

ORIGINAL

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

Debtors in Possession.

PICUS COMMUNICATIONS, LLC, ET AL.,

Movant/Respondent,

v.

APN: 02-7065-S

DAVEL COMMUNICATIONS, ET AL.,

Respondent/Movant

NOTICE OF SETTLEMENT MOTION

Take notice that on October 9, 2002, Picus Communications, LLC ("LLC"), Picus Inc., Internet Enterprise Center, Inc., iPlus Internet Services, Inc. and Sybercom, Inc. (collectively the "Debtors" or "Picus"), by counsel, filed a Motion (the "Motion") for Approval of Settlement between the Debtors and Davel Communications, Inc. and Teleleasing Enterprises, Inc. (collectively "Davel") regarding various pleadings and claims (the "Claims") filed by and between the Debtors and Davel, as outlined in the Motion, all of which were consolidated in this adversary proceeding and set for a trial to begin October 21, 2002. The purpose of the Motion is to seek court approval of the settlement of all outstanding claims by and between the Debtors and Davel.

The Motion proposes to settle the Claims between the parties generally as follows:

- a. Picus will cooperate with Davel to submit 2001 and 2000 information in order to assist Davel in recovering what is known as dial-around compensation ("DAC") for 2000 and the first calendar quarter of 2001;
- b. Within 10 days after entry of an order approving the settlement and December 15, 2002, Davel will pay LLC \$79,500.00;
- c. Davel will pay LLC an additional \$150,000, no later than May 15, 2003, but potentially earlier, depending upon the receipt of any 2001 DAC;
- d. Davel will pay LLC forty percent (40%) of the 2000 DAC, if any, as and when it is received by Davel. Davel has certain reporting obligations as to its efforts to collect the 2000 DAC;

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

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 Counsel for the Debtors

DOCUMENT NUMBER-DATE

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- e. If any of the payments required under the settlement are not timely paid, LLC will be entitled to obtain a judgment against Davel of \$717,000.00, plus interest at the federal judgment rate from October 21, 2002, less any amounts actually paid to LLC by Davel; and
- f. Except for any claims arising from the Settlement, the parties waive all pre- and post petition claims against each other.

For a more complete description of the settlement with Davel, you should review the Motion. A true photocopy of the Motion is available from the Court or from counsel for the Debtors, upon request.

Your rights may be affected. You should read the Motion carefully and discuss it with your attorney if you have one. If you do not have an attorney, you may wish to consult one.

If you do not want the Court to approve the settlements described in the Motion, then an objection to the Motion must be filed with and received by the Clerk of the Bankruptcy Court, U.S. Bankruptcy Court, P.O. Box 1938, Norfolk, VA 23501-1938 **within twenty (20) days after service of this Notice**, with a copy to counsel for the Debtors at the address set forth below. If no objection is timely filed, the Court will deem any opposition waived and enter an order without further notice or hearing.

October 10, 2002

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

By: /s/ Karen M. Crowley
Of Counsel

Frank J. Santoro, Esq., VSB # 20259
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Counsel for the Debtors

Certificate of Service

I hereby certify that on October 10, 2002, a true copy of the foregoing Notice was served via first class mail, postage prepaid, to all creditors and parties in interest as reflected on the attached Service List and to Stephen G. Test, Esq., Megan E. Burns, Esq., Williams, Mullen, One Columbus Center, Suite 900, Virginia Beach, VA 23462.

/s/ Karen M. Crowley

**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., and
INTERNET ENTERPRISE CENTER, INC.,

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

Debtors in Possession.

NOTICE OF SETTLEMENT MOTION

Take notice that on October 8, 2002, PICUS Communications, LLC ("LLC"), Picus Inc., Internet Enterprise Center, Inc., iPlus Internet Services, Inc. and Sybercom, Inc. (collectively the "Debtors"), by counsel, filed a Motion (the "Motion") for Approval of Settlement between the Debtors and Verizon Communications, Inc. ("Verizon, Inc.") regarding the motion filed on September 21, 2001, by Verizon, Inc., on its behalf on behalf of its operating companies ("Verizon Subsidiaries" and collectively with Verizon, Inc., "Verizon") for Allowance and Payment of Administrative Expense Claim and Compelling Rejection of Executory Contracts. The purpose of the Motion is to seek court approval of the settlement of an administrative claim totaling \$ 2,960,740.89 for post-petition services Verizon asserted it provided LLC, as well as the resolution of all other issues between the Debtors and Verizon.

The Motion proposes that Verizon's administrative claim be allowed against LLC in the amount of \$998,375.78, that LLC satisfy the allowed administrative claim by making an immediate cash payment of \$ 275,000.00 to Verizon, and that Verizon and the Debtors execute a Mutual Release and Settlement Agreement resolving all issues between them. All other terms of the settlement with Verizon are specifically described in the Motion. A true photocopy of the Motion, including a copy of the Mutual Release and Settlement Agreement, is available from the Court or from counsel for the Debtors, upon request.

Your rights may be affected. You should read the Motion carefully and discuss it with your attorney if you have one. If you do not have an attorney, you may wish to consult one.

If you do not want the Court to approve the settlements described in the Motion, then an objection to the Motion must be filed with and received by the Clerk of the Bankruptcy Court, U.S. Bankruptcy Court, P.O. Box 1938, Norfolk, VA 23501-1938 **within twenty (20) days after service of this Notice**, with a copy to counsel for the Debtors at the address set forth below. If no objection is timely filed, the

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