

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Norfolk Division

In re:

PICUS, INC.
PICUS COMMUNICATIONS, LLC
SYBERCOM, INC.
iPLUS INTERNET SERVICES, INC.
INTERNET ENTERPRISE CENTER, INC.

Case No. 00-72059-SCS
(Jointly Administered)
Chapter 11

RECEIVED FPSC
02 APR 25 AM 11:08
COMMISSION
CLERK

Debtors in Possession.

NOTICE OF HEARING ON
MOTIONS FOR APPROVAL OF SETTLEMENTS WITH
(1) G.E. CAPITAL CORPORATION AND NTFC CORPORATION;
(2) ECUFIN, INC.; AND (3) DOMINION TELECOM, INC
AND MOTION FOR LIMITED AUTHORIZATION TO DISTRIBUTE

TAKE NOTICE THAT: Picus, Inc., Picus Communications, LLC, Sybercom, Inc., iPlus Internet Services, Inc., and/or Internet Enterprise Center, Inc, (collectively "Picus"), debtors-in-possession, filed, in the primary bankruptcy case no 00-72059-SCS the following four motions:

a. **Amended Motion for Approval of Settlement with G.E. Capital Corporation and NTFC Corporation** (the "GECC Motion"): The GECC Motion requests the Court to enter an order approving the following settlement between the Debtor and G.E. Capital Corporation and NTFC Corporation (collectively "GECC"),

In full satisfaction of GECC's secured claim, the Debtor shall pay to GECC at least \$400,000.00, which shall be comprised of the following:

Two-thirds (2/3) of the net proceeds from the DSL Sale, which the Debtors anticipate will be in the range of \$220,000 and \$500,000. This resolution will be without regard to the amount or resolution of any administrative claims filed against the estate. A motion filed simultaneously herewith seeks approval to the pay this amount to GECC, after determination of the Nortel claim; and

Fifty percent (50%) of the net proceeds from the Examiner Causes of Action, including fifty percent (50%) of any reduction in secured claims, which reduction is procured as part of the resolution of any of the Examiner Causes of Action. At a minimum, the allowed fees and costs of professionals employed by the estate to pursue the Examiner Causes of Action shall be deducted from the gross proceeds to arrive at the net proceeds from the Examiner Causes of Action.

GECC shall waive the balance of its secured and unsecured claim against the Estate and the proofs of claim filed by GECC, numbered 116 and 117, shall be withdrawn.

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC _____
OTH _____
cy to Nonny

Frank J. Santoro, VSB #20259
Karen M. Crowley, VSB #35881
Marcus, Santoro, Kozak & Melvin, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23705
Telephone (757) 393-2555
Counsel for Debtors in Possession

DOCUMENT NUMBER - DATE

04563 APR 25 08

FPSC-COMMISSION CLERK

b. **Motion for Approval of Settlement with Ecufin, Inc. (the "Ecufin Motion"):** The Ecufin Motion requests the Court to enter an order approving a settlement whereby the Debtors would pay to Ecufin, Inc. ("Ecufin") the sum of \$150,000, in full satisfaction of Ecufin's secured claim against Picus, Inc; Ecufin would waive the balance of its secured claim, in the approximate amount of \$370,000; Ecufin would withdraw its unsecured claim against Picus Communications, LLC in the aggregate amount of \$6,101,150.88; the Debtors would be released of and from all other claims of Ecufin against them; and Ecufin would be released of and from any and claims of the debtors against it, including, but not limited to, claims arising out of a certain capital contribution agreement among the equity security holders in Picus, Inc.

c. **Motion for Limited Authorization to Distribute Certain Proceeds from Sale of Assets (the "Distribution Motion"):** The Distribution Motion requests the Court to enter an order authorizing the Debtors to distribute certain proceeds from the sale of assets, specifically as follows: \$476,979.71 and \$185,376.52 to GECC and \$150,000.00 to Ecufin, based upon the settlements for which the Debtors are seeking approval in the GECC Motion and Ecufin Motion (described above). and \$423,013.59 to Nortel Networks, Inc. and \$7,054.17 to Dell Financial Services, Inc. based upon the value of the collateral of Nortel and Dell sold at various auctions the proceeds of which are being held in escrow. The sources of these payments are detailed in the Distribution Motion.

d. **Motion for Approval of Settlement with Dominion Telecom, Inc. (the "Dominion Motion"):** The Dominion Motion requests the Court to enter an order approving a settlement based upon the \$63,000.00 administrative claim asserted by Dominion Telecom, Inc., which settlement is as follows: Cash payment to Dominion by the Debtors of \$7,500.00, payable from the Auction Proceeds and payable within ten days after an order entered by the Bankruptcy Court approving the settlement becomes final and non-appealable.

Certain of the capitalized terms used in the preceding paragraphs are defined in the various Motions. The originals of the above-described Motions are on file with the Court. Any party desiring a copy may request one, in writing, from the undersigned.

Your rights may be affected. You should read the Motions carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one.)

Take notice that a hearing on the Motions will be held on **Thursday, May 16, 2002, at 11:00 a.m., in Courtroom 1, U.S. Bankruptcy Court, 600 Granby St., Norfolk, Virginia.** Under Local Rule 9013-1, unless a written objection to the respective Motion is filed with and received by the Clerk of the Bankruptcy Court, U.S. Bankruptcy Court, P.O. Box 1938, Norfolk, VA 23501-1938, and received by counsel for the Debtors at the address set forth below, **on or before five (5) business days before the scheduled hearing date**, the Court may deem any opposition waived, treat the Motions as conceded, and enter an order granting the requested relief without further notice or hearing.

April 19, 2002

PICUS, INC.
PICUS COMMUNICATIONS, LLC
SYBERCOM, INC.
iPLUS INTERNET SERVICES, INC.
INTERNET ENTERPRISE CENTER, INC.

By: /s/ Karen M. Crowley
Of Counsel

Frank J. Santoro, VSB #20259
Karen M. Crowley, VSB #35881
Marcus, Santoro, Kozak & Melvin, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23705
Telephone (757) 393-2555
Counsel for Debtors in Possession