

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA

ORIGINAL
RECEIVED

IN RE:
EPICUS COMMUNICATIONS
GROUP, INC.,

CASE NO. 04-34915-BKC-PGH
CHAPTER 11
Jointly Administered

FEB 21 AM 10:20

Debtor.

IN RE:
EPICUS INC.,

CASE NO. 04-34916-BKC-PGH
CHAPTER 11

COMMISSION
CLERK

Debtor.


**NOTICE OF FILING AMENDED STIPULATION FOR USE OF
CASH COLLATERAL OF BELL SOUTH TELECOMMUNICATIONS**

THE DEBTOR, EPICUS, INC., by and through counsel, herein files the Amended Stipulation for Use of Cash Collateral of Bell South Telecommunications, Inc., attached hereto.

I HEREBY CERTIFY that a true and correct copy of the Amended Stipulation for Use of Cash Collateral of BellSouth Telecommunications Inc. was sent via U.S. Mail to all parties on the attached matrix this 14th day of February, 2004.

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

FURR AND COHEN, P.A.
Attorney for Debtors
2255 Glades Road
One Boca Place, Suite 337W
Boca Raton, FL 33431
(561) 395-0500
(561)338-7532-fax

By 
ALVIN S. GOLDSTEIN, ESQ.
Florida Bar No. 993621
EMAIL agoldstein@furrcohen.com

- CMP _____
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- OTH Grant

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FURR AND COHEN, P.A. • ONE BOCA PLACE, SUITE 337W • 2255 GLADES ROAD • BOCA RATON FLORIDA 33431 • (561) 395-0500

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
www.flsb.uscourts.gov

IN RE:

EPICUS, INC.,

CASE NO. 04-34916-BKC-PGH
CHAPTER 11

Debtor.

**AMENDED STIPULATION FOR USE OF CASH
COLLATERAL OF BELL SOUTH TELECOMMUNICATIONS, INC.**

EPICUS, INC., Debtor-in-Possession, (the "Debtor"), and BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH"), as secured creditor with an alleged first priority lien on certain assets of the Debtor, including accounts receivable, pursuant to Local Rule 9013-1(G), hereby stipulate and agree as follows:

RECITALS

1. On October 25, 2004, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor has continued to operate its business and manage its property as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtor is a long distance telephone service reseller in the telecommunications industry.

The Transaction

2. On or about March 15, 2002, the Debtor executed and delivered to BellSouth Telecommunications, Inc., a Georgia Corporation, a Security Agreement for All Assets to secure payment and performances of all accounts of the Debtor representing amounts owed to BellSouth, including all other obligations of the Debtor to BellSouth, direct or indirect, absolute or contingent, due or to become due, whether now existing or hereafter arising ("Security Agreement"). A copy is attached as Exhibit "1".

3. To perfect the security interest described above, on or about April 12, 2002, BellSouth recorded a UCC Financing Statement with the Secretary of State of Florida under file number 200200864686. A copy is attached as Exhibit "2".

4. Pursuant to the Security Agreement, the Debtor granted to BellSouth as security for its indebtedness, a security interest in all assets including proceeds and products, all negotiable instruments including proceeds and products, all accounts receivable including proceeds and products, all inventory including proceeds and products and others.

5. By the terms of the Security Agreement, the Debtor also assigned to BellSouth its interest in accounts receivables ("Accounts Receivable").

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DOCUMENT NUMBER - DATE
01732 FEB 21 '04
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6. As of the filing date, the Debtor is indebted to BellSouth in the approximate amount of \$1,928,380.77 (the "Indebtedness"). See Affidavit of Gary Patterson, Director, ICS Billing & Collections/Accounts Receivable Management for BellSouth Telecommunications, Inc., attached hereto as Exhibit "3".

THE AGREEMENT

7. It is BellSouth's position that, among other things, the receivables generated by the Debtor constitute its cash collateral within the meaning of § 363(a) of the Bankruptcy Code (the "Cash Collateral"). The receivables due at the date of filing are approximately \$3,649,632.00.

8. The Debtor requires the use of the Cash Collateral for the continued operation of its business in the ordinary course, including payment of expenses attendant thereto; and, the Debtor is willing to provide BellSouth with adequate protection of its alleged secured interest in the Cash Collateral. Without the use of the Cash Collateral, the Debtor will be forced to discontinue its business operations.

9. In order (i) to adequately protect BellSouth in connection with the Debtor's use of the Cash Collateral, and (ii) to provide BellSouth with additional adequate protection in respect to any decrease in the value of its interests in the Property resulting from the stay imposed under § 362 of the Bankruptcy Code or the use of the Property by the Debtor, the Debtor would offer as adequate protection of BellSouth's alleged lien, (i) a waiver of its claims against BellSouth and a validation of BellSouth's security interest in the collateral, provided however that such waiver shall not be binding upon any subsequently appointed trustee in the case; (ii) a first priority post-petition lien on all receivables of the Debtor generated post-petition, and (iii) payment of its post-petition obligations to BellSouth payable in the amount of \$265,000.00, every Friday on a weekly basis via wire transfer.

COVENANTS

NOW, THEREFORE, in consideration of the premises above and the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Debtor and BellSouth hereby stipulate and mutually agree as follows:

A. **RECITALS**. The foregoing recitals are true and correct and are incorporated herein by reference.

B. **USE OF COLLATERAL AND CASH COLLATERAL**. Subject to the provisions contained herein, BellSouth hereby consents to the Debtor's continued use of the Cash Collateral and the Debtor is hereby authorized to use the Cash Collateral for payment of expenses incurred in the ordinary course of the Debtor's business and operations in accordance with the budget appended hereto as Exhibit "A" (the "Budget"). So long as the Debtor's total expenditures for any one month do not exceed the budgeted amount, the Debtor's expenditures for any line item may exceed the amount budgeted for that line item by a factor of no more than ten percent (10%) of the budgeted amount.

C. **POST PETITION REPLACEMENT LIEN ON ACCOUNTS RECEIVABLE**. The Debtor shall be authorized to use the Cash Collateral of BellSouth. BellSouth will receive a first priority post-petition lien on all receivables of the Debtor.

D. **OPERATING**. The Debtor shall have the right to operate its business post-petition and to use its revenues generated from the use of the Cash Collateral, shall place said funds in the Debtor-in-Possession account and shall provide monthly Debtor-in-Possession Reports to BellSouth and other reports to BellSouth as needed from time to time and also shall grant BellSouth access to its books and records upon reasonable demand. Without in any manner limiting the foregoing, BellSouth shall receive monthly operating budgets from the Debtor as well as any amendments or modifications to budgets as soon as such modifications or amendments are made by the Debtor. The Debtor will provide weekly reports to BellSouth on its cash position and accounts receivable aging.

E. **PRESERVATION OF BELL SOUTH'S LIEN**. BellSouth will retain its lien on the Debtor's assets that it held pre-petition. The debt owing to BellSouth is as stated in paragraph 6, above.

F. **SUPERPRIORITY ADMINISTRATIVE CLAIM**. To the extent that the Debtor's use of the Cash Collateral in accordance with the terms of this Agreement results in diminution in value of the Cash Collateral, BellSouth shall have an allowed superpriority administrative claim under §507(b) of the Bankruptcy Code equal to the amount of such diminution.

G. **PERFECTION OF REPLACEMENT LIENS**. The liens and security interest granted to BellSouth shall be valid and perfected post-petition without the need for execution or filing of any further documents or instruments otherwise required to be filed or be executed or filed under non-bankruptcy law. However, the Debtor shall execute and deliver to BellSouth such further documents as they may deem reasonably necessary to evidence and give notice of their security interest hereunder. If the parties cannot agree upon the reasonableness of the documents, they may petition the Court to make a determination.

H. **NO OTHER LIENS**. Except for a Federal tax lien asserted by the Internal Revenue Service, the Debtor is prohibited from granting, permitting, or suffering additional liens of equal or greater dignity or priority than the liens as set forth in this Stipulation without the express written consent of BellSouth, or upon Court Order after notice and hearing.

I. **AGREEMENT BINDING**. Except as otherwise required under Local Rule 9013-1(G) and in Paragraph (J) below, this Agreement shall be binding on a subsequent Chapter 11 or Chapter 7 Trustee in Bankruptcy.

J. **COMMITTEE AND TRUSTEE REVIEW**. A Committee appointed under section 1102 of the Bankruptcy Code shall have thirty (30) days from the date of its constitution to analyze and object to the validity, priority and extent of the lien of BellSouth. A subsequent Chapter 11 or Chapter 7 Trustee in Bankruptcy shall have thirty (30) days from the date of appointment to analyze and object to the validity, priority and extent of the lien of BellSouth.

K. REPORTS PROVIDED TO THE U.S. TRUSTEE AND OTHER PARTIES IN INTEREST. The Debtor shall provide BellSouth a copy of the monthly reports it submits to the Assistant United States Trustee concurrently with submitting the reports to the U.S. Trustee, and of any report the Debtor submits to any Committee, creditors or other party in interest in this reorganization case concurrently with submitting such reports, if any.

L. DEFAULT. Without limiting BellSouth's right to seek or compel the Debtor to comply with any of the provisions of this Stipulation, in the event of (i) the failure of the Debtor to fully perform any of its obligations as provided in this Stipulation, (ii) any fraudulent act, fraudulent conduct, or fraudulent omission by the Debtor, (iii) appointment of a Trustee or of an Examiner with enhanced powers to operate the Debtor's business or control the property, (iv) conversion of this Chapter 11 case to a case under Chapter 7 of the Bankruptcy Code, (v) dismissal of this case, then upon immediate written notice of a default event to the Debtor, the Debtor shall be prohibited from using the Cash Collateral and BellSouth shall be entitled to seek relief from the automatic stay under § 362 by the filing of an ex-parte motion and an affidavit of default, and providing to the Debtor, the Office of Assistant U.S. Trustee, counsel of record, and the twenty largest unsecured creditors and counsel for the Creditors' Committee if applicable. The Debtor shall have the right to oppose any such motion or to seek rehearing in the event an order is entered granting relief from the automatic stay. Nothing contained in this Stipulation, the Security Agreement or any Order arising in connection with herewith shall in any manner serve to alter, amend or otherwise limit any other rights of BellSouth that may exist under the Interconnection Agreement which exists between the parties.

M. NOTICES. Under this Agreement shall be delivered by facsimile, mail or Federal Express as follows:

BellSouth Telecommunications, Inc.
c/o James Harris Fierberg, Esq.
Berger Singerman P.A.
200 South Biscayne Boulevard
Suite 1000
Miami, Florida 33131
Facsimile: 305-714-4340

E-Mail: jfierberg@bergersingerman.com

with a copy to:

BellSouth Telecommunications, Inc.
675 W. Peachtree Street, Suite 4300
Atlanta, GA 30375
Reginald A. Greene
Operations and Bankruptcy Counsel
Facsimile: 404-614-4054
E-Mail: reginald.greene@bellsouth.com

The Debtor:
Epicus Inc.
c/o Gerard Haryman
1750 Osceola Drive
West Palm Beach, Florida 33409

with a copy to:
Robert C. Furr, Esq.
Furr and Cohen, P.A.
2255 Glades Road, Suite 337W
Boca Raton, Florida 33431
(561)395-0500
(561)338-7532 fax

N. COUNTERPARTS. This Stipulation may be executed by each of the parties in counterparts and when so executed by all parties shall be binding as if each counterpart comprised the original agreement.

WHEREFORE, in consideration of the mutual covenants made herein, the parties hereto have entered into this Agreement as of the date set forth herein.

DATED: This _____ day of ^{February} ~~November~~, 2004.

EPICUS, INC.

BY: _____
Gerard Haryman, President

BELLSOUTH TELECOMMUNICATIONS, INC.

By: Reginald A. Greene
Reginald A. Greene, Counsel

with a copy to:

BellSouth Telecommunications, Inc.
675 W. Peachtree Street, Suite 4300
Atlanta, GA 30375
Reginald A. Greene
Operations and Bankruptcy Counsel
Facsimile: 404-614-4054
E-Mail: reginald.greene@bellsouth.com

The Debtor:
Epicus Inc.
c/o Gerard Haryman
1750 Osceola Drive
West Palm Beach, Florida 33409

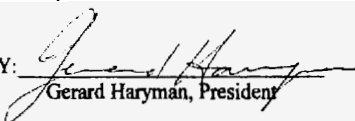
with a copy to:
Robert C. Furr, Esq.
Furr and Cohen, P.A.
2255 Glades Road, Suite 337W
Boca Raton, Florida 33431
(561)395-0500
(561)338-7532 fax

N. COUNTERPARTS. This Stipulation may be executed by each of the parties in counterparts and when so executed by all parties shall be binding as if each counterpart comprised the original agreement.

WHEREFORE, in consideration of the mutual covenants made herein, the parties hereto have entered into this Agreement as of the date set forth herein.

DATED: This 10 day of February 2005 November, 2004.

EPICUS, INC.

BY: 
Gerard Haryman, President

BELLSOUTH TELECOMMUNICATIONS, INC.

By: _____

SECURITY AGREEMENT FOR ALL ASSETS

1. Debtor, EPICUS, Inc.
Name

a Florida corporation, with its chief executive office at 3599 Lake Mary Blvd - Suite E
No. & Street

Lake Mary Seminole Florida 32746 (Debtor) grants to:
City County State Zip Code

2. Secured Party. BellSouth Telecommunications, Inc., a Georgia corporation, with its chief executive office at 675 W. Peachtree St., Atlanta, Fulton County, Georgia 30375. (Secured Party).
3. Collateral. A security interest in all assets of the Debtor, presently existing and hereafter arising, including proceeds thereof and all increases, substitutions, replacements, additions and accretions thereof (the "Collateral").
4. Obligations Secured by This Agreement. To secure the payment and performance of all account(s) of Debtor representing amounts owed to Secured Party, including all other obligations of the Debtor to the Secured Party, direct or indirect, absolute or contingent, due or to become due, whether now existing or hereafter arising.
5. Ownership of Collateral. The Debtor is, or is to become, the owner of the Collateral, and has, or will have when the Collateral is acquired, the right to convey a security interest in it to the Secured Party. The Collateral is, or will be when acquired, free and clear of all liens, claims, charges, encumbrances, taxes and assessments.
6. Title. Except as provided in paragraph 9 of this Agreement, this Agreement is not intended to affect the title to the Collateral which is, or will become, vested in the Debtor.
7. Acts to be Performed by Debtor. The Debtor agrees as follows:

- (a) *Payment and Performance.* The Debtor shall pay and perform all of the obligations secured by this Agreement according to their terms.
- (b) *Further Assurances.* The Debtor shall defend the title to the Collateral against all persons. On demand by the Secured Party, the Debtor shall: (1) furnish further assurance of title; (2) furnish further security for the obligations secured by this Agreement, including, but not limited to a security deposit; and (3) execute any written instruments or do any other acts necessary to make effective the purposes and provisions of this Agreement, including, but not limited to, performing any one or more of the acts set forth in paragraph 9(b) of this Agreement, all without waiving any rights to enforce this Agreement.
- (c) *Possession and Collection.* The Debtor may remain in possession of the Collateral until default under this Agreement. Debtor shall have the right to collect and enforce at its own expense all accounts comprising the Collateral until Debtor is in default hereunder or until Secured Party notifies Debtor that it will collect any and all accounts comprising the Collateral pursuant to this Agreement.

Exhibit "1"

(d) *Sale of Collateral to Third Parties.* The Debtor may not sell the Collateral without the written consent of the Secured Party, and whether or not such consent has been obtained, the proceeds of such sale in the option of the Secured Party shall be: (1) applied on the obligations secured by this Agreement, or (2) subject to the lien of this Agreement.

(e) *Certain Acts Required.*

(1) *Proper Care and Inspection.* The Debtor shall use reasonable care in the custody and preservation of the Collateral. The Secured Party may enter upon the premises where the books, records, journals, receipts, correspondence, and other data relating to the Collateral ("Records") are located and inspect, audit, and make extracts from the Records.

(2) *Encumbrances and Taxes.* Except for encumbrances and liens in favor of the Secured Party, the Debtor shall keep the Collateral free from all liens, claims, charges, encumbrances, taxes and assessments.

(f) *Failure to Perform Required Acts.*

(1) *Secured Party's Rights.* Upon failure by the Debtor to perform the acts described in paragraph (e) above, the Secured Party is authorized and has the option to require the Debtor to perform any one or more of the acts set forth in paragraph 9(h) of this Agreement, without waiving any rights to enforce this Agreement.

(2) *Advances Secured.* The reasonable expenses, including the payment of taxes, attorney's fees or other charges paid by the Secured Party in respect to the custody, preservation, use or operation of the Collateral shall be deemed advanced to the Debtor by the Secured Party, shall bear interest at the highest rate provided by the above described rates, and shall be secured by this Agreement.

(g) *Notification of Address Change.* Debtor agrees to notify Secured Party within three (3) business days of any change in the address of its chief executive office.

(h) *Filing of Financing Statements.* Debtor will assist Secured Party in the creation and filing of documents or forms with governmental entities relating to the security interest created by this Agreement, including, but not limited to, UCC-1 financing statements. Debtor agrees to supply information to Secured Party as required by such financing statements, forms, or documents, including, but not limited to, social security numbers or IRS taxpayer identification numbers. Debtor further agrees to execute such financing statements, documents, or forms, or to execute a power of attorney authorizing Secured Party to perform such execution on Debtor's behalf, at Secured Party's option.

8. *When Obligations Become Due.* At the option of the Secured Party, the obligations secured by this Agreement shall become immediately due and payable in full upon the happening of one or more of the following events:

(a) *Default in Obligation.* If the Debtor shall fail to perform any of the obligations secured by this Agreement.

(b) *Default in Security Agreement.* If the Debtor shall fail to perform any covenant, condition or provision of this Agreement.

(c) *Insecurity.* If the Secured Party shall at any time deem himself insecure in that the Secured Party in good faith believes that the prospect of payment or performance is impaired.

(d) *Material Breach.* Without in any way limiting the generality of the foregoing:

(1) If the Debtor shall fail to comply with any statute, requirement, rule, regulation, order or decree, of any federal, state, municipal or other governmental authority relating to the Collateral.

(2) If the Collateral be levied upon by virtue of any execution issued upon any judgment or any other process.

(3) If the Debtor be insolvent.

(4) If a petition or arrangement in bankruptcy be, or is to be, filed by or against the Debtor.

(5) If a general assignment for the benefit of creditors be made by the Debtor.

(6) If an application for receivership of any nature be, or is to be, filed, or a receiver of the Debtor's property be appointed in any action or proceeding.

(7) If the Debtor shall die; or if the Debtor is a corporation, association or partnership and it shall be, or about to be, voluntarily or involuntarily dissolved.

9. *Remedies Upon Default.*

(a) *General.* In the event of default under the Agreement the Debtor and the Secured Party have the right and remedies provided in Article 9 of the Uniform Commercial Code and, in addition, those provided in this Agreement.

(b) *Specific Duty of Debtor to Arise Collateral.* In the event of default, the Debtor shall perform one or more of the following acts, at the option of the Secured Party.

(1) Assign the Collateral to the Secured Party.

(2) Notify or allow the Secured Party to notify, account debitors of the Collateral to make payment directly to Secured Party.

(3) Transfer to Secured Party any proceeds of the Collateral.


(4) Assist Secured Party in extending the whole or any part of the accounts comprising the Collateral and assist in applying proceeds of the Collateral to Debtor's indebtedness pursuant to this Agreement.

(c) *Disposition of Collateral.* If any notification of intended disposition of any of the collateral is required by law, such notification, if mailed, shall be deemed properly given if mailed at least five days before such disposition, postage prepaid, addressed to the Debtor either at the address shown above, or at any address of any disposition of any of the records of the Secured Party. Any proceeds of any disposition of any of the collateral may be applied by the Secured Party to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Secured Party toward the payment of such of the obligations, and in such order of application, as the Secured Party may from time to time elect.

4. *Consent to Pay Deficiency.* Upon default, if the assignment or other disposition of the Collateral fails to satisfy the obligations secured by this Agreement in addition to the reasonable expenses of retaking, holding, preparing for disposition and the like, including reasonable attorneys' fees and legal expenses incurred by the Secured Party in connection with this Agreement or the obligations it secures, the Debtor shall be liable for any deficiency.

1. *Miscellaneous.* The Debtor and the Secured Party agree as follows:

- (a) *No Discharge.* No party to this Agreement shall be discharged by any extension of time, additional advances, renewals and extensions of any contract, the taking of further security, releasing security, extinguishment of the security interest as to all or any part of the Collateral, or any other act, except a release or discharge of the entire secured interest upon the full payment of the obligations secured by this Agreement including charges, expenses, fees, costs and interest.
- (b) *No Waiver or Estoppel.* Any failure by the Secured Party to exercise any right set forth in this Agreement shall not constitute a waiver thereof. Nothing in this Agreement or in the obligations secured by it shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the obligations secured by it.
- (c) *Successors.* This Agreement shall bind the respective executors, administrators, distributees, successors and assigns of the Debtor and the Secured Party.
- (d) *Governing Law.* The rights and duties of the parties under this Agreement shall be governed by the laws of the State of Florida.
Since where UCC-1 will be filed
Signed this 15th day of March, 2002.

ERICUS, Inc.
Debtor

Thomas N. Donaldson
Vice President & Director
Bell South Telecommunications, Inc.
Bell Street P.O. 12

UCC FINANCING STATEMENT
FOLLOWING INSTRUMENTS ARE FILED FOR RECORDATION AND ARE GENERALLY
A. NAME OF PARTY TO BE FINANCED (Name and Address)
B. SERIAL AND DOCUMENT IDENTIFICATION NO. (Name and Address)
C. FILING OFFICE (Name and Address)
D. FILING DATE (Name and Address)
E. FILING TIME (Name and Address)
F. FILING OFFICE (Name and Address)
G. FILING TIME (Name and Address)
H. FILING OFFICE (Name and Address)
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T. FILING OFFICE (Name and Address)
U. FILING TIME (Name and Address)
V. FILING OFFICE (Name and Address)
W. FILING TIME (Name and Address)
X. FILING OFFICE (Name and Address)
Y. FILING TIME (Name and Address)
Z. FILING OFFICE (Name and Address)

FLORIDA SECURED TRANSACTION REGISTRY
FILED
2002 Apr 12 AM 12:00
***** 200200864686 *****

1. DEBTOR'S EXACT FULL LEGAL NAME (Must specify the individual name of the Debtor, or the name of the corporation, partnership, or other legal entity)
ERICUS, INC.
2. DEBTOR'S ADDRESS (Must specify the individual name of the Debtor, or the name of the corporation, partnership, or other legal entity)
3599 West Lake Mary Blvd.
Lake Mary, FL 32746
3. SECURED PARTY'S NAME (Must specify the individual name of the Secured Party, or the name of the corporation, partnership, or other legal entity)
Bell South Telecommunications, Inc.
675 West Peachtree St., S.W.
Atlanta, GA 30375
4. COLLATERAL (Must specify the individual name of the collateral, or the name of the corporation, partnership, or other legal entity)
5. FILING OFFICE (Must specify the individual name of the filing office, or the name of the corporation, partnership, or other legal entity)
6. FILING TIME (Must specify the individual name of the filing time, or the name of the corporation, partnership, or other legal entity)

All assets including proceeds and products - All negotiable instruments including proceeds and products - All accounts receivable including proceeds and products - All inventory including proceeds and products and others.

Florida Documentary Stamp Tax is not required.

2. ALTERNATIVE DEBTOR'S NAME (Must specify the individual name of the alternative debtor, or the name of the corporation, partnership, or other legal entity)
3. ALTERNATIVE DEBTOR'S ADDRESS (Must specify the individual name of the alternative debtor, or the name of the corporation, partnership, or other legal entity)
4. ALTERNATIVE DEBTOR'S FILING OFFICE (Must specify the individual name of the alternative debtor's filing office, or the name of the corporation, partnership, or other legal entity)
5. ALTERNATIVE DEBTOR'S FILING TIME (Must specify the individual name of the alternative debtor's filing time, or the name of the corporation, partnership, or other legal entity)

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/2001)

Exhibit 02

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
www.flsb.uscourts.gov

In re: Case No. 04-34915-BKC-PGH
EPICUS COMMUNICATIONS GROUP, INC., Chapter 11
Debtor. _____ /

**AFFIDAVIT OF GARY PATTERSON IN SUPPORT OF
AMENDED STIPULATION FOR USE OF CASH
COLLATERAL OF BELL SOUTH TELECOMMUNICATIONS, INC.**

STATE OF ALABAMA)
) SS
COUNTY OF JEFFERSON)

Gary Patterson, being duly sworn does depose and says that:

1. I am the Director, ICS Billing & Collections/Accounts Receivable Management for BellSouth Telecommunications, Inc. ("BellSouth") and have personal knowledge of the facts stated herein. I make this affidavit in support of the *Amended Stipulation for Use of Cash Collateral of BellSouth Telecommunications, Inc.*

2. On or about November 17, 2004, a *Stipulation for Use of Cash Collateral of BellSouth Telecommunications, Inc.* ("Stipulation") was entered into by and between BellSouth and the Debtor pursuant to which the parties incorrectly stated that the amount of the pre-petition secured claim of BellSouth was fixed in the amount of \$880,558.

3. In my capacity as Director, ICS Billing & Collections/Accounts Receivable Management of BellSouth, I was asked to review and confirm the precise amount of the pre-petition BellSouth secured claim to correct the amount erroneously stated in the Stipulation.

Exhibit "3"

4. BellSouth and the Debtor operate pursuant to Interconnection Agreements dated December 7, 2002 and February 19, 2003 (collectively, the "Interconnection Agreements"). The Interconnection Agreements set forth, among other things, the terms and conditions of the relationship between BellSouth and the Debtor and the rights and obligations in respect thereof, including the Debtor's obligation to make payments to BellSouth and BellSouth's right to suspend or terminate the Debtor's access to the BellSouth Local Exchange Navigation System ("LENS")¹ in the event of payment default.

5. In March 2003, the Debtor's access to LENS was denied due to non payment of amounts owing to BellSouth under the Interconnection Agreements.

6. As of March 28, 2003, BellSouth informed the Debtor that the sum of \$88,599.75 was needed to restore the Debtor's access to LENS. Thereafter, the Debtor paid its arrearages to BellSouth under the Interconnection Agreements and the Debtor's access to LENS was restored.

7. Between March 28, 2003 and June 10, 2003, the Debtor once again defaulted in payment under the Interconnection Agreements, in the approximate amount of \$800,000, or almost an entire month worth of billing. The average monthly run rate for the Debtor during this period was approximately \$850,000.

9. On June 10, 2003, Maxine Alagar of my organization informed Mark Richards, a representative of the Debtor, that, taking into account payments in transit and payments received but not posted, an additional \$800,000 was needed to keep the Debtor's access to LENS from being suspended pursuant to the Interconnection Agreements.

10. On June 11, 2003, the Debtor's total arrearage under the Interconnection Agreements totaled \$1,500,000 and BellSouth denied Epicus' access to LENS as provided under the Interconnection Agreements.


¹ LENS is the system that CLECs like Epicus utilize to order service for their end users from BellSouth.

11. Shortly after the June 11, 2003 LENS suspension, Claude Morton, then an employee of or consultant to the Debtor, entered into an agreement with BellSouth for the restoration of access to LENS, if the Debtor agreed to tender weekly payments of \$250,000 on each Monday. These payments were intended to restore the Debtor's access to LENS and also to commence a procedure whereby the accumulated arrears owing under the Interconnection Agreements might ultimately be paid.

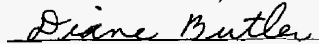
12. Based BellSouth's records, the total amount of BellSouth's pre-petition secured claim is \$1,928,380.77.² This amount includes a retail charge, also secured by the security interest granted in the Security Agreement,³ in the amount of \$26,227.

13. The \$880,558 figure that appears in the Stipulation is and was incorrect. The figure set forth this Affidavit, is correct to the best of my knowledge, information and belief.

FURTHER AFFIANT SAYETH NAUGHT.


Gary Patterson

Sworn to and Subscribed before me this 5th day of January, 2005.


Notary Public

My Commission Expires: 4-12-06

EPICUS, INC. PROJECTED BUDGET FOR NOV. 2004

	Billed Revenue	Cash Received
Income		
Customer	2,000,000.00	1,850,193.00
CABS	177,000.00	150,000.00
Total Income	2,177,000.00	2,000,193.00
Tax		(203,008.58)
		1,797,184.45
Cost of Goods Sold		
Internet		1,753.56
Long Distance		241,719.45
Local Recurring		1,066,000.00
Total Cost of Goods Sold		1,308,473.01
Other Expenses		
Payroll		182,516.37
Telemarketing		50,000.00
VoiceMail		30,000.00
Agent Commission		15,000.00
Travel/Lodging		2,500.00
Other Selling Expense		6,178.00
Carrier Bat Up Fees		41,886.00
Insurance		24,792.00
Regulatory		3,015.00
Telephone		19,000.00
Rent		22,850.00
Postage/Shipping		22,115.00
Banking fees		25,193.00
Office Expense		7,259.00
Payroll Processing fee		230.00
US Bankruptcy Trustee Fee		3,333.00
Univ Serv Fund		19,014.45
Management Fee of .5%		10,000.00
Total Other Expense		464,982.62
Asset Phone system		5,000.00
Net Income		18,728.62

² There remains approximately \$7,003 in unresolved billing disputes between Epicus and BellSouth that may affect the final amount of BellSouth's pre-petition secured claim.

³ On or about April 12, 2002, BellSouth filed a UCC-1 and took a security interest in all of Epicus' assets to secure all financial obligations due to BellSouth from Epicus.

Exhibit "A"

EPICUS, INC BUDGET DECEMBER 2004

	Billed Revenue	Cash Received
Income		
Customer	2,022,000.00	1,860,240.00
CABS	177,000.00	150,000.00
Total Income	2,199,000.00	2,010,240.00

Tax		(204,214.55)
		1,806,025.45

Cost of Goods Sold

Internet	1,753.56
Long Distance	243,048.00
Local Recurring	1,070,858.00
Total Cost of Goods Sold	1,315,659.56

Other Expenses

Payroll	162,516.37
Telemarketing	50,000.00
Vocemail	30,000.00
Agent Commission	15,000.00
Travel/Lodging	2,600.00
Other Selling Expense	6,178.00
Carrier Set Up Fees	42,448.00
Insurance	24,792.00
Regulatory	3,015.00
Telephone	19,000.00
Rent	22,850.00
Postage/Shipping	22,116.00
Banking fees	25,193.00
Office Expense	7,259.00
Payroll Processing fee	230.00
US Bankruptcy Trustee Fee	3,333.00
Univ Serv Fund	19,014.45
Management Fee of .5%	10,000.00
Total Other Expense	465,444.82

Net Income	24,921.07
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EPICUS, INC BUDGET JANUARY 2005

	Billed Revenue	Cash Received
Income		
Customer	2,044,242.00	1,880,703.00
CABS	177,000.00	150,000.00
Total Income	2,221,242.00	2,030,703.00

Tax		(206,669.55)
		1,824,033.45

Cost of Goods Sold

Internet	1,753.56
Long Distance	244,384.00
Local Recurring	1,078,747.00
Total Cost of Goods Sold	1,322,884.56

Other Expenses

Payroll	162,516.37
Telemarketing	50,000.00
Vocemail	30,000.00
Agent Commission	15,000.00
Travel/Lodging	2,600.00
Other Selling Expense	6,178.00
Carrier Set Up Fees	42,448.00
Insurance	24,792.00
Regulatory	3,015.00
Telephone	19,000.00
Rent	22,850.00
Postage/Shipping	22,116.00
Banking fees	25,193.00
Office Expense	7,259.00
Payroll Processing fee	230.00
US Bankruptcy Trustee Fee	3,333.00
Univ Serv Fund	19,014.45
Management Fee of .5%	10,000.00
Total Other Expense	465,444.82

Net Income	35,704.07
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