Timely submission.** A Claim shall be considered Timely Submitted if at least  
19 one of the following applies to such Claim:

20 *Listed.* The Claim is listed on the Schedules, and is not listed as contingent,  
21 unliquidated, or disputed, and is not included within a Proof of Claim;

22 *Proof of Claim.* The Claim is reflected in a Proof of Claim filed by the Bar Date  
23 applicable to such Claim;

24 *Otherwise Timely Submitted.* The Claim has been determined, by Final Order of the  
25 Bankruptcy Court, to be timely filed;

1 Informal Proof of Claim. The Claim has been determined, by Final Order of the  
2 Bankruptcy Court, to be the subject of a timely “informal Proof of Claim”;

3 No Proof of Claim Required. The Claim has been determined, by Final Order of the  
4 Bankruptcy Court, to be deemed timely submitted, without a Proof of Claim.

5 **11.3. Allowable.** A Claim shall be considered Allowable if at least one of the following  
6 applies to such Claim:

7 No Objection. The Claim is Timely Submitted and is not the subject of a Timely  
8 Objection;

9 Sustained Claim. The Claim has been allowed, after consideration of all Timely  
10 Objections, by Final Order of the Bankruptcy Court.

11 **11.4. Determined.** A Claim, and the amount thereof, shall be considered Determined if one  
12 of the following applies to such Claim:

13 No Objection. The Claim is Timely Submitted and Allowable, and the amount thereof  
14 is not subject to a Timely Objection;

15 Sustained Amount. The amount of the Claim has been determined, after consideration  
16 of all Timely Objections, by Final Order of the Bankruptcy Court.

17 **11.5. Disallowed Claims.** A Claim shall be a Disallowed Claim if the Claim was not Timely  
18 Submitted, or has been disallowed by Final Order of the Bankruptcy Court.

19 **11.6. Aggregation of Multiple Claims.** Multiple proofs of claim within the same Class filed  
20 by one claimant, to the extent not duplicative, shall be aggregated and shall constitute a single Allowed  
21 Claim.

22 **11.7. Objections and Bar Date for Filing Objections.** Except as provided above, an  
23 objection to a Claim shall be a Timely Objection if filed with the Bankruptcy Court, and served upon  
24 the holder of such Claim pursuant to the Bankruptcy Code and Bankruptcy Rules, no later than thirty  
25 (30) days after the Effective Date. The primary responsibility for objecting to claims shall be with the  
26 Reorganized Debtors.

27 **11.8. Distributions on Account of Disputed Claims.** No distributions shall be made on  
28 account of a Disallowed Claim.



1           **11.9. Penalties and Fines.** Except as specifically provided by Final Order of the Bankruptcy  
2 Court, no distribution shall be made on account of, any fine, penalty, or exemplary damages, late  
3 charges or other monetary charge relating to or arising from any default or breach by Debtor, and any  
4 claim on account thereof shall be treated hereunder as such and disallowed to the extent of such fine,  
5 penalty, or exemplary damages, late charges or other default-related charge, whether or not an  
6 objection is filed to it.

7                                 **ARTICLE XII**

8                                 **VOTING PROCEDURES**

9           Creditors will vote to accept or reject this Plan. This Plan cannot be confirmed if the Plan does  
10 not receive at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Allowed  
11 Claims voting in each impaired class provided, however, that if the requisite acceptances are not  
12 obtained from one or more Impaired Classes, the Court may nonetheless confirm the Proponent's Plan  
13 pursuant to 11 U.S.C. § 1129(b) if one Impaired Class accepts the Plan and the Court finds that the  
14 Plan provides, among other things, fair and equitable treatment of the classes rejecting the Plan and  
15 that creditors will receive as much or more under the Plan than they would receive in a Chapter 7  
16 liquidation.

17                                 **ARTICLE XIII**

18                                 **EFFECT OF CONFIRMATION**

19           **13.1. Discharge of Claims.** Except as otherwise provided in the Plan or the Confirmation  
20 Order, entry of the Confirmation Order acts as a discharge, effective as of the Effective Date, of any  
21 and all debts, obligations, liabilities and claims, whether contingent or otherwise, of Debtor that arose  
22 at any time before the Effective Date, including, but not limited to, all interests in the Debtor, and all  
23 principal and any and all interest accrued thereon, pursuant to § 1141(d)(1) of the Bankruptcy Code.  
24 The discharge of Debtor shall be effective as to each Claim, regardless of whether a proof of claim  
25 thereof was filed, whether or not the Claim is an Allowed Claim, or whether the holder thereof voted to  
26 accept the Plan.

1                   **13.2. Vesting of Assets.** Except as otherwise provided in the Plan or the Confirmation Order,  
2 entry of the Confirmation Order shall vest in the Reorganized Debtors, as of the Effective Date, all  
3 assets acquired pursuant to this Plan, free and clear of all liens, claims and encumbrances.

4                   **13.3. Additional Financial Reporting Requirements.** Beginning in the first full calendar  
5 month following the Effective Date, the Reorganized Debtor shall send to Marlyn monthly financial  
6 statements for the preceding calendar month, no later than one month following the end of the  
7 reporting month, signed by Mr. Eberhardt or any successor or replacement CFO, including income  
8 statements, cash flow statements, balance sheets, financial notes and disclosures. The Reorganized  
9 Debtor will also obtain, at its own expense, annual "Reviewed" financial statements prepared by an  
10 independent accounting firm that will similarly be sent to Marlyn no later than 90 days following  
11 calendar year end. All financial information sent to Marlyn pursuant to this Plan shall be sent to the  
12 Chief Financial Officer, or another designated corporate officer at Marlyn. Marlyn's corporate officers  
13 agree to keep such financial information confidential and shall not share such information with any  
14 non-officers or non-employees of Marlyn. A reasonable non-disclosure agreement shall be executed  
15 prior to the Effective Date outlining the aforementioned terms. Notwithstanding the foregoing,  
16 disclosure of such financial information shall be permitted in response to a subpoena, provided,  
17 however, that copies of any subpoena are delivered to the Reorganized Debtor at least three days prior  
18 to any disclosure.

19   **ARTICLE XIV**

20   **BINDING EFFECT OF PLAN**

21                   The provisions of this Plan shall bind WNI and any person or entity holding a claim against  
22 WNI or the Estate, whether or not asserted, and any person asserting an interest in WNI, whether or  
23 not a claim or interest of such person or entity arose before or after the respective filing date or the  
24 Effective Date, whether or not the claim or interest is impaired under the Plan, and whether or not such  
25 person or entity has accepted the Plan.

1 **ARTICLE XV**

2 **MODIFICATION OF PLAN**

3 This Plan may be modified in accordance with the provisions of the Bankruptcy Code as  
4 follows:

5 **15.1. Pre-Confirmation.** In accordance with Section 1127(a) of the Code, the modification  
6 of the Plan may be proposed in writing by the Proponent(s) at any time before its Confirmation,  
7 provided that the Plan, as thus modified, meets the requirements of Section 1122 and 1123 of the Code,  
8 and the Proponent(s) comply with Section 1125 of the Code.

9 **15.2. Post-Confirmation.** In accordance with Section 1127(b) of the Code, the Plan may  
10 also be modified at any time after its Confirmation and before its substantial consummation, provided  
11 that the Plan as thus modified meets the requirements of Sections 1122 and 1123 of the Bankruptcy  
12 Code, and provided further that the existing circumstances justify such modification, the modification  
13 does not materially alter Marlyn's treatment hereunder unless Marlyn has consented to such treatment  
14 or the Reorganized Debtor has obtained a Court Order approving such treatment, and the Court  
15 confirms the Plan as thus modified under Section 1129 of the Bankruptcy Code.

16 **15.3. Objections.** Any holder of a claim or equity interest that has accepted or rejected the  
17 Plan will be deemed to have accepted or rejected, as the case may be, the Plan as modified, unless,  
18 within the time fixed by the Bankruptcy Court for doing so, such holder changes its previous  
19 acceptance or rejection.

20 **15.4. Effect.** Every modification of the Plan will supersede the previous version of the Plan  
21 as and whenever each modification is effective. When superseded, the previous version of the Plan  
22 will be in the nature of a withdrawn or rejected settlement proposal, and will be null, void and unusable  
23 by WNI or any other party for any purposes whatsoever with respect to any of the contents of such  
24 version of the Plan.

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**ARTICLE XVI**

**RETENTION OF JURISDICTION**

Notwithstanding the confirmation of this Plan, the Bankruptcy Court shall retain jurisdiction for all matters arising out of, or related to, the Bankruptcy Case and this Plan, including, but not limited to, all of the following:

**16.1. Claims Determination.** The Bankruptcy Court shall retain jurisdiction to determine the classification, allowance, subordination and liquidation of Claims (including Administrative Claims) and Interests, and the reexamination of Allowed Claims for purposes of determining acceptances at the time of Confirmation, and the determination of such objections as may be filed. The failure by the Reorganized Debtors to object to or to examine any Claim for the purpose of determining Plan acceptance, shall not be deemed to be a waiver of any right to object to or reexamine any Claim in whole or in part.

**16.2. Estate Assets.** The Bankruptcy Court shall retain jurisdiction to determine all questions and disputes regarding title to the assets of the Estate, and all causes of action, controversies, disputes, or conflicts, known or unknown, whether or not subject to action pending as of the Confirmation Date, between Debtor and any other party, including but not limited to, the Debtors' right to recover assets, avoid transfers, recover fraudulent transfers, offset claims, recover money or property from any party or return assets which were or are the property of the Estate pursuant to the provisions of the Bankruptcy Code.

**16.3. Executory Contracts.** The Bankruptcy Court may determine all matters relating to the assumption, assignment, or rejection of executory contracts and unexpired leases, including claims for damages from the rejection of any executory contract or unexpired lease within such time as the Bankruptcy Court may direct.

**16.4. Unliquidated Claims.** The Bankruptcy Court may liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent, disputed, or unliquidated Claims.

**16.5. Plan Corrections.** The Bankruptcy Court may authorize the correction of any defect, the curing of any omission, or the reconciliation of any inconsistency in the Plan, the Confirmation

1 Order, or any and all documents executed or to be executed in connection therewith, as may be  
2 necessary to carry out the purposes and the intent of the Plan, on such notice as the Bankruptcy Court  
3 shall determine to be appropriate.

4 **16.6. Plan Modifications.** The Bankruptcy Court shall have jurisdiction to authorize a  
5 modification of the Plan after Confirmation pursuant to the Bankruptcy Rules and the Bankruptcy  
6 Code.

7 **16.7. Adversary Proceedings.** The Bankruptcy Court may adjudicate all claims,  
8 controversies, contested matters or adversary proceedings arising out of any purchases, sales,  
9 agreements or obligations made or undertaken by and between Debtor and any third party during the  
10 Reorganization Case and such jurisdiction shall continue after the closing of these cases. The  
11 Bankruptcy Court shall also have the power to adjudicate any and all tax claims and make any required  
12 determinations under Sections 505 and 511 of the Bankruptcy Code.

13 **16.8. Plan Interpretation.** The Bankruptcy Court may enforce and interpret the terms and  
14 conditions of the Plan and all controversies and disputes that may arise in connection with the  
15 enforcement, interpretation or consummation of the Plan.

16 **16.9. Deadlines.** The Court may shorten or extend, for cause, the time fixed for doing any  
17 act or thing under the Plan, on such notice as the Bankruptcy Court shall determine to be appropriate.

18 **16.10. Discharge Injunctions.** The Bankruptcy Court may enter any order, including  
19 injunctions, necessary to enforce the title, rights, and powers of the Reorganized Debtors, and to  
20 impose such limitations, restrictions, terms and conditions on such title, rights, and powers as the  
21 Bankruptcy Court may deem appropriate.

22 **16.11. Case Closing.** The Bankruptcy Court may enter an order concluding the  
23 Reorganization Case.

24 **16.12. Additional Matters.** The Bankruptcy Court may determine such other matters as may  
25 be provided in the Confirmation Order, provided for under this Plan or authorized under the  
26 Bankruptcy Code.

1 RESPECTFULLY SUBMITTED this 22<sup>nd</sup> day of March, 2010.

2 **WORLD NUTRITION, INC.**

3  
4 By: /s/ Ryuji Hirooka

5 Ryuji Hirooka  
6 It's President

7  
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