

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

In re:

CYNERGY DATA, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 09-_____ ()

Joint Administration Pending

**DECLARATION OF CHARLES M. MOORE IN SUPPORT OF CHAPTER 11
PETITIONS AND VARIOUS FIRST-DAY APPLICATIONS AND MOTIONS**

Charles M. Moore, declares as follows under the penalty of perjury pursuant to 28 U.S.C.

§ 1746:

1. I am a Senior Managing Director of CM&D Management Services LLC (“CM&D”), a firm providing specialized, turnaround consulting and litigation support services. Except as otherwise indicated, I have personal knowledge of the matters set forth below, or have gained knowledge of such matters from the Debtors’ employees, temporary staff provided by CM&D, or retained advisers that report to me in the ordinary course of my responsibilities as Chief Restructuring Officer.

2. On or about May 8, 2009, I was engaged by Cynergy Data, LLC (“Cynergy Data”), a limited liability company organized under the laws of the state of Delaware, to serve as its Chief Restructuring Officer and have served in that capacity since that time. I am authorized to submit this Declaration in support of the Debtors’ chapter 11 petitions and the first day pleadings described below.²

¹ The Debtors are the following entities (with the last four digits of their federal tax identification numbers in parentheses): Cynergy Data, LLC (8677); Cynergy Data Holdings, Inc. (8208); Cynergy Prosperity Plus, LLC (4265). The mailing address for the Debtors is 30-30 47th Avenue, 9th Floor, Long Island City, New York 11101.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the relevant First Day Motion (as defined below).



3. Having served as Chief Restructuring Officer of Cynergy Data since May 8, 2009, I have become and am familiar with the Debtors' day-to-day operations, business affairs, and books and records. I have also reviewed the Debtors' First Day Motions and Proposed Orders (each as defined below) and am familiar with the facts alleged and the relief requested therein.

A. The Bankruptcy Cases.

4. On September 1, 2009 (the "Petition Date"), the Debtors commenced cases in this Court by filing voluntary petitions under chapter 11 of the Bankruptcy Code.

B. The Debtors' Business.

5. Cynergy Data was formed on October 4, 2007 as a Delaware limited liability company and is the successor by merger to C.P.S. Group, Inc., a New York corporation founded in 1994.

6. Cynergy Data is a provider of payment processing and related merchant services. For the twelve months ending May 2009, Cynergy Data was responsible for processing approximately \$10.5 billion in credit card processing volume. The processing volume was delivered by approximately 80,000 merchants representing nearly 118,000 points of sale. Cynergy Data generates its relationships with merchants either through its direct sales force or through independent sales organizations ("ISOs"). The primary agreement that sets forth the terms and conditions that guide the relationship between Cynergy Data and each of its merchants is a Merchant Services Agreement (collectively the "Merchant Service Agreements"), which is a tri-party agreement between Cynergy Data, the merchant and Cynergy Data's BIN Sponsor.

7. In transacting business, the purchaser of a product or service provides the merchant with a credit or debit card, which is swiped at a terminal into an electronic system or key entered in the case of telephone or e-commerce transactions. The data supporting the

proposed charge is then sent to the credit or debit card issuer through a front-end payment network, which in turn forwards the data through the applicable VISA, MasterCard, American Express or Discover Card network. The credit of the owner of the card is then verified by the issuing company and the charge authorized. With the assistance of a sponsoring bank (in the case of Cynergy Data, Harris Bank, N.A. and Wells Fargo Bank, N.A.), the merchant receives payment from the credit card issuer through a back-end processor. The sponsor bank then pays commissions, fees and other charges to Cynergy Data for each merchant charge. Cynergy Data (unless it has a direct relationship with the merchant) pays a portion of the commission it earns to the ISO that arranged for the merchant to engage Cynergy Data's services. The ISO, in turn, may forward a portion of the commissions it receives from Cynergy Data to others who may have assisted it in locating, signing, and servicing the merchant ("Downlines").

8. All cash coming into Cynergy Data enters first through Harris N.A ("Harris"). There are three sources of cash receipts for Cynergy Data: revenue from processing (the "Processing Revenue"), reserves (the "Reserves"), and merchant financing ("Merchant Financing"). These are all part of an account settlement process (the "Daily Recap") between Harris and Cynergy Data.

9. Processing Revenue is Cynergy Data's share of a credit card transaction. When a transaction occurs and is approved, the bank that issued the credit card is directed to send the transaction funds to the acquiring bank. For Cynergy Data merchants, the acquiring bank is Harris. Harris then directs funds, net of Cynergy Data's revenue, for approved transactions to the appropriate merchants. Cynergy Data's revenue is then deposited by Harris into the Harris Corporate Checking account (the "Harris Checking Account"). Out of this revenue, fees such as

interchange and dues and assessments are automatically paid by Harris to the appropriate associations.

10. Cynergy Data has two types of merchants, those that settle their accounts on a daily basis (the “Daily Settlement Merchants”) and those that settle their accounts on a monthly basis (the “Monthly Settlement Merchants”). While interchange fees have to be paid by Cynergy Data on a daily basis for transactions, only about thirty percent (30%)of Cynergy Data’s merchants are Daily Settlement Merchants. Therefore, the majority of Cynergy Data’s processing revenue is received on a monthly basis.

11. Between April and June of 2009, Cynergy Data’s working capital was strained by having to “finance” the interchange costs for certain of the Monthly Settlement Merchants. As a result, Harris provided to Cynergy Data an interchange financing program to cover any shortfall. The program is set up to fund the difference between Cynergy Data’s daily processing revenue and daily interchange costs (the “Interchange Costs”). Then, out of the monthly revenue, Cynergy Data repays to Harris the amount financed, with interest on such amount pursuant to agreement. Because daily Interchange Costs always exceed the amount of daily revenue coming in, Cynergy Data only receives cash from processing revenue at the time of the monthly settlement (the “Monthly Settlement”), which occurs on or about the fifth business day of each month, for the prior month’s processing activity. Aside from automatically deducting the amounts due under the interchange financing from the Monthly Settlement, certain Cynergy Data processing vendors are paid automatically by Harris out of Cynergy Data’s Monthly Settlement.

12. When a chargeback or reject occurs, the reverse process happens. Cynergy Data keeps its revenue from the initial transaction, but it also must refund the net transaction cost to the issuing bank automatically from the Harris Checking Account (the “Chargebacks and

Rejects”). It is then incumbent upon Cynergy Data to obtain reimbursement or pay the funds from the respective merchant(s). Cynergy Data gets hundreds of such Chargebacks and Rejects daily and there is usually a significant lag in addressing them.

13. Debit card revenue also flows through the Daily Recap and the Harris Checking Account. Debit card funds are sent to the merchant from this account and then Cynergy Data obtains reimbursement from the issuing bank network.

14. Cynergy Data has several types of reserve accounts including: the Questionable Merchant (“QM”) reserves, the Executive Partner (“EP”) reserves and the merchant rolling reserves (“MR”). Cynergy Data’s risk management system evaluates transaction details. If certain parameters are exceeded, the risk management system will direct Harris to divert merchant transaction funds into the Harris QM account. If the transactions are deemed valid, the funds are issued from the Harris Checking Account. The Harris Checking Account subsequently is replenished through a transfer of funds from the QM account. If the transactions are deemed fraudulent, the funds remain in the QM account and are available to set-off future losses related to that merchant.

15. The EP reserves and MR reserves are for “riskier” merchants (merchants with a higher likelihood of, among other things, chargebacks and returns) and are meant to offset potential future losses due to transactions with those merchants. These reserves come through the Daily Recap with the Processing Revenue, and into the Harris Checking Account. EP reserve accounts are set up at Comerica Bank and are for the benefit of specific Independent Sales Organizations (the “ISOs”) characterized as executive partners.

16. The MR reserves are not segregated and remain commingled with Cynergy Data’s operating funds, which are manually transferred from Harris to Comerica Bank (“Comerica”) on

an as-required basis. When a merchant ends its processing relationship with Cynergy Data, or negotiates a lower reserve balance, the MR reserves are released from Cynergy Data's checking account at Comerica or from Harris.

17. Cynergy Data also offers its merchants a cash advance program. Cynergy Prosperity Plus, LLC lends funds to Cynergy Data merchants (the "Merchant-Financed Companies") lend funds to Cynergy Data merchants and Cynergy Data recoups these funds through the merchants' daily revenue and pays the third-party financed companies daily (on a four day lag). These funds ultimately are disbursed from Cynergy Data's operating account at Comerica.

18. As of the Petition Date, in connection with its cash management system, Cynergy Data has certain outstanding prepetition obligations relating to the QM reserve, the EP reserve, the MR reserve, Interchange Costs, Chargebacks and Rejects, ISO Commissions (defined below), obligations to Harris, obligations to ISOs, obligations to Merchants and obligations to the Merchant Financing Companies (collectively the "Operating Obligations"). In order to maintain regular relationships with its Merchants and ISOs that form the basis of their business and the value to be realized in these cases, the Debtors must, in connection with maintaining their cash management system, continue to satisfy, postpetition, the Operating Obligations. Any interference with the regular processing of such obligations will severely harm the value of the Debtors' assets and jeopardize their ability to realize that value for their creditors.

19. For example, the ISOs form a critical link in the Debtors' business operation. The ISOs are independent sales organizations that provide Merchants to the Debtors. The ISOs can grow the Debtors' business by delivering additional Merchants to the Debtors. The ISOs also

have direct and strong relationships with the Merchants who use the Debtors' services, and can use that relationship to encourage Merchants to terminate their relationship with the Debtors.

20. When the Debtors receive their monthly revenue on or about the fifth day of each month, a portion is payable to the ISOs ("ISO Commissions"). The ISO Commissions represent a share of the commissions earned by the Debtors on every Merchant sale. The ISOs are wholly dependent on the steady stream of commissions to fund their operations and a failure to pay those ISO commissions to the ISOs will likely cause the ISOs great harm. In this sense, the ISOs are very similar to the Debtors' employee wage earners who also depend on a regular payment from the Debtors. The ISO Commissions are paid on or about the twentieth of each month in satisfaction of the previous months' earned ISO Commissions, and a failure to pay those commissions on a monthly basis at this critical juncture could cause substantial harm to the Debtors' assets, their business, jeopardize the proposed sale of the Debtors' interest in, among other things, the Debtors' Merchant Processing Agreements and otherwise be harmful to the prospects of a successful chapter 11 process and benefit to the estate.

21. As of the Petition Date, the ISOs will have earned commissions for the month of August that will be due, in the ordinary course on or about September 20, 2009. As of the Petition Date, it is estimated that the outstanding an unpaid ISO Commissions for August 2009 is approximately \$7, 200,000.00. The Debtors believe that through the Monthly Settlement received on or about September 5, 2009 in combination with anticipated post-petition borrowings, they will have sufficient funds to satisfy the August 2009 ISO Commissions. It further is anticipated, at this time, that most if not all of the Debtors' contracts with the ISOs will be assumed as part of the sale process and assigned to the Purchaser of the Debtors' assets.

Therefore, the current payment of the ISO Commissions should not result in payment to the ISOs of any more than the ISOs would otherwise receive once the sale process is completed.

22. The ISOs' are an essential component to the Debtors' operations and maintaining those relationships is vital to maximizing value in the proposed sale process. All of the ISO Commissions proposed to be paid are those due for the month of August 2009. Cynergy Data will seek to pay the outstanding amounts owed as of the Petition Date for accrued and unpaid ISO Commissions in accordance with their cash management system.

23. Cynergy Data also has developed a virtual merchant application system, or VIMAS®, which is a proprietary software platform that allows merchants to easily and securely track their Cynergy Data accounts online. It also provides independent sales agents with the means to simplify their business management. VIMAS serves as the technological nucleus of all Cynergy Data product and service developments. VIMAS serves as a key differentiator between Cynergy and its competitors in the payment processing business.

C. The Debtors' Capital and Debt Structure.

24. Cynergy Data is a wholly-owned subsidiary of Cynergy Data Holdings, Inc. ("Cynergy Holdings"). Marcelo Paladini, Andres Ordonez and Gustavo Ceballos (the "Shareholders") own all of the issued and outstanding shares of Cynergy Holdings. Cynergy Holdings has no business operations of its own. Its only asset is 100% of the member interests of Cynergy Data.³ Cynergy Data owns 100% of the member interests of Cynergy Prosperity Plus, LLC ("Prosperity Plus").

25. Cynergy Data is the borrower under that certain Amended and Restated Credit Agreement, dated as of August 1, 2008 (the "Senior Credit Facility"), among Cynergy Data, the

³ Dymas Funding LLC has a warrant for a 5% interest in Cynergy Data.

Lenders party thereto from time to time, and Comerica Bank, as Agent (the “First Lien Agent”). As of the Petition Date, Cynergy Data owed approximately \$39,820,470 under the Senior Credit Facility. On July 24, 2009, the Debtors entered into a Forbearance Agreement under this Senior Credit Facility, which is further explained below.

26. In addition, Cynergy Data is borrower under that certain Financing Agreement, dated as of November 15, 2007 (the “Junior Credit Facility”), among Cynergy Data, the Lenders party thereto from time to time, and Dymas Funding Company, LLC, as Agent (“Second Lien Agent”). As of the Petition Date, Cynergy Data owed approximately \$80,124,000 under the Junior Credit Facility. This is broken out between a Term Loan B in the amount of \$26,700,000 and a Term Loan C PIK loan in the amount of \$53,424,000. On July 24, 2009, the Debtors entered into a Forbearance Agreement under the Term Loan B portion of this Junior Credit Facility, which is further explained below. The Term Loan C portion of this loan is not part of the Forbearance Agreement.

27. Both the Senior Credit Facility and the Junior Credit Facility are guaranteed by Cynergy Holdings and Prosperity Plus, and each such facility is secured by a lien and security interest in all assets of the Debtors. Up to \$10,000,000 of the Senior Credit Facility is also guaranteed by Marcelo Paladini, the largest shareholder in Cynergy Holdings. In addition, the Second Lien Agent holds the warrant described earlier for membership interests in Cynergy Data, and the First Lien Agent holds a pledge of all of the outstanding equity interests in Cynergy Holdings.

28. By a separate Credit Agreement, dated as of September 20, 2007, Comerica Bank, as Agent, and each of the Lenders thereunder, loaned money to Prosperity Plus secured by all of that entity’s assets and guaranteed by Cynergy Data. As of the Petition Date, Cynergy Data

owed approximately \$9,050,000 under the Credit Facility.⁴ On July 24, 2009, the Debtors entered into a Forbearance Agreement under this Credit Facility which is further explained below.

29. On July 24, 2009 the Debtors entered into a forbearance agreement with the existing lenders and Harris Bank. This allowed the Senior Lenders to advance an additional \$9 million in the form of a senior secured revolving credit facility so that Cynergy Data could continue to operate its business, preserve enterprise value, and find a suitable buyer for its assets. As of the Petition Date, approximately \$9,000,000 of this revolving credit facility remains outstanding.

30. One of Cynergy Data's sponsor banks, Harris Bank, directs transaction funds to Cynergy Data's merchants, pays certain fees and expenses to itself and to others on Cynergy Data's and its merchants' behalf, remits daily and monthly revenue to Cynergy Data, and maintains certain reserves at Cynergy Data's and Cynergy Data's merchants' direction. Cynergy Data and Harris Bank are parties to that certain BIN Sponsorship Agreement dated November 1, 2008 ("BIN Agreement") which, among other things, sets for the terms and conditions under which Cynergy Data may operate as an ISO pursuant to Visa and MasterCard rules, and further describes the responsibilities and duties of each party. During due diligence discussions and negotiations of the Forbearance Agreement, Harris Bank realized that a certain reserve account at Harris Bank may have been underfunded. As a pre-condition to not exercising its rights of set-off pursuant to its agreement with Cynergy, Harris insisted that it be made a party to the Forbearance Agreement.

⁴ Amount does not include accrued interest, fees, and expenses.

D. Events Leading to the Chapter 11 Filings.

31. During 2007, the Debtors acquired the assets of Abanco International for \$36.5 million and acquired the outstanding equity shares of John Martillo, the co-founder and one of its then shareholders, for \$46.5 million. The funds to accomplish both of these transactions were provided by the lenders under the Senior Credit Facility and the Junior Credit Facility. Also during 2007, certain shareholders took out loans from Cynergy Data that remain outstanding.

32. During 2007 and 2008, however, certain errors were made in the internal accounting and financial reporting of the Debtors that had the effect of misstating certain revenues and expenses. These errors were uncovered in March 2009, when Cynergy Data was already severely impacted by the economic downturn.

33. At Cynergy Data's request, FTI Consulting, Inc. ("FTI") investigated these errors and recommended restating the financial results for 2007 and 2008, which resulted in a substantial reduction in EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) and net income. As a result, the Debtors embarked on a process to identify possible transactions that would allow them to recapitalize their balance sheets or to sell their assets as a going concern at an advantageous price. To assist them in doing so, Cynergy Data engaged CM&D Management Services LLC ("CM&D") as Chief Restructuring Officer ("CRO"), The Strawhecker Group ("TSG") to conduct a Value Assessment of the Cynergy Data portfolio of Merchants and enterprise, and Unicorn Partners as industry expert and Interim President. In addition, Cynergy Data also engaged Stifel, Nicolaus & Company, Incorporated ("Stifel, Nicolaus") and Peter J. Solomon Company L.P. and Peter J. Solomon Securities LLC ("PJSC") as their financial advisors, to provide investment banking services in conducting an

organized process intended to identify the best financial transaction possible for the Debtors. Both Unicorn Partners, Stifel, and PJSC have been retained since December 2008.

34. Among the efforts undertaken by the Debtors' management in the period leading up to the Bankruptcy, the Debtors' management, along with Stifel, Nicolaus and PJSC, took a number of steps to explore a possible sale of the Debtors' assets. Specifically, the Debtors, with the advice of Stifel, Nicolaus and PJSC (i) assembled a comprehensive data room; (ii) prepared a "teaser" of the Debtors' businesses and the parameters of a possible sale process that would be sent to all interested parties prior to execution of a confidentiality agreement; (iii) prepared a business presentation primer for delivery to parties that execute a confidentiality agreement; and (iv) utilized the extensive resources of Stifel, Nicolaus, PJSC and company management to contact a targeted group of forty-eight parties to determine potential interest in the assets and certain related liabilities. Among this identified group were thirty-three strategic parties with an existing, complementary business and the financial wherewithal to support such an acquisition and fifteen financial parties with an identified interest in the operating business of the Debtor and sufficient capital to support a transaction. In addition, the Debtors' management, Stifel, Nicolaus and PJSC identified a further universe of additional strategic and financial potential buyers in connection with the Debtors' prepetition marketing efforts. As a result of these efforts, as of the date of the Bankruptcy filing, the Debtors have circulated twenty-seven confidentiality agreements and received executed agreements from twenty-four interested parties, all of whom were invited to review the Debtors' detailed data room. From this group of interested parties, the Debtors received initial bids from eight potential acquirers. The Debtors' management, with the advice of Stifel, Nicolaus and PJSC selected three potential acquirers who performed final due diligence and with whom the Debtors negotiated over terms of a possible

purchase of the subject assets. All three of these potential purchasers submitted final offers and a marked up asset purchase agreement.. All three expressed strong interest in the assets and have engaged in detailed negotiations with the Debtors, Stifel, Nicolaus and PJSC. As a result of these marketing efforts an Asset Purchase Agreement (the “APA”) was finalized and signed on August 26, 2009 with the ComVest Group (“ComVest”).

35. Along with the Debtors’ professionals, I personally participated in the extensive negotiations between the Debtors and ComVest. The Debtors and ComVest are not related parties and have not engaged in any collusion in relation to the proposed sale. ComVest is not an insider of the Debtors, and no insiders of the Debtors participate in or hold any interest in ComVest. In connection with the sale process, the Debtors have consulted with their advisers, evaluated their strategic alternatives and acted with the intent of obtaining the best result possible for their estates, both in maximizing value and in reaching a result that best fits the Debtors’ financial and business needs. The First Lien Agent and the Second Lien Agent, by and through their counsel and on behalf of their constituents, have been actively involved in the negotiations of APA with ComVest and their input has been incorporated in the APA and the sale and bid procedures for which the Debtors will seek authority from the Court.

36. In recognition of the benefit to the estates provided by the Purchaser entering into the APA and serving as a floor against which other interested parties may submit higher and better bids, the Debtors have agreed to pay the Break-Up Fee and Expense Reimbursement to the Purchaser as described in the APA. I, along with the Debtors believe it is appropriate and reasonable to compensate the Purchaser for undertaking the efforts and expenditures to negotiate the APA, establish a “floor” bid for the Transferred Assets, and establish the terms for the sale and assignment of the Debtors’ assets in the event a sale is made to another purchaser, and

believe that extending the bid protections to the Purchaser as set for the in the APA is an exercise of sound business judgment and provide a substantial benefit to the estates and creditors.

E. Objectives of Chapter 11 Cases.

37. By these chapter 11 cases, the Debtors hope to gain Court approval of the APA in the context of an auction sale pursuant to Section 363 of the Bankruptcy Code. ComVest has agreed to act as the stalking horse pursuant to the terms of the APA. The APA contemplates a sale of substantially all of the Debtors' assets (the "Transferred Assets") and certain assumed liabilities and contains certain bid protections that were a necessary inducement to ComVest's willingness to act as a stalking horse in these cases. The Debtors will be seeking approval of those bid protections in the context of sale process. The proposed sale of the Transferred Assets is in the best interest of the Debtors' estates. The Debtors, in consultation with its professionals, including Stifel Nicolaus and PJSC, have determined that the proceeds from the proposed sale, or from any subsequent higher or better offer, of the Transferred Assets will exceed the proceeds realized through a liquidation. A liquidation process would undoubtedly take longer to accomplish and the Debtors' estates would likely incur unpredictable costs in consummating a liquidation. Moreover, in my business judgment, the real value in the Transferred Assets is as a going concern preserving the critical relationships between the Debtors, the ISOs, Downlines and merchants. I am informed and believe that a piecemeal liquidation would never capture that essential value and that the best way to maximize value for the Debtors' estates is in maintaining the Debtors' business as going concern pending a sale.

38. In order to preserve and maximize value for the estates during the postpetition period and in contemplation of the sale process, the Debtors will likely seek authority to enter into a Debtor In Possession Credit Facility ("DIP") that will allow them to address their cash

flow needs and, thereby, to continue to make commission payments to their ISOs and Downlines in a timely manner. This will allow the Debtors to continue their business and maintain value as a going concern while minimizing the risk that merchants might seek to terminate their existing contractual agreements with the Debtors or that ISOs might seek to move merchants' accounts to the Debtors' competitors.⁵ Either of these actions would have a devastating impact on the Debtors' business, the proposed sale process and the value for all stakeholders.

39. Once the Debtors' business has been stabilized with the help of the DIP Credit Facility, the Debtors will continue to pursue the sale of substantially all of their assets pursuant to Section 363 of the Bankruptcy Code and the APA. Thereafter, it is most likely that any remaining assets will be liquidated either during the chapter 11 cases or pursuant to a liquidating trust put in place via a chapter 11 plan and negotiated with the major stakeholders.

F. First Day Motions and Orders.

40. To further their objectives, the Debtors expect to file a number of first day applications and motions (the "First Day Motions") and proposed orders (the "Proposed Orders"), as listed on the attached Exhibit A, and respectfully request that the Court consider entering the Proposed Orders granting such First Day Motions.

41. I have reviewed each of the First Day Motions and Proposed Orders (including the exhibits thereto), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I believe that the relief sought in each of the First Day Motions and Proposed Orders: (a) is vital to enable the Debtors to make the transition to, and operate in, chapter 11 with a minimum interruption or disruption to their business or loss of

⁵ The Debtors believe that either of these actions by Merchants or by ISOs would be a violation of the automatic stay.

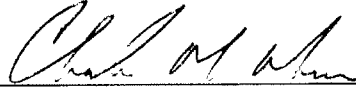
productivity or value, and (b) constitutes a critical element in achieving the Debtors' successful reorganization.

G. Conclusion.

42. I hereby declare under the penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief, and respectfully request that all of the relief requested in the First Day Motions be granted, together with such other and further relief as is just.

Dated: August 31, 2009

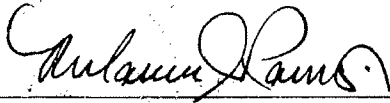
CYNERGY DATA HOLDINGS, INC.,
CYNERGY DATA, LLC, and
CYNERGY PROSPERITY PLUS, LLC,
Debtors and Debtors in Possession



Charles M. Moore
Chief Restructuring Officer

Sworn to and subscribed before me

this 31 day of August 2009



Melanis A. Ramos
Notary Public, State of New York
No. 01RA6082490
Qualified in Bronx County
Commission Expires Oct. 28, 20 10

Exhibit A

List of First Day Motions

MOTION	PROPOSED ORDER
Motion of Debtors for Entry of Order Directing Joint Administration of Chapter 11 Cases Pursuant to Fed. R. Bankr. P. 1015(b)	Order Pursuant to Fed. R. Bankr. P. 1015(b) Directing Joint Administration of Chapter 11 Cases
Debtors' Motion For Interim Order Under 11 U.S.C. §§ 105(A), 345, 363, 364, and 503(B)(1) Authorizing (A) Continued Maintenance of Existing Bank Accounts; (B) Continued Use of Existing Business Forms; (C) Continued Use of Existing Cash Management System; (D) Continued Payment of ISOs and Merchants In Accordance With Customary Practice; (E) Waiver of Certain Guidelines Relating to Bank Accounts; and (F) Scheduling a Final Hearing	Order Under 11 U.S.C. §§ 105(A), 345, 363, 364, and 503(B)(1) Authorizing (A) Continued Maintenance of Existing Bank Accounts; (B) Continued Use of Existing Business Forms; (C) Continued Use of Existing Cash Management System; (D) Waiver of Certain Guidelines Relating to Bank Accounts; and (E) Scheduling a Final Hearing
Debtors' Motion for an Order Under Bankruptcy Rules 1007(A)(5) and 1007(C) and Local Rule 1007-1(B) Granting The Debtors Additional Time to File Schedules of Assets and Liabilities and Statements of Financial Affairs	Order Granting Additional Time for Filing Schedules and Statements, Pursuant to Rule 1007 of the Federal Rules of Bankruptcy of Financial Affairs
Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Nixon Peabody LLP as Counsel for the Debtors	Order Granting Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Nixon Peabody LLP as Counsel for the Debtors
Application of Debtors Pursuant To 11 U.S.C. § 363 for Entry of an Order Authorizing the Employment of CM&D Management Services, LLC Nunc Pro Tunc to the Petition Date and the Appointment of Charles M. Moore of CM&D Management Services, LLC as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date	Order Authorizing Employment of CM&D Management Services, LLC Nunc Pro Tunc to the Petition Date and the Appointment of Charles M. Moore of CM&D Management Services, LLC as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date

MOTION	PROPOSED ORDER
Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Stifel, Nicolaus & Company, Incorporated And Peter J. Solomon Securities Company, LLC as Advisers to the Debtors	Order Granting Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Stifel, Nicolaus & Company, Incorporated and Peter J. Solomon Securities Company, LLC as Advisers to the Debtors
Debtors' Application for (A) Authorization to Employ and Retain Kurtzman Carson Consultants LLC as Claims, Noticing, Solicitation, Balloting, and Tabulation Agent for the Debtors, and (B) Appointment of Kurtzman Carson Consultants LLC as Agent of the Bankruptcy Court	Order Authorizing The Debtors to (A) Employ and Retain Kurtzman Carlson Consultants LLC as Claims, Noticing, Solicitation, Balloting, and Tabulation Agent for the Debtors; and (B) Appoint Kurtzman Carlson Consultants LLC as Agent of the Bankruptcy Court
Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Unicorn Partners, LLC as Advisers to the Debtors	Order Granting Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing The Employment and Retention of Unicorn Partners, LLC As Advisers to the Debtors
Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Pepper Hamilton LLP as Counsel for the Debtors	Order Granting Application for Order Pursuant to 11 U.S.C. §§ 327(A) and 329 and Bankruptcy Rules 2014 and 2016 Authorizing the Employment and Retention of Pepper Hamilton LLP as Counsel for the Debtors
Debtors' Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and Committee Members	Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals
Debtors' Motion for Order Under Bankruptcy Code Sections 105, 361, 362, 363, 1107(A) and 1108 Authorizing Debtors to Maintain Existing Insurance Policies and Pay all Policy Premiums and Brokers' Fees Arising Thereunder or in Connection Therewith	Order Under Bankruptcy Code Sections 105, 361, 362, 363, 1107(A) and 1108 Authorizing Debtors to Maintain Existing Insurance Policies and Pay all Policy Premiums and Brokers' Fees Arising Thereunder or in Connection Therewith

MOTION	PROPOSED ORDER
Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 363(B), 507(A)(8), 541, and 105(A), Authorizing Debtors to Pay Prepetition Taxes and Assessments	Order Pursuant to 11 U.S.C. §§ 363(B), 507(A)(8), 541, and 105(A) Authorizing Debtors to Pay Prepetition Taxes and Assessments
Debtors' Motion for Order Under Bankruptcy Code Sections 105, 363(B), 507(A), 541, 1107(A) and 1108, Authorizing, but not Directing, Debtors, Inter Alia, to Pay Prepetition Wages, Commissions, Compensation, and Employee Benefits	Order Under Bankruptcy Code Sections 105, 363(B), 507(A), 541, 1107(A) and 1108, Authorizing Debtors, Inter Alia, to Pay Prepetition Wages, Compensation, and Employee Benefits
Debtors' Motion for Order Under 11 U.S.C. §§ 105(A) and 365(A) and Fed. R. Bankr. P. 6006 Authorizing Rejection of Unexpired Leases of Nonresidential Real Property and Other Unexpired Leases and Executory Contracts	Order Under 11 U.S.C. §§ 105(A) and 365(A) and Fed. R. Bankr. P. 6006 Authorizing Rejection of Unexpired Leases of Nonresidential Real Property
Motion of the Debtors for Interim and Final Orders (I) Authorizing Use of Cash Collateral, (II) Authorizing Postpetition Financing, (III) Granting Senior Priming Liens and Superpriority Claims, (IV) Granting Adequate Protection to The Prepetition Secured Parties, And (V) Scheduling A Final Hearing to Incur Such Financing on a Permanent Basis	Interim Order (I) Authorizing Use of Cash Collateral, (II) Authorizing Postpetition Financing, (III) Granting Senior Priming Liens and Superpriority Claims, (IV) Granting Adequate Protection to The Prepetition Secured Parties, And (V) Scheduling A Final Hearing to Incur Such Financing on a Permanent Basis
Motion Determining Adequate Assurance of Payment for Future Utility Services.	Interim and Proposed Final Orders Determining Adequate Assurance of Payment for Future Utility Services

MOTION	PROPOSED ORDER
<p>Debtors' Motion For an Order Pursuant to Sections 105, 363, 365, 503 and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007 and 9014 (I)(A) Authorizing And Scheduling an Auction at Which the Debtors Will Solicit Higher and Better Offers in Connection With the Sale of Certain Assets, (B) Approving the Bid Procedures for Such Assets, (C) Approving Break-Up Fee and Expense Reimbursement and (D) Approving The Form and Scope Of Notice Of The Bid Procedures and Auction; (II) Approving The Sale of the Assets Free and Clear of All Liens, Claims, and Encumbrances; (III) Approving Procedures for Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief as Requested Herein</p>	<p>Order (A) Authorizing and Scheduling an Auction and Hearing to Approve the Sale of Substantially all of the Assets of the Debtors, (B) Approving the Bid Procedures for Such Assets, (C) Approving Break Up Fee and Expense Reimbursement (D) Approving the Form and Scope of Notice of the Bid Procedures and Auction, (E) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases, And (F) Granting Related Relief</p>