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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

030000
(011040-TP)

Debtors in Possession.

**NOTICE OF HEARING ON CONFIRMATION, COMBINED
WITH NOTICE OF TIMES FOR FILING ACCEPTANCES OR
REJECTIONS OF PLAN AND OBJECTIONS TO CONFIRMATION**

TO: Debtor(s), creditors, equity security holders, creditors committee(s), United States Trustee, trustee, if any, and other parties in interest.

NOTICE IS HEREBY GIVEN THAT:

1. On July 25, 2003, the Court approved the Disclosure Statement, which had been filed with the Court on April 3, 2003. A Corrected Disclosure Statement and Corrected Plan of Liquidation were filed August 7, 2003 to make non-substantive, technical corrections to the documents filed.
2. There are transmitted herewith (a) a copy of the Corrected Disclosure Statement and Corrected Plan of Liquidation (the "Plan"); (b) order and opinion, if any, of the Court approving the Disclosure Statement and (c) appropriate forms for the acceptance or rejection of said Plan.
3. By the said Order of the Court, **September 4, 2003**, is fixed as the last day for filing written acceptances or rejection of the Plan.
4. Any objection to confirmation of the Plan shall be filed with the Clerk of the U.S. Bankruptcy Court, Post Office Box 1938, Norfolk, Virginia 23501, **no later than five (5) business days** prior to the hearing on confirmation and any objection to confirmation shall be served pursuant to Federal Rule of Bankruptcy Procedure 3020(b)(1) and Local Bankruptcy Rule 3016-1(E).
5. The hearing on confirmation of the Plan and such objections as may be made thereto will be held on **September 11, 2003 at 11:00 a.m.**, in Judge St. John's Courtroom, U.S. Bankruptcy Court, 600 Granby St., Norfolk, Virginia.

Date: August 8, 2003

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

By: /s/ Karen M. Crowley
Karen M. Crowley

US _____
 AF _____
 MP _____
 OM _____
 TR _____
 CR _____
 SCL _____
 JPC _____ Frank J. Santoro, VSB #20259
 AMS _____ Karen M. Crowley, VSB #35881
 SEC J _____ Marcus, Santoro & Kozak, P.C.
 JTH _____ 1435 Crossways Boulevard, Suite 300
 Chesapeake, VA 23320
 Telephone (757) 222-2224
 Facsimile (757) 333-3390
 Counsel for the Debtors

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DISTRIBUTION CENTER

DOCUMENT NUMBER-DATE

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COMM-FEDERAL COMMISSION OF FRK

CERTIFICATE OF SERVICE

I hereby certify that on August 8, 2003, I mailed a copy of the foregoing notice to the debtors, creditors, equity security holders, creditors committee(s), United States Trustee and to the creditors and parties in interest listed on the Service List filed with the Court.

/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.
INTERNET ENTERPRISE CENTER, INC.

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

Debtors.

CORRECTED DISCLOSURE STATEMENT

August 7, 2003

Frank J. Santoro (VSB No. 20259)
Karen M. Crowley (VSB No. 35881)
MARCUS, SANTORO & KOZAK, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23704
Telephone: 757-393-2555
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Counsel for the Debtors

A. INTRODUCTION¹

Picus, debtor in possession in this Chapter 11 Bankruptcy case, submits this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code with respect to the Plan of Liquidation filed with the Bankruptcy Court on April 2, 2003. A copy of the Plan is attached as Exhibit 1.

Picus provides this Disclosure Statement to enable any creditor whose claim is Impaired under the Plan, and therefore entitled to vote on the Plan, to arrive at a reasonably informed decision in exercising the right to vote to accept or reject the Plan. This Disclosure Statement should be read in its entirety prior to voting on the Plan. The information contained herein is based on records maintained by Picus, and no representation or warranty is made as to its complete accuracy.

For the Plan to be confirmed, creditors in each class of Impaired claims who hold at least two-thirds in amount and more than one-half in number of claims within the class must vote in favor of the Plan. If a creditor does not vote, i.e. does not return a fully completed ballot within the specified time to the correct addressee, neither the creditor nor the amount of its claim are counted to determine acceptance or rejection of the Plan. If you are entitled to vote and do not, the ballots will be tallied as though you do not exist. If no creditors in a class vote, the class will be deemed to accept the Plan. The Court can confirm the Plan even if the requisite acceptances are not obtained, so long as the Plan complies with the Bankruptcy Code and accords fair and equitable treatment to any non-accepting class.

Creditors entitled to vote are furnished a ballot on which to record their respective acceptances or rejections of the Plan. Those completed ballots must be returned to counsel for the Debtor, who will tally the votes and report the results to the Court at the hearing on Confirmation of the Plan.

B. SUMMARY OF PLAN

Over the course of the past two years, PICUS has Liquidated most of its Property into cash. Upon Confirmation, the Debtor will retain all Property in accordance with Bankruptcy Code § 1123(a)(5)(A) other than Property sold during the administration of this Case in accordance with Bankruptcy Code §363 or otherwise abandoned under the terms of this Plan. The Debtor will continue to collect and Liquidate any remaining unliquidated Property as cost effectively as possible. The Plan provides for the distribution of the proceeds realized from the Liquidation in accordance with the priorities established in the Code.

Upon Confirmation, the Debtors shall be deemed consolidated for the following purposes under the Plan: (i) no distributions shall be made under the Plan on account of the Intercompany Claims and (ii) each and every claim filed or to be filed against any of the Debtors shall be deemed filed against the deemed consolidated Debtors and shall be deemed one claim against and obligation of the deemed consolidated Debtors. To the extent that a creditor has filed more

¹ All capitalized terms are defined in the Plan of Liquidation, which constitutes an exhibit to this Disclosure Statement.

than one proof of claim in this Case against more than one Debtor for the same claim and in the same or similar amount, the creditor shall be entitled to only one satisfaction of such claim in the amount of the last filed of such proofs of claim. All prior filed proofs of claim shall not receive any distribution under the Plan without further order of this Court.

C. INFORMATION REGARDING DISCLOSURE STATEMENT.

NO REPRESENTATIONS CONCERNING PICUS' OPERATIONS, THE VALUE OF ITS PROPERTY OR THE PLAN ARE AUTHORIZED UNLESS THEY ARE IN THIS STATEMENT. THIS DISCLOSURE STATEMENT IS THE ONLY AUTHORIZED STATEMENT WITH RESPECT TO THE PLAN. NO OTHER REPRESENTATION CONCERNING THE DEBTOR, ITS OPERATIONS OR THE VALUE OF ITS PROPERTY HAS BEEN AUTHORIZED. YOU SHOULD RELY ONLY ON THE REPRESENTATIONS OR INDUCEMENTS CONTAINED IN THIS STATEMENT. YOU SHOULD REPORT ANY ADDITIONAL REPRESENTATIONS AND INDUCEMENTS TO THE COURT, COUNSEL FOR THE DEBTOR OR THE COMMITTEE, OR THE UNITED STATES TRUSTEE.

THE COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION BY THE COURT AS TO THE MERITS OF THE PLAN, BUT MERELY CONFIRMS THAT THE DISCLOSURE STATEMENT IS ADEQUATE TO PROVIDE THE INFORMATION NECESSARY FOR YOU TO MAKE AN INFORMED JUDGMENT WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT PROVIDES INFORMATION ABOUT THE PLAN. ALTHOUGH THE DEBTOR BELIEVES THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS ACCURATE, THE PROVISIONS OF THE PLAN CONTROL IF THERE IS ANY INCONSISTENCY BETWEEN THE PLAN AND THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

Picus does not warrant that the financial data in this Disclosure Statement is error-free, but it has been careful to see that all financial information is fairly and accurately presented. To the best of its knowledge and belief, Picus believes the financial information in the Disclosure Statement is accurate.

If the Court does not confirm the Plan, Picus may amend the Plan or file a different plan. If the Court does not confirm the Plan and the exclusive period within which the Picus can obtain acceptances of it expires, a creditor may file a plan of reorganization. Additionally, on motion of a party in interest, and after notice and a hearing, the Court may convert the Case to a Chapter 7 proceeding. The Debtor has the absolute right to convert this Case to Chapter 7 pursuant to Bankruptcy Code §1112(a).

D. GENERAL INFORMATION ABOUT THE DEBTOR

1. The Business of the Debtors: Ecufin, Inc., iTribe, Inc. and Synergy Consultants, Inc. joined forces in 1998 to develop a business plan for the establishment of an Internet service provider ("ISP") along with the provision of related telecommunications and Internet services. Pursuant to business development agreements between these parties, Picus, LLC² was formed as a vehicle for implementation of the business plan. Following its formation, Picus acquired other ISPs through asset or stock purchases. In 1999, Picus acquired the assets of Omega Solutions, Inc. t/a Megahits and Livenet, Inc. and the stocks of IEC, Sybercom and iPlus. (Collectively, these entities will be referred to, herein, as the "ISP Entities"). The ISP Entities were engaged, primarily, in providing dial-up Internet service to customers in Virginia, Maryland, Connecticut and Florida. They also provided customers with related Internet services, including web hosting, web site maintenance, web television access and computer equipment sales and service.

Picus Communications ("Communications") was formed in November of 1998 and became a Competitive Local Exchange Carrier ("CLEC") pursuant to the acquisition of Atlantic Telecomm, which operated subject to the provisions of federal law as well as of Title 56 of the Virginia Code and corresponding statutes and regulations in the various states in which it was licensed to provide telecommunications services. Communications offered retail services to the public and was, as well, a reseller of service provided by the ILEC and long distance service provided by other carriers.

Ultimately, it was the goal of the Debtor to combine the resources of the ISP Entities and the Telephone Business to develop, install and implement a facilities-based DSL service, providing bundled local, long distance and DSL Internet service to end users located within a maximum distance from central telephone offices, within which Communications placed its own equipment, pursuant to co-location agreements with Verizon, the incumbent local exchange carrier ("ILEC"). The Debtors had developed a very sophisticated system for providing what is known as voice-over DSL. DSL is a technology for bringing high-bandwidth telecommunications connections to homes and small businesses over standard copper telephone wires. Voice-over DSL enables customers to use their telephones at the same time that they use their Internet service, using the same connections and wires.

2. The Financing of the Business. In late January 2000, GECC entered into a Loan and Security Agreement (the "GECC Agreement") with Picus Communications, pursuant to which GECC agreed to make financing available to Communications, up to a maximum amount of \$50 million, for the purchase of certain products (including both hardware and software) from Nokia High Speed Access Products, Inc. ("Nokia"). Picus was a co-borrower on the GECC Agreement. On the Filing Date, approximately \$6,000,000.00 was owed to GECC under the GECC Agreement.

In late February 2000, NTFC, an entity affiliated with GECC (and defined in the Definitions collectively with GECC) entered into a Loan and Security Agreement (the "NTFC Agreement") with Communications, pursuant to which NTFC agreed to make available to

² Picus was originally organized and constituted as Picus, LLC, a Virginia limited liability company, and was converted and merged into Picus, Inc. several months before the bankruptcy filing.

Communications financing, up to a maximum amount of \$7.5 million, for the purchase of certain products (including both hardware and software) from Nortel. Picus was a co-borrower on this obligation as well. On the Filing Date, approximately \$6,300,000.00 was owed to NTFC under the NTFC Agreement.

A significant source of funding for the Debtor was the sale of stock in Picus, Inc. Stock was sold to individuals and entities, who received private placement disclosures and invested in the Debtor on the basis of those materials and oral presentations made to them by members of management. Many of these investors were members of the local community. In all, there were more than 120 owners of stock in Picus, Inc., but this number includes members of management and persons who received stock incident to the acquisition of their companies by Picus. Total cash receipts for stock sold to investors came to in excess of \$12,690,000.00.

As part of the GECC financing, the owners of certain membership interests in Picus entered into an agreement entitled, "Capital Contribution Agreement." The members of Picus who joined in the Capital Contribution Agreement ("CCA") were Synergy Consultants, Inc., Megahits, L.L.C., Ecufin, Inc., iTribe, Inc., and East Marketing Corporation ("EMC"). The CCA required its members to contribute additional capital to Picus, upon certain events. On October 27, 2000, pursuant to a resolution of its board of directors, Picus made demand upon the entities which entered into the CCA. No additional funds were received from the members, despite the demand.

E. CAUSES OF BANKRUPTCY FILING.

The primary reason for the filing of these cases was that the business model of the Debtor required large amounts of capital for the purchase and installation of equipment, but at the very time that the attempt was being made to go to the capital markets, those capital markets collapsed. Initial development of the Debtor's networks was funded through private investments and loans, together with revenues derived from operations. The completion of the networks required additional infusions of capital, but the Debtor could not raise the amounts necessary through private placements and, as a technology and communications company, it found the investment climate, following March of 2000, to be increasingly unfavorable. To add to the Debtor's problems, it found itself competing with some of its own members for the sale of membership interests to potential investors. (See the below section dealing with the appointment and report of the Examiner, for additional information on this point.) Ultimately, it became apparent to the Debtor's management that, despite its best efforts and the sophistication of the technology which had been developed for the implementation of the business model, continuation of the business could not be sustained. Existing capital was being consumed at a faster rate than it could be raised. Accordingly, the decision was made to begin the liquidation of the Debtor. Bankruptcy was chosen as the vehicle with which to accomplish the liquidation in an orderly fashion.

F. CORPORATE STRUCTURE AND MANAGEMENT OF THE DEBTOR.

The key pre- and post-petition officers and directors of the Debtor are as follows:

1. **Picus, Inc.:**

- **Bijan Kazemi:** Chairman of the Board of Directors and Chief Executive Officer (as of October, 2000). (Prior to October, 2000, Mr. Kazemi was Vice Chairman, President and Chief Financial Officer.) Mr. Kazemi also owned 700,000 shares of stock in Picus. Mr. Kazemi remained involved in the management of the Debtor throughout the administration of the case.
- **John Williams:** President and Director (became president in October, 2000). Mr. Williams terminated his employment by the Debtor during the administration of the case and is no longer involved in its management or affairs.
- **Richard Ayres:** Chief Financial Officer (as of October, 2000). Mr. Ayres remained involved in the management of the Debtor throughout the administration of the case.
- **Directors of Picus, Inc.:** Michael Adolphi, Thomas G. Flake, Mohammad Koochekzadeh, Kamran Koochekzadeh, and Paul Wong.

2. **Picus Communications:** Wholly-owned by Picus, Inc., this entity was managed by Bijan Kazemi, John Williams and Richard Ayres at the time of the filing of its petition and throughout most of the administration of the case. Mr. Williams resigned during the pendency of the case, but Mr. Kazemi and Mr. Ayres continue to manage its affairs.

3. **iPlus, Sybercom and IEC:** Wholly-owned by Picus, Inc., the sole officer and director of these entities was Bijan Kazemi, who remains in that position.

4. **Consolidation of Entities for Distribution Purposes:** The Plan provides for the substantive consolidation of the Debtors, for purposes of distribution. The reason for deeming the several entities as one, for the purposes indicated, is that the costs and expenses associated with having to treat them as separate, including, in particular, accounting for the treatment of intercompany claims, is anticipated to be greater than the possible benefits to particular creditors from doing so. It is believed that deeming the debtor entities as consolidated for these purposes will result in a greater distribution to creditors than could otherwise be achieved.

Prior to the Bankruptcy filing and during the case, Picus, Inc. provided all corporate overhead services to the other Debtors. Listed as part of the unsecured obligation of Picus Communications, LLC was an obligation owing to Picus, Inc. in the amount of \$2,165,000.00, which represents Communications' allocation of the corporate overhead costs. This same allocation was not undertaken pre-petition for iPlus, IEC or Sybercom, but would need to be undertaken in order for an accurate distribution to be made. In addition, the Debtor has attempted to separately allocate the proceeds from the sale of assets to the applicable entity but

has not undertaken, at this time, to allocate the costs incurred by the bankruptcy estate to the respective entity.

During the time in which these entities were operating, they engaged in numerous transactions among themselves, including with respect to employees, equipment and overhead expense items. After the filing of bankruptcy, it became even more difficult to keep the affairs of the entities separated. It would be time-consuming, and expensive, for the Debtor to allocate among the several entities the professional fees, the corporate overhead and the other post-petition expenses incurred during and as part of the case. The Debtor believes that creditors will receive a greater distribution, ultimately, if the several entities are treated as consolidated than would be the case if they were treated separately and additional expenses were incurred in order to properly determine the intercompany accounts both pre-petition and post-petition.

G. ASSETS OF THE DEBTOR

1. Liquidation of Substantially All the Assets During the Case: Prior to the Filing Date, the Debtor had determined that its best interests lay in the liquidation of all its assets as a going concern. The necessity of the bankruptcy filing interrupted the implementation of this decision, but it was continued after the filing. Substantially all of the assets of the Debtor have been liquidated at this time, although certain items are being liquidated on an ongoing basis. Due to industry-related problems, it may not be possible to sell all of the Debtor's tangible property. Notice of each and every sale and notice of the hearing on each sale has been provided to all creditors and parties in interest. Copies of the relevant sale motions and orders are available from counsel for the Debtor upon request.

2. Cash Proceeds from Liquidation: The Debtor has now substantially liquidated all of its assets and is holding the proceeds from the liquidation in various accounts.

- a. Approximately \$515,150.00 is being held in interest-bearing escrow accounts by counsel for the Debtor.
- b. Another \$90,000.00 (approximately) is held by the Debtor in an interest-bearing account, of which \$20,000.00 is in escrow in connection with the sale of the co-location assets of Picus Communications (see below).
- c. Approximately \$17,000 is held by the Debtor in its Debtor in Possession checking account.
- d. In addition to the foregoing sums, there is approximately \$49,300.00 held by counsel for the Debtor, in escrow, representing deposits against fees and costs which may be awarded by the Court as compensation and/or reimbursement of expenses, after review and approval of counsel's application for same.

3. Remaining Assets:

a. Co-location proceeds: Many of the assets used by Picus Communications which could not be sold at the auction of the major fixed assets, including the equipment at co-location sites, have since been sold through private negotiations. The most significant of these sales was to MDU and was approved by the Court by its order entered December 5, 2002. As approved by the Court, MDU is authorized to purchase the equipment used in the co-location sites, which were, largely, central offices of Verizon Communications, the incumbent local exchange carrier. There were 96 such sites and MDU will purchase the equipment at those sites, for a maximum of \$2,000.00 per site, for a total possible gross sale price of \$192,000.00. The completion of the sale may take up to one year, under the terms of the agreement with MDU approved by the court. Also, some of the sale proceeds may be subject to personal property tax lien claims of the City of Alexandria and the County of Arlington, Virginia. As noted in the preceding paragraph, the Debtor is holding \$20,000.00, in escrow, in connection with this transaction.

b. Accounts Receivable. The Debtor had considerable accounts receivable due from its customers. The loss of personnel by the Debtor made it impossible for in-house collection of these receivables to be accomplished and, accordingly, the firm of Pender & Coward, P.C., was employed as special collection counsel for the Debtor. The Debtor referred a total of 3,471 accounts for collection, with a total dollar value of \$1,432,412.00, for an average claim balance of \$412.00. Of these accounts, 712 have been collected in full thus far, and total collections are in the amount of \$232,994.00. Pender & Coward has closed and returned its files on 2,139 claims, with a total dollar amount of \$723,216.00, as uncollectible. It is continuing to attempt collection on the remaining 347 accounts, which amount to \$258,613.00. Pender & Coward has been paid \$72,234.00 in connection with the collection of these accounts.

c. Davel Settlement: Prior to its bankruptcy filing, Picus, Inc., entered into an agreement with Davel, pursuant to which Picus Communications, provided telecommunications services to Davel, in connection with Davel's business of coin-operated payphones in Maryland, Virginia and the District of Columbia. In full settlement of the outstanding claims between the parties, it was agreed that:

i. Davel would pay \$79,500 in cash by December 15, 2002. These payments have been received by the Debtor from Davel.

ii. On or before May 15, 2003, Davel will pay \$150,000.00.

iii. Davel will pay 40% of any dial around compensation which it receives for certain enumerated periods. The receipt of all or any portion of the 2000 dial-around compensation must be reported to Picus Communications immediately. Certain other provisions apply to this component of the settlement, as well.

iv. Failure to pay these amounts will result in a judgment against Davel for the sum of \$717,000.00, with interest thereon at the federal judgment rate from October 21, 2002, less any amounts actually paid by Davel.

H. LIABILITIES

1. Secured Claims

Secured claims were filed in this case on behalf of six creditors. All of these secured claims have been compromised and paid, as follows:

a. Nortel: Nortel filed its secured claim asserting a purchase money security interest of \$1,367,703.58 in certain equipment used in connection with the Telephone Business. This equipment was sold, with the approval of the Court. Based upon an agreement reached with Nortel, the Debtor paid the sum of \$423,013.59 to Nortel in full satisfaction of its secured claim, as authorized by the Court in an order entered May 16, 2002.

b. GECC: GECC asserted secured claims, in the aggregate amount of \$12,176,773.88, which were compromised and settled, jointly, in connection with adversary proceedings initiated by the Debtor, as approved by an order entered by the Court on May 16, 2002. Combined payments were made to GECC, from the proceeds of the sale of assets, in the total amount of \$666,879.90, in full satisfaction of the secured claims of GECC, which also withdrew its unsecured claims against the Debtor.

c. Ecufin: Ecufin asserted a secured claim against the Debtor in the amount of \$404,971.56, which claim was compromised and settled for the sum of \$150,000.00, as authorized by the Court by order entered on May 16, 2002. Ecufin has withdrawn its unsecured claim against the Debtor and the Debtor has released Ecufin from any and all liability, including under the Capital Contribution Agreement ("CCA").

d. Dell: Dell Financial Services, Inc., asserted a secured claim for \$21,240.23. Dell consented to the sale of its collateral, incident to the sale of the other assets of the Debtor. By order entered May 16, 2002, the Court authorized payment to Dell in the amount of \$7,054.17 in satisfaction of its secured claim. The balance of Dell's claim will be treated as unsecured.

e. BB&T: BB&T asserted a secured claim against the Debtor in the amount of \$87,578.00. The collateral consisted of vehicles used by the Debtor, all of which were sold at auction with the applicable proceeds remitted to BB&T. The balance of its claim will be treated as unsecured.

2. Priority Claims

Numerous creditors filed proofs of claim in the bankruptcy case reflecting an entitlement to Priority status. A preliminary review of those claims indicate that very few are entitled to treatment as a Priority claim pursuant to Bankruptcy Code § 507. Attached as Exhibit 2 is a chart detailing all of those entities, which asserted Priority claims against the Estate. The Debtor intends to object to certain of them as designated on the exhibit.

3. Unsecured Non-Priority Claims

Creditors have filed unsecured claims against the Estate of approximately \$42,000,000. Exhibit 3 provides an analysis of the unsecured proofs of claims filed against the Estate. The Debtor has indicated on Exhibit 3 the unsecured claims to which it may object based on the information currently available to the Debtor. The Debtor reserves the right to object to any and all claims, in addition to those indicated on Exhibits 1 through 3, but believes, based upon the information currently available to it, that the objectionable claims will be as indicated on those exhibits.

4. Administrative Expenses

To the best of its belief, the Debtor has satisfied all post-petition expenses, including professional fees incurred during the case. The Debtor will incur minimal administrative expenses, other than professional fees, following the date of this Statement as it has no employees and no ongoing operation. The books and records of the Debtor are available for review in numerous storage units. The Plan proposes that the books and records of the Debtor will no longer be available after entry of the final decree.

I. RETENTION AND COMPENSATION OF PROFESSIONALS.

1. Employment of MS&K.

MS&K was employed as counsel for the Debtor by entry of an order on December 13, 2000. The Court has approved the payment of fees to MS&K, during the case, as follows:

<u>Compensation Period</u>	<u>Fees Awarded</u>	<u>Expenses Awarded</u>
November 7, 2000, through February 28, 2001	\$127,393.75	\$10,963.59
March 1, 2001, through June 22, 2001	\$61,155.25	\$10,468.58
June 23, 2001, through October 29, 2001	\$36,709.00	\$5,093.64
October 30, 2001, through	\$13,323.00	\$4,465.35

March 6, 2002		
March 7, 2002, through June 21, 2002	\$20,674.00	\$5,231.19
June 22, 2002, through November 12, 2002	\$22,353.00	\$6,884.58

MS&K will continue to file applications for compensation, for review and approval by the Court, through the completion of the Case.

2. Employment of Accountants.

a. KPMG, L.L.P. On January 19, 2001, the Debtor sought to employ KPMG, L.L.P., for the purpose of preparing federal and state income tax returns for the tax year January 1, 2000, through September 25, 2000, for each of the Debtors, excluding Picus Communications, as well as to provide the Debtor with such additional assistance as may have been requested in connection with other projects. After resolution of the objection filed on behalf of certain creditors, an order was entered, on February 20, 2001, approving the employment of KPMG for such purposes. On March 22, 2001, the Debtor caused to be filed an amended application for the employment of KPMG, L.L.P., to expand the scope of the engagement to cover the filing of all tax returns required on behalf of the Debtor. An order approving the amended application was entered on April 13, 2001. No fee application has been filed with respect to amounts owed to KPMG, although KPMG has been holding a \$22,000 retainer provided by the Debtor. The Debtor anticipates filing a fee application for payment of these fees.

b. Daniel W. Hargrave. On January 16, 2002, the Debtor filed an application seeking to employ Daniel W. Hargrave, CPA, as accountant for the estate, for the purpose of preparing and filing tax returns for the years ending December 31, 2001, and December 31, 2002. This engagement replaced the engagement of KPMG, and was approved by the Court by order entered February 1, 2002. The fees for Daniel Hargrave were anticipated to be \$4,500.00 for the 2001 returns, and \$3,000.00 for the 2002 returns. The Debtor anticipates filing a fee application for payment to Mr. Hargrave in connection with these services.

c. Peisner Johnson & Company, LLP. On September 14, 2001, the Debtor filed an application seeking approval for the employment of Peisner Johnson & Company, L.L.P., accountants, with respect to certain telecommunications tax matters. Although this employment was approved, by order entered on October 1, 2001, the work was never undertaken and no fees are owing or will be paid to this entity.

J. OFFICIAL COMMITTEES.

1. General Information. Section 1102 of the Bankruptcy Code authorizes the appointment of one or more committees of unsecured creditors to represent the interests of similarly situated unsecured creditors throughout the Case. In this Case, one such committee was formed. The members of the Committee appointed by the Amended Appointment of

Unsecured Creditors' Committee made by the Office of the United States Trustee on December 20, 2000 are:

Jay G. Goldsberry*, for Innosphere, Inc.
5209 York Road
Baltimore, MD 21212

Carl Paldino, for Encompass
6251 Ammendale Road
Beltsville, MD 20705

John Fox, for First Union Bank
7 South 8th Street
Richmond, VA 23219

Michael Plautz
738 Skipwith Road
Virginia Beach, VA 23464

Deborah A. Jaggard, for
Cox Communications
4585 Village Avenue
Norfolk, VA 23502

Steven Plautz
738 Skipwith Road
Virginia Beach, VA 23464

Brcit Woodard**, for Nokia, Inc.
6565 North MacArthur Drive
Irving, TX 75039

Chris Kaisand, for DSET Corporation
1160 U.S. Highway 22
Bridgewater, NJ 08807

*Chairman

**Ex officio and non-voting

2. **Counsel for Committee:** The Committee retained counsel to assist it in the performance of its duties in the case. With the approval of the Court, Troutman Sanders, L.L.P. (formerly known as Mays & Valentine, L.L.P.), was employed as counsel for the Committee. Jonathan L. Hauser is the attorney primarily involved in the case for that firm. The fees and expenses of Troutman Sanders in this case which have been paid from the estate, after review and approval by the Court, are as follows:

<u>Compensation Period</u>	<u>Fees Awarded</u>	<u>Expenses Awarded</u>
November 9, 2000, through February 28, 2001	\$50,922.50	\$516.73
March 1, 2001, through February 28, 2002	\$34,416.00	\$1,210.50

Troutman Sanders will seek additional compensation and reimbursement of expenses prior to the conclusion of this case.

K. POST-PETITION CASE EVENTS

1. Cash Collateral.

a. **General Information Regarding Cash Collateral.** The Debtor is prohibited from using cash collateral during its Chapter 11 case unless each entity with an interest therein consents to its use or the Court, after notice and a hearing, authorizes such use. Cash collateral is defined in §363 as "cash, negotiable instruments, documents of title, securities, deposit accounts,

or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest and includes the proceeds, products, offspring, rents, or profits of property . . . subject to a security interest as provided in section 552(b) of this title, whether existing before or after the commencement of a case under” the Bankruptcy Code.

b. **Use of Cash Collateral in this Case.** GECC asserted secured claims against the assets of the Debtor. The Debtor disputed the validity, priority and extent of the liens asserted by GECC. However, in order to facilitate the ongoing liquidation of the assets in question, an agreement was reached by the Debtor, GECC and the Unsecured Creditors’ Committee, whereby the Debtor was permitted to use cash collateral (i.e., the proceeds of liquidation of assets which may have been subject to liens held by GECC) for certain purposes, pending resolution of the disputes raised by the Debtor. A consent order approving the agreement of these parties was entered by the Court on January 29, 2001. The issues were, ultimately, resolved, by a settlement reached by the Debtor with GECC and others, globally resolving the validity, priority and extent of the liens asserted against the assets of the estate (see Paragraph 4a, below, for a discussion of this resolution).

2. **Bar Date For Filing Proofs Of Claim.**

a. **Filing of Claims.** Under Rule 3003(b)(1), the schedules of liabilities filed pursuant to §521(1) constitutes prima facie evidence of the validity and amount of the claims of creditors, unless they are scheduled as disputed, contingent or unliquidated. Any creditor or equity security holder whose claim or interest is not scheduled or is scheduled as disputed, contingent or unliquidated must file a proof of claim. Any creditor who fails to do so shall not be treated as a creditor with respect to such claim for purposes of voting and distribution, pursuant to Rule 3003(c). The Debtor will base its distributions to creditors on its schedules and such proofs of claim as were timely filed and Allowed.

b. **Fixing of Deadline for Filing Claims.** In this case, the non-governmental claims bar date was fixed as March 13, 2001. The bar date for governmental claims was May 7, 2001.

c. **Administrative Claims Bar Date.** In addition to the bar date for filing claims for pre-petition liabilities owed by the Debtor, the Court set a deadline for the filing of administrative claims entitled to priority under §503(a) of the Code. All applications for allowance of claims incurred after the Petition Date and before August 1, 2001, which claims were alleged to be entitled to priority under §507(a)(1) of the Code, other than those for professional services, were required to be filed with the Court by not later than September 21, 2001. Notice of the Administrative Claims Bar Date was duly given and served, as required, before August 28, 2001. The Order provides that any claim, not filed as August 28, 2001, was waived.

3. **Executory Contracts And Unexpired Leases.**

a. **On the Filing Date:** As of the Filing Date, the Debtor had numerous executory contracts and unexpired leases. Many of these were contracts to provide service to customers.

Some were equipment leases, some were leases for real property and others were of various types.

b. **Treatment of Executory Contracts under the Plan:** To the extent that there are any unexpired leases and/or executory contracts between the Debtor and creditors or other parties in interest, entered into prior to the Filing Date, which have not been otherwise assumed or assigned, either pursuant to the Plan, or pursuant to an order of the Court, they shall be deemed rejected, pursuant to §365(a) of the Bankruptcy Code, upon the earlier of (a) Confirmation; or (b) the date of a separate order entered by the Court approving the rejection of such contract and/or lease. Any creditor claiming damages from rejection of a lease or an executory contract, who has not previously filed a proof of claim, shall have until the earlier of (a) the date established in a separate order entered by the Court; or (b) the Effective Date, in which to file such a proof of claim. The Debtor will have 15 days after the filing of the claim to object to its allowance. Any Allowed Claim filed pursuant to this paragraph shall be deemed a Class 4 claim.

4. **Adversary Proceedings.**

a. **GECC.** Adversary proceedings were commenced against GECC. In the second of the two proceedings, there was a third defendant, Nokia (as previously defined). The gravamen of the adversary proceedings was that GECC had failed to obtain a security interest in the assets of Picus, Inc., and that its lien against the assets of Picus Communications was defective, in that it was subject to Nokia's purchase money security interest, which was avoidable in the bankruptcy case. After extensive discussion and negotiations among the parties, a settlement was reached with GECC, which was duly presented to and approved by the Court. The terms of the settlement called for the Debtor to pay to GECC two-thirds of the net proceeds of the sale of the DSL assets, once the net figure had been determined, and half of the net proceeds of the Examiner Causes of Action (defined as those causes of action identified and evaluated by the Examiner appointed in the case), including half of any reduction in claims against the estate, if included in the settlement or resolution of any of the Examiner Causes of Action. The allowed fees and costs of professionals employed by the Debtor to pursue the Examiner Causes of Action were to be netted against any recovery before determining how much should be paid to GECC. GECC would hold an unsecured claim for its deficiency balance, calculated from filed proofs of claim. Pursuant to a separate motion filed by the Debtor, and an order entered by the Court on that motion, GECC has been paid \$476,979.71 from the proceeds of the sale of the DSL Assets and \$185,000.00 from recoveries under the Examiner Causes of Action.

b. **Davel:** The Debtor objected to the proof of claim filed on behalf of these entities, and combined such objection with a claim for affirmative relief, which caused the matter to be treated as an adversary proceeding. The adversary proceeding was, ultimately, settled, and the terms and conditions of this settlement are described above.

5. Appointment And Report Of Examiner.

a. **Need for and Identity of Examiner:** During the administration of these cases, it became apparent that there was a need for an investigation and analysis of certain matters involving insiders of the Debtors. Accordingly, upon the motion of the Debtor, the Court authorized the appointment of an examiner, by its order of March 23, 2001, (the "Order of Appointment"). Pursuant thereto, the Office of the United States Trustee appointed Ross C. Reeves, an experienced and knowledgeable bankruptcy attorney, as Examiner. The Examiner submitted his report on June 26, 2001.

b. **Scope of and Report from Examiner:** The Order of Appointment directed the Examiner to focus on three specific areas of inquiry: (a) the enforceability of the CCA (see paragraph 2.1.2, above); (b) potential causes of action in favor of the estate against the Debtor's directors, managers and officers, and the possibility of claims coverage under directors' and officers' liability insurance policies ("D&O Policies"); and (c) the existence of any claims or causes of action in favor of the estate against certain stockholders arising from the alleged sales of their investments in Picus to third parties.

With respect to the first matter, the Examiner concluded that appropriate representatives of the estate should take action to enforce the CCA. On the second matter, the Examiner concluded that any potential causes of action against the management of the Debtor would not be covered under the D&O Policies. He also concluded, on the basis of a limited study of the issues, that there were no substantial claims for director misconduct or malfeasance. Finally, the Examiner concluded that the Debtor had possible causes of action against Synergy Consultants, Inc., and iTribe, Inc., and/or their controlling shareholders, directors and officers, arising from their sale of securities in Picus, Inc., in competition with Picus' own efforts to raise capital. However, the Examiner noted that the uncertainty of the legal issues and the benefits to be derived from pursuing such claims argued against incurring the costs associated with the effort.

6. Objections To Claims.

a. **Timing of Filing Claim Objections:** Subject to any extensions granted pursuant to further order of the Court, the Debtor shall file and serve any objections to requests for payment of Administrative Expenses, including professional fees, timely filed with the Court to which the Debtors dispute liability in whole or in part, on or before the First Distribution Date. The Debtor may obtain any such extension order without a hearing or notice upon presentation of a proposed order to the Court. The Debtor shall litigate any objections to Final Order or compromise and settle them in accordance with the Debtor's business judgment.

b. **Allowance of Administrative Claims:** Any timely filed request for payment of Administrative Expenses, other than professional fees, to which the Debtor has not objected or for which the Debtor has not obtained an extension for objecting, shall be deemed Allowed without further order of the Court.

L. LIQUIDATION ANALYSIS

Liquidation Analysis: Section 1129(a)(7)(A)(ii) of the Bankruptcy Code requires that holders of claims that are impaired under the Plan who do not vote for the Plan must receive property under the Plan worth, as of the effective date, at least as much as the amount they would receive were the Debtor liquidated in a Chapter 7 bankruptcy. Because the method of liquidation selected by the Debtor in this Chapter 11 Plan is similar to the method to be used by a Chapter 7 Trustee, the Debtor believes that the distribution under its plan is comparable, if not identical, to what creditors would receive were the Debtor's Estate liquidated under Chapter 7.

Alternatives to Plan: Before filing its petition, the Debtor evaluated numerous alternatives to this Plan, including the forced sale of the Debtor's assets through foreclosure by the Secured creditors and the liquidation of the Debtor under Chapter 7 of the Bankruptcy Code. After studying the alternatives, the Debtor believes that the Plan and the liquidation accomplished during the case will achieve the greatest recovery to creditors.

Amendments to the Plan. If the Court does not confirm the Plan, the Debtor may amend the Plan or file a different Plan. If the Court does not confirm the Plan, a Debtor or any party in interest could propose a different plan or plans. Further, if no plan can be confirmed, the Chapter 11 case may be converted to Chapter 7 where a trustee would oversee the Liquidation of assets and distribution of proceeds.

Effect of Non-Acceptance of Plan. If the Court does not confirm the Plan, the distribution each Unsecured creditor receives will likely be diminished.

M. TAX CONSEQUENCES OF THE PLAN

ALL CREDITORS AND PARTIES IN INTEREST ARE URGED TO CONSULT WITH YOUR OWN TAX ADVISORS TO ASCERTAIN THE PLAN'S CONSEQUENCES UNDER APPLICABLE FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS.

N. CONFIRMATION PROCEDURES

1. Confirmation Hearing. The Bankruptcy Code requires the Court, after notice, to hold a hearing to determine whether a plan of reorganization should be confirmed. A hearing on Confirmation of the Plan will be scheduled and notice will be circulated in accordance with the Bankruptcy Code and Rules. The hearing may be adjourned from time to time by the Court without further notice except for an announcement made at the hearing.

2. Objections to Confirmation. All objections to confirmation of the Plan will be heard at the Confirmation Hearing. Any objection to confirmation of the Plan must be made in writing, Filed with the Court and served upon the following parties within five business days before the hearing on Confirmation:

Frank J. Santoro, Esquire (counsel for the Debtor)
Marcus, Santoro & Kozak, P.C.
Post Office Box 69
Portsmouth, VA 23705

Debera F. Conlon, Esq.
Office of the United States Trustee
Federal Building, Room 625
200 Granby Street
Norfolk, VA 23510-1814

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED AND SERVED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

3. Requirements for Confirmation of the Plan.

(a). Statutory Requirements. At the confirmation hearing, the Court must determine whether the Plan meets the requirements for confirmation set forth in Section 1129(a) of the Bankruptcy Code.

(b) Acceptance of the Plan. The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two thirds in dollar amount and a majority in number of claims in that class which actually cast ballots for acceptance or rejection of the plan. Only the classes of claims which are Impaired under a plan are entitled to accept or reject the plan. Acceptance by a class of equity interest holders is defined as acceptance by holders of interests with at least two-thirds in dollar amount, counting only those holders of interests who cast ballots.

(c) Non-Acceptance and "Cram Down". Even if a class of Impaired claims or interests does not accept the Plan, the Debtor has a right to request that the Plan be confirmed pursuant to Section 1129(b) of the Bankruptcy Code, the "Cram Down" provision. As long as one Impaired class votes in favor of the Plan, the Court may confirm the Plan if the Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each rejecting class. A plan "does not discriminate unfairly" within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims and interests. "Fair and equitable" has different meanings with respect to the treatment of Secured and Unsecured claims as well as the treatment of Equity. In general, § 1129(b) establishes that the treatment of classes of claims and interests is fair and equitable as long as all junior classes are treated in accordance with the "absolute priority" rule which requires that each dissenting class be paid in full before a junior class receive anything under the Plan.

O. VOTING PROCEDURES AND REQUIREMENTS

1. Confirmation through Voting. As stated above, the Court will confirm the Plan only if the requirements of Code Section 1129 are satisfied. One of the requirements is that either:

- (a) each class of Impaired claims has voted to accept the Plan; or
- (b) if at least one class of Impaired claims has voted to accept the Plan, the Plan does not discriminate unfairly and is fair and equitable to the non-accepting classes.

2. Ballots. Creditors entitled to vote will receive Ballots on which to record their acceptances or rejections of the Plan. You must complete your Ballot and return it to counsel for the Debtor who will tally the votes and report the results to the Court at the hearing on confirmation of the Plan. Please complete the Ballot sent to you with this Disclosure Statement, sign the original, and return it to counsel for the Debtor.

3. Effect of Failure to Vote. If a creditor or holder of an interest does not return a fully completed Ballot within the specified time to the Debtor's attorneys, neither the creditor nor the amount of its claim or the amount of the interest holder is counted to determine acceptance or rejection of the Plan. If you are entitled to vote and do not, the Ballots will be tallied as though you do not exist. If no creditors in a class vote, the class will be deemed to accept the Plan

P. CONCLUSION

Picus believes that the Plan is in the best interest of all creditors and urges holders of Impaired claims to vote to accept the Plan and to return their ballots with all due speed.

Respectfully submitted,

April 3, 2003

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

By: /s/ Bijan Kazemi
As Officer and Director

and

By: /s/Karen M. Crowley

Frank J. Santoro, Esq., VSB # 20259
Karen M. Crowley, Esq., VSB # 35881
Marcus, Santoro, & Kozak, P.C.
P. O. Box 69
Portsmouth, VA 23705-0069
(757) 393-2555
Counsel for the Debtors

Certificate of Service

I hereby certify that on April 3, 2003, a true copy of the foregoing Disclosure Statement was served via first class mail, postage prepaid, to those listed on the attached Service List.

/s/ Karen M. Crowley

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE 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.

CORRECTED JOINT PLAN OF LIQUIDATION

AUGUST 7, 2003

Frank J. Santoro, VSB #20259
Karen M. Crowley, VSB #35881
MARCUS, SANTORO & KOZAK, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23705
Telephone: (757) 393-2555
Facsimile: (757) 399-6870
Counsel for the Debtors

PLAN OF REORGANIZATION

Picus proposes this Plan under Chapter 11 of the United States Bankruptcy Code. All capital terms used herein have the meaning assigned to them in the Glossary of Defined Terms for the Plan documents attached as Exhibit A to this Plan.

A. SUMMARY OF PLAN AND MEANS OF EXECUTION

Over the course of the past two years, Picus has Liquidated most of its Property into cash. Upon Confirmation, the Debtor will retain all Property in accordance with Bankruptcy Code § 1123(a)(5)(A) other than Property sold during the administration of this Case in accordance with Bankruptcy Code § 363 or otherwise abandoned under the terms of this Plan. The Debtor will continue to collect and Liquidate any remaining unliquidated Property as cost effectively as possible. This Plan provides for the distribution of the proceeds realized from the Liquidation.

Upon Confirmation, the Debtors shall be deemed consolidated for the following purposes under the Plan: (i) no distributions shall be made under the Plan on account of the Intercompany Claims and (ii) each and every claim filed or to be filed against any of the Debtors shall be deemed filed against the deemed consolidated Debtors and shall be deemed one claim against and obligation of the deemed consolidated Debtors. To the extent that a creditor has filed more than one proof of claim in this Case against more than one Debtor for the same claim and in the same or similar amount, the creditor shall be entitled to only one satisfaction of such claim in the amount of the last filed of such proofs of claim. All prior filed proofs of claim shall not receive any distribution under the Plan without further order of this Court.

The Debtor anticipates that, by Confirmation, the only Property not fully Liquidated will be the proceeds from the Davel Settlement, the MDU Sale and outstanding accounts receivable. The Debtor will continue to collect this Property in the ordinary course, in accordance with its business judgment. Any Property not Liquidated by Confirmation, including the proceeds from the Davel Settlement, the MDU Sale and accounts receivable, may be Liquidated by private, negotiated sale, public auction or such combination thereof as the Debtor believes to be in the best interests of the Estate, taking into consideration the value of the assets, the probability of collection, the costs of sale, the time necessary to market or sell the asset and similar factors. After Confirmation, the Debtor will consult with and obtain the approval of counsel for the Committee and the Office of the United States Trustee before consummating any sale or abandoning any Property. The Debtor may abandon any Property that it determines is burdensome or is of inconsequential value and benefit to the Estate by delivering a notice of abandonment to counsel for the Committee and the Office of the United States Trustee. In the event that these parties are unable to agree upon the sale or abandonment of any of the Property, the Court will retain jurisdiction to resolve the issue of the reasonableness and propriety of any sale or abandonment.

Any sale or transfer of the Property shall be made in accordance with the provisions of §§ 1141(c) and 1123(a)(5)(D) of the Bankruptcy Code, free and clear of all liens, security interests and other interests, choate or inchoate, resulting from all claims and interests of all creditors, equity security holders and parties in interest, with any such liens to attach to the proceeds of the sale in the same order of priority and extent as held in the assets sold.

The Debtor will perform all remaining unperformed obligations and duties imposed upon it, directly or indirectly, by the Court or in accordance with its fiduciary duty to the Estate. The Debtor shall file, or cause to be filed, all necessary and required tax returns and shall take all necessary steps to close the Case.

Not later than the Effective Date—

- Subject to any extensions granted pursuant to further order of the Court, the Debtor shall file and serve any objections to claims filed with the Court to which the Debtors dispute liability in whole or in part. The Debtor shall litigate any objections to Final Order or compromise and settle them in accordance with the Debtor's business judgment. The Debtor may obtain any such extension order without a hearing or notice upon presentation of a proposed order to the Court.
- Any party in interest shall file requests for payment of administrative expenses, including professional fees, not otherwise the subject of prior bar dates or pending Applications or Requests for Payment of Administrative Expenses. Unless otherwise ordered by the Court, the Confirmation Order shall operate to set an Administrative Claims Bar Date for the filing of any such requests as not later than 30 days after Confirmation. Unless extended by order of the Court, the Debtors, the Committee, and any other party in interest will have 15 days after the Administrative Claims Bar Date to review and object to such requests for payment, provided that such 15 day period of review may be extended by the Court upon the request of the Debtors.
- Counsel for the Debtor shall escrow from cash held by or for the Debtor \$50,000.00, for professional fees rendered post confirmation ("Professional Escrow").
- Debtor will consolidate all remaining cash into the Cash Account..

On the First Distribution Date, the Debtor shall—

- Subject to any extensions granted pursuant to further order of the Court, file and serve any objections to requests for payment of Administrative Expenses, including professional fees, timely filed with the Court to which the Debtors dispute liability in whole or in part. The Debtor shall be litigate any objection to Final Order or compromise and settle them in accordance with the Debtor's business judgment. The Debtor may obtain any such extension order without a

hearing or notice upon presentation of a proposed order to the Court. Any timely filed request for payment of Administrative Expenses, other than professional fees, to which the Debtor has not objected or for which the Debtor has not obtained an extension for objecting, shall be deemed Allowed without further order of the Court.

- Pay Allowed Administrative Expenses in full from Cash Account.
- Reserve from the Cash Account an amount sufficient to pay in full upon resolution any Administrative Expense for which an application or request for payment is pending.
- Pay Allowed Priority Claims in full from Cash Account.
- Distribute pro rata to holders of all other Allowed Claims, other than unclassified claims, Resolved Claims or Intercompany Claims, 85 % of the remaining balance of the Cash Account, less any funds reserved for Administrative Expenses as further described below.

Administrative Expenses not paid on the First Distribution Date shall be paid in full from reserved funds within 10 days after any order allowing such expenses becomes Final.

Holders of any classified claims Allowed after the First Distribution Date shall be paid, within 10 days after the date the order allowing the claim becomes final, a distribution from the Cash Account in the same proportion as that paid to other holders of Allowed Claims in that class on the First Distribution Date. For example, if holders of Class 4 claims receive a distribution on the First Distribution Date in the amount of 3% of their claims, then any claim in Class 4 subsequently Allowed will receive a distribution of 3% of the Allowed amount of the claim. No distribution shall be made with respect to all or any portion of any claim to which a filed objection remains pending until the entire resolution of the objection.

On the Second Distribution Date, any funds remaining in the Professional Escrow shall be transferred in the Cash Account. The Debtor then shall distribute the outstanding balance of the Cash Account, less funds reserved for Administrative Expenses, pro rata to holders of Allowed Class 4 claims up to the full amount of the claims, without interest.

Distributions to holders of Allowed Claims shall be made at the address of the holder of such claim as filed with the Court or otherwise indicated on records of the Debtors.

Any cash, assets or any other Property distributed under the Plan that remains unclaimed (including by an entity's failure to negotiate a check issued to such entity) or otherwise not deliverable to the entity entitled thereto before 60 calendar days after the first distribution shall be redistributed to all other creditors as part of the second

distribution. In such event, such entity's claim shall no longer be deemed to be Allowed and such entity shall be deemed to have waived its rights to such payments or distributions under the Plan pursuant to section 1143 of the Bankruptcy Code and shall have no further claim in respect of such distribution and shall not participate in any further distributions under the Plan with respect to such claim.

B. EXECUTORY CONTRACTS

To the extent that there are any unexpired leases and/or executory contracts between the Debtor and creditors or other parties in interest, entered into prior to the Filing Date, which have not been otherwise assumed or assigned, either pursuant to the Plan, or pursuant to an order of the Court, they shall be deemed rejected, pursuant to §365(a) of the Bankruptcy Code, upon the earlier of (a) Confirmation; or (b) the date of a separate order entered by the Court approving the rejection of such contract and/or lease. Any creditor claiming damages from rejection of a lease or an executory contract, who has not previously filed a proof of claim, shall have until the earlier of ~~(a)~~ the date established in a separate order entered by the Court; or (b) the Effective Date, in which to file such a proof of claim. The Debtor will have 15 days after the filing of the claim to object to its allowance. Any Allowed Claim filed pursuant to this paragraph shall be deemed a Class 4 claim.

C. UNCLASSIFIED CLAIMS AND THEIR TREATMENT

In accordance with Bankruptcy Code § 1123(a)(1), the following Administrative Expenses and Priority Claims are not classified. The treatment specified for unclassified claims and interests follows:

1. Administrative Expenses of a Kind Specified in Bankruptcy Code §§ 503(b) and 507(a)(1). Unless otherwise ordered by the Court, the Confirmation Order shall operate to set an Administrative Claims Bar Date as not later than 30 days after Confirmation for the filing of any requests for payment of Administrative Expense pursuant to 11 U.S.C. § 507(a)(1), including professionals employed by the Estate pursuant to 11 U.S.C. § 327 or 1103, which arose after August 1, 2001, and on or before Confirmation. Any creditor or party in interest with such a claim for payment must file with the Court a motion or application to request payment on or before the Administrative Claims Bar Date. **If such motion or application is not timely filed in accordance with this Plan or in accordance with an order otherwise setting a bar date for filing administrative claims, the party will be prohibited from asserting such claim against the Estate.** Unless extended by order of the Court, the Debtors, the Committee, and any other party in interest will have 15 days after the Administrative Claims Bar Date to review and object to such requests for payment, provided that such 15 day period of review may be extended by the Court upon the request of the Debtors. Any timely filed request for payment of Administrative Expenses, other than professional fees, to which the Debtor has not objected or for which the Debtor has not obtained an extension for objecting, shall be deemed Allowed without further order of the Court. Except as otherwise agreed in writing, the holders of Allowed Administrative Claims,

pursuant to Bankruptcy Code § 507(a)(1), will receive payment in full on the First Distribution Date.

a. Escrow for Professional Fees: Counsel for the Debtor shall escrow the amount of \$50,000.00 to be applied toward professional fees rendered post-confirmation (the "Professional Escrow"). Any unused professional fees on the Second Distribution Date shall be included as part of the second distribution in accordance with this Plan, subject to a small reservation to pay the final professional fees, costs and U.S. Trustee quarterly fees.

b. U.S. Trustee Fees: Among such claims as will be paid pursuant to this paragraph shall be those amounts, if any, which may be due to the Office of the United States Trustee, which will continue to be paid until the Case is closed.

c. Exceptions to paragraph (C)(1) above include:

i. On or before the Administrative Claims Bar Date, each professional, employed pursuant Bankruptcy Code § 327, shall file an application seeking approval of professional fees through Confirmation. The professional shall receive payment for unpaid fees and expenses when an Order by the Court approving such professional's compensation is entered. Following Confirmation, such professional shall be monthly paid its necessary and reasonable fees by sending a monthly billing statement, similar to those filed with the Court as part of the fee application process, to counsel for the Debtor, counsel for Committee and the U.S. Trustee. If there is no written objection to the statement within 10 days after transmittal of the billing statement, which objection may be by facsimile, e-mail or first class mail, counsel for the Debtor shall promptly pay such bill from the Professional Escrow.

ii. The holder of any Administrative Expense or Claim to which a party in interest filed a written objection under Bankruptcy Rule 3007, unless previously resolved and paid prior to Confirmation, will receive payment on the later of (i) the First Distribution Date or (ii) 10 days after the date an order allowing such an Administrative Claim is final. Sufficient reserves shall be held by the Debtor to pay the Administrative Claim in full should the claim not be resolved prior to the First Distribution Date.

2. Claims of a Kind Specified in Bankruptcy Code § 507(a)(2) – (9). Exhibit 2 to the Disclosure Statement lists all Priority claims, either filed or scheduled, against the Estate, including claims filed as secured by taxing authorities. Allowed claims of taxing authorities for which proofs of claim were filed as secured will be paid in full under the plan as priority claims rather than as secured claims because the various properties on which the taxing authorities have claimed liens are no longer part of the Debtor's estate. The Debtor intends to file any objections to priority claims on or before 20 days prior to the Confirmation Hearing. Except as otherwise agreed in writing, the

holders of Allowed Priority Claims, pursuant to Bankruptcy Code § 507(a), will receive on the First Distribution Date, payment in full, except any unpaid penalty incurred or assessed Pre-Petition with respect to an Allowed Priority tax claim, which is not in compensation for a governmental unit's actual pecuniary loss, shall be excluded from treatment under this paragraph and shall be treated as an Allowed Unsecured Claim.

D. CLASSIFIED CLAIMS AND THEIR TREATMENTS

Subject to any extensions granted pursuant to further order of the Court, the Debtor shall file and serve all objections, if any, to the allowance of claims filed with the Court within 30 days after Confirmation. The objections shall be litigated to Final Order or compromised and settled in accordance with the Debtor's business judgment. The Debtor may obtain any such extension order without a hearing or notice upon presentation of a proposed order to the Court.

In accordance with Bankruptcy Code §§ 1122 and 1123(a)(1), certain claims asserted against the Debtor are placed in classes. The precise amount of the claim in each class may vary from that stated in this Plan in the event that the Debtor objects to the amount of the claim or its classification (i.e. as secured or priority, etc.). The claims are classified and treated as follows:

Class 1 – Compromised Claims

Class 1 consists of Allowed claims based on proofs of claim that have been filed in this Case that subsequently were compromised and paid or waived, as listed on attached Exhibit B, other than claims that were allowed as unsecured claims in an agreed amount which shall be classified and treated as Class 4 claims.

Class 1 claims are not Impaired. Each holder of an Allowed claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

Class 1 claims shall be satisfied in accordance with the terms of their agreements with the Debtor and shall not receive any further distribution under the Plan.

Class 2 – Consolidated Claims

Class 2 consists of Allowed claims that have been asserted by the same creditor against more than one Debtor in this Case, for the same claim and in the same or similar amount, including any claims based on theories of joint and several liability or claims for any deficiency.

Class 2 claims are Impaired. Each holder of an Allowed Class 2 claim shall be entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

Each and every Class 2 Allowed claim filed against more than one Debtor shall be consolidated and treated as one claim against and obligation of the deemed consolidated Debtors in the amount of the last filed of such claims. Holders of Class 2 claims shall be entitled to only one satisfaction of such claim under the Plan, regardless of the number of claims that have been scheduled in this Case or for which more than one proof of claim has been filed.

Each consolidated Class 2 claim shall be paid under the Plan as if it were a claim under Class 4.

Class 3 – Intercompany Claims

Class 3 consists of any claim by any Debtor against any other Debtor. The Debtors have agreed not to receive any distribution under the Plan.

Class 3 claims are not Impaired. Each holder of an Allowed claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

Class 4 – All Other Allowed Claims

Class 4 consists of all Allowed Claims, not otherwise classified under the Plan.

Class 4 claims are Impaired. Each holder of an Allowed Class 4 claim shall be entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

On the First Distribution Date, Allowed Class 4 claims will be paid a pro rata distribution from 85% of the remaining balance of the Cash Account, after the full payment or reservation for Priority Claims, costs of Liquidation, Administrative Expenses, and disputed claims. Class 4 claims that are Allowed after the First Distribution Date will be paid the pro rata share of the funds distributed on the First Distribution Date within 10 days after entry of a Final Order resolving any objection to the claim.

On the Second Distribution Date, Allowed Class 4 claims, including Allowed Class 2 Consolidated Claims, will receive a pro rata share of any funds remaining in the Cash Account up to the full amount of their claims, without interest.

Class 5 – Equity Interests

This Class consists of all the equity interests of any entity in any of the Debtors.

The Class 5 interests are Impaired. Each holder of an Allowed Class 5 interest shall be deemed to have rejected the Plan under Bankruptcy Code §1126.

Unless tax considerations justify different treatment, the equity interests in all the Debtors will be canceled within a reasonable time following final Liquidation and Distribution of all Property of the Estate.

E. STRUCTURE OF POST-CONFIRMATION DEBTOR.

Officers and Directors. The only officers and directors of the Debtor after Confirmation shall be Bijan Kazemi and Richard B. Ayres, who shall serve only to the extent necessary to carry out the Plan and complete the Liquidation and every other act necessary to wind up the business and affairs of the Debtor.

Shareholders. Unless tax considerations justify different treatment, all equity interest in the Debtors will be canceled within a reasonable time following final Liquidation and Distribution of all Property of the Estate. If the equity interests are not canceled, the Debtor will amend its operative documents to contain a provision prohibiting the issuance of nonvoting equity securities.

Destruction of Corporate Records and Documents: The Debtors have maintained their books and records in storage facilities. After the entry of the final decree, the Debtor will be permitted, unless otherwise prohibited by law or necessary to resolve outstanding issues in this Case, to dispose of all of the books and records of the Debtor.

F. EFFECTS OF CONFIRMATION.

Confirmation of the Plan, except to the extent expressly stated to the contrary in the Plan, shall generally have the effect described in Bankruptcy Code §1141. As this is a Liquidating plan, Picus will not receive a discharge, pursuant to Bankruptcy Code §1141(d)(3). All creditors, parties in interest and interest holders will, nevertheless, be bound by the Plan, as confirmed, and will not have claims against Picus other than as specifically stated in the Plan. The sole remedy and right of collection of the holders of claims shall be pursuant to the provisions of this Plan.

G. U.S. TRUSTEE'S FEES

Pursuant to Bankruptcy Code § 1129(12), quarterly fees due the U.S. Trustee will be paid on the Effective Date and continue to be paid until the Case is closed.

H. JURISDICTION OF THE COURT

The Court shall retain jurisdiction of this Chapter 11 Case pursuant to and for the purposes of Bankruptcy Code § 1127(b) and for the following purposes:

(a) Classification of the claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of objections as may be filed to such claims. The failure by the Debtor to object to, or to examine any claim for the purposes of voting, shall not be deemed to be a waiver of the Debtor's right to object to, or re-examine the claim in whole or in part.

(b) Collection of money owed to the Debtor on claims arising during the administration of the Estate, disputes concerning Property of the Estate, including damages due the Debtor and supervision and approval of the sale of Property of the Estate.

(c) Determining Allowed Administrative Expenses of administration and compensation of parties entitled thereto, including professionals employed with the authorization of the Court and those professionals employed by creditors who are entitled by applicable law to be compensated by the Estate.

(d) Hearing and determining any and all causes of action which arise under and pursuant to any provision in the Bankruptcy Code.

(e) Modification of the Plan, correcting any defect, curing any omission, or reconciling any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan to the extent authorized by the Bankruptcy Code and Bankruptcy Rules.

(f) Determining any and all applications, adversary proceedings, and contested or litigated matters arising in or related to the Debtor's reorganization proceeding, including enforcement, interpretation or clarification of the Confirmation Order or any other orders entered during the Case.

(g) Determining matters concerning state, local and federal taxes pursuant to Bankruptcy Code §§ 106, 505, 1141 and 1146.

(h) Determining the validity, priority, enforceability and extent of all liens, encumbrances, mortgages, security agreements, deeds of trust, assignments and other charges and levies which are, or become liens or encumbrances on assets or Estate Property prior to Confirmation.

(i) Resolving controversies and disputes regarding the interpretation of the Plan or Orders previously entered by the Court.

(j) Implementing the provisions of the Plan and entry of any orders in aid of Confirmation and consummation of the Plan including, without limitation, orders to protect the Debtor, the Debtor as reorganized, and assets and Estate Property from actions by creditors and/or interest holders of Debtor.

(k) Enforcing the rights of the Debtor under the Plan.

(l) Entry of a final decree in the Case.

(m) For such other matters as may be set forth in the Confirmation Order.

I. NOTICES

Any notice required by the Plan, or given by any creditor or party in interest concerning the Plan, shall be mailed by certified mail to the Debtor and by regular mail to counsel for the Debtor at the following addresses:

Picus
Attn: Bijan Kazemi and Richard B. Ayres
B R Management Services
208 East Plume Street, Suite 302
Norfolk, VA 23510

Frank J. Santoro, Esquire
Karen M. Crowley, Esquire
Marcus, Santoro & Kozak, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23705

A copy of any notice required by the Plan, or given by any creditor or party in interest concerning the Plan, shall be also mailed by first class mail to:

Debera F. Conlon, Esq.
Office of the United States Trustee
Federal Building, Room 625
200 Granby Street
Norfolk, VA 23510

Jonathan L. Hauser, Esq.
Troutman Sanders, LLP
Dominion Tower, Ste 2525
999 Waterside Drive
Norfolk, VA 23514-3670

J. MISCELLANEOUS PROVISIONS

Effectuating Documents and Further Transactions: The appropriate officer or director of the Debtor shall be authorized to execute, deliver, file or record such stipulations, contracts, instruments, releases and other agreements or documents and take such actions on behalf of the Debtor as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

Exemption from Transfer Taxes: Pursuant to Section 1146(c) of the Bankruptcy Code, the delivery of any deed or other instrument of transfer, under, in furtherance of, or

in connection with this Plan, including any deeds, bills of sale or assignments executed in connection with the disposition of assets, contemplated by this Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

Modification of Plan: Picus reserves the right, in accordance with the Bankruptcy Code and Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, Picus may amend or modify this Plan, in accordance with Bankruptcy Code § 1127, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. A holder of an Allowed Claim or equity interest that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the claim or equity interest of such holder.

Withdrawal or Revocation: Picus may withdraw or revoke this Plan at any time prior to Confirmation. If Picus revokes or withdraws this Plan prior to Confirmation, or if Confirmation does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claim by or against Picus or any other person or to prejudice in any manner the rights of Picus or any other person in any further proceedings involving Picus.

Courts of Competent Jurisdiction: If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Severability: In the event that the Court determines, prior to Confirmation, that any provision of this Plan is invalid, void or unenforceable, the Court shall, with the consent of Picus, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Governing Law: Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia, without giving effect to the principles of conflicts of law thereof.

Conflicting Provisions: To the extent that the provisions of the Disclosure Statement are inconsistent with this Plan, the provisions of this Plan shall govern.

Headings: Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

K. CONCLUSION

The Plan complies with all applicable provisions of Chapter 11, Title 11, United States Code. The Plan is proposed in good faith, is not prohibited by law, and is in the best interests of all creditors, holders of equity interests, and the Debtor.

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

By: _____
Of Counsel

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

**Exhibit 2 -
PICUS Priority Claims
Filed and Schedule E**

Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	NATURE OF CLAIM	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
O	3	11/21/00	P	0	PageNet of Hartford	Picus, Inc.	601.59	1,992.86	Services performed	\$ -	\$ -
O	13	11/28/00	P	0	Edward O. Miller	Picus, Inc.	50,000.00	18,240.73	Investment in co.	\$ -	\$ -
Amended	24	12/4/00	P	0	Experian	Picus, Inc.	1,503.88	5,997.58	Services performed	\$ -	\$ -
O	26	12/5/00	P	0	Powerhouse Advertising	Picus, Inc.	4,064.91	2,770.23	Goods sold	\$ -	\$ -
?	28	12/11/00	P	0	Sprint	Picus Communications	7,338.34	9,282.88	Services performed	\$ -	\$ -
O	29	12/11/00	P	P	Treasurer (Pulaski, VA)	Picus Communications	378.60	153.13	Taxes	\$ -	\$ -
O	30	12/15/00	P	0	Symmetricom..	Picus Communications	9,300.00	9,300.00	Services performed	\$ -	\$ -
O	41	12/21/00	P	0	George (Bucky) Dennis	Picus, Inc.	53,645.00	7,500.00	Services performed	\$ -	\$ -
O	50	1/3/01	P	0	Sign Masters	Picus, Inc.	5,601.20	5,601.20	Goods sold	\$ -	\$ -
O	51	1/8/01	P	0	John Paul Williams	Picus, Inc.	53,645.00	7,500.00	Commissions	\$ -	\$ -
O	52	1/8/01	P	0	Ali FarPour	Picus, Inc.	19,762.18	20,401.15	Membership Interests	\$ -	\$ -
O	58	1/11/01	P	0	Sprint	iPlus	26,778.79	5,834.00	Services performed	\$ -	\$ -
Amended	75	1/26/01	P	0	IRS	Picus, Inc.	67,461.86	0.00	Taxes	\$ -	\$ -
O	77	1/26/01	P	0	City of Newport News, VA	Picus, Inc.	7,294.16	2,962.56	Taxes	\$ -	\$ -
Amended	85	2/15/01	P	0	City of Virginia Beach Treas. Ofc.	Picus, Inc.	1,974.20	6,709.95	Taxes	\$ -	\$ -
O	102	2/27/01	P	0	State of Maryland	Picus Communications	260.60	5 listings	Priority status sec. 507	\$ -	\$ -
A	106	3/1/01	S	P	Town of Southington	Picus, Inc.	1,749.99	Unknown	Taxes	\$ -	\$ -
A	107	3/2/01	S	P	City of Radford	Picus, Inc.	7.80	Unknown	Taxes	\$ -	\$ -
O	140	3/13/01	P	0	Discover Financial Services, Inc.	Picus Communications	492.95	0.00	Chargebacks & fees	\$ -	\$ -
Amended	157	3/16/01	P	0	Portsmouth Comm of Revenue	Picus Communications	1,041.35	3,752.27	Personal property taxes	\$ -	\$ -
O	162	3/29/01	P	0	City of Virginia Beach Treas. Ofc.	Picus, Inc.	4,664.31	Various amounts scheduled	Taxes	\$ -	\$ -
A	164	3/30/01	P	P	Treasurer (Hampton, VA)	Picus Communications	965.85	2,749.07	Taxes	\$ 965.85	\$ 965.85

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PICUS Priority Claims
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Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	NATURE OF CLAIM	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
A	167	4/18/01	P	P	Highwoods Realty Limited Partnership	Picus, Inc.	8,097.24	7,711.66	Rejection of lease	5,000 PAID	\$ -
A	178	5/7/01	P	P	City of Williamsburg	Picus, Inc.	1,994.72	Various amounts scheduled	Taxes	\$ 1,994.72	\$ 1,994.72
O	179	6/11/01	P	P	IRS	Picus Communica	28,788.95	0.00	Taxes	\$ -	\$ -
O	179	6/11/01	U	0	IRS	Picus Communications	4,573.47	0.00	Taxes	\$ 4,573.47	\$ -
O	180	6/11/01	P	0	IRS	Picus Communica	28,788.95	0.00	Taxes	\$ -	\$ -
O	180	6/11/01	U	0	IRS	Picus Communica	4,573.47	0.00	Taxes	\$ -	\$ -
Withdrawn	184	9/13/01	P	0	IRS	Picus Communica	120,557.90	0.00	Tax periods 12/31/00 through 9/30/01	\$ -	\$ -
Amended	185	9/10/01	P	0	IRS	Picus, Inc.	53,638.34	0.00	Tax periods 3/31/99 through 12/31/00	\$ -	\$ -
Amended	191	9/20/01	P	P	Treasurer, City of Portsmouth	Picus Communications	1,041.35	3,752.27	Personal property taxes	\$ -	\$ -
A	192	9/20/01	P	P	City of Chesapeake	Picus Communications	733.61	215.85	Business License Tax	733.61 PAID	\$ -
A	193	9/24/01	P	P	Universal Service Administrative Company	Picus Communications	6,542.53	3,645.73	Federal Universal Service Obligation	2,500 PAID	\$ -
O	197	12/13/01	P	P	IRS	Picus, Inc.	60,774.73	0.00	Taxes	\$ -	\$ -
A	199	8/1/02	S	P	Portsmouth City Treasurer	Picus, Inc.	1,893.58	3,752.27	Taxes	\$ 1,893.58	\$ 1,893.58
O			P	P	Amherst County Treasurer	Picus Communications, LLC		\$ 38.00	911 taxes		\$ 38.00
O			P	P	Amherst County Treasurer	Picus Communications, LLC		\$ 46.67	Utility Consumers Tax		\$ 46.67
O			P	P	City Treasurer, Roanoke	Picus Communications, LLC		\$ 226.71	911 taxes		\$ 226.71
O			P	P	City Treasurer, Roanoke	Picus Communications, LLC		\$ 146.49	Public Right of Way Use		\$ 146.49
O			P	P	Collection Office, Richmond	Picus Communications, LLC		\$ 568.00	911 taxes		\$ 568.00
O			P	P	Collection Office, Richmond	Picus Communications, LLC		\$ 216.51	Utility Consumers Tax		\$ 216.51
O			P	P	Comm of Revenue, Colonial Heights	Picus Communications, LLC		\$ 94.00	911 taxes		\$ 94.00
O			P	P	Comm of Revenue, Colonial Heights	Picus Communications, LLC		\$ 214.37	Utility Consumers Tax		\$ 214.37
O			P	P	Comm of Revenue, Cumberland	Picus Communications, LLC		\$ 69.00	911 taxes		\$ 69.00
O			P	P	Comm of Revenue, Cumberland	Picus Communications, LLC		\$ 9.17	Utility Consumers Tax		\$ 9.17
O			P	P	Comm of Revenue, Dinwiddie	Picus Communications, LLC		\$ 15.40	911 taxes		\$ 15.40
O			P	P	Comm of Revenue, Dinwiddie	Picus Communications, LLC		\$ 51.94	Utility Consumers Tax		\$ 51.94
O			P	P	Comm of Revenue, Dublin	Picus Communications, LLC		\$ 5.04	911 taxes		\$ 5.04

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O			P	P	Comm of Revenue, Fairfax	Picus Communications, LLC		\$ 277.20	911 taxes		\$ 277.20
O			P	P	Comm of Revenue, Leesburg	Picus Communications, LLC		\$ 185.98	911 taxes		\$ 185.98
O			P	P	Comm of Revenue, Lovingson	Picus Communications, LLC		\$ 22.00	911 taxes		\$ 22.00
O			P	P	Comm of Revenue, Lovingson	Picus Communications, LLC		\$ 13.96	Utility Consumers Tax		\$ 13.96
O			P	P	Comm of Revenue, Norfolk	Picus Communications, LLC		\$ 4,305.40	911 taxes		\$ 4,305.40
O			P	P	Comm of Revenue, Norfolk	Picus Communications, LLC		\$ 12,462.38	Utility Consumers Tax		\$ 12,462.38
O			P	P	Comm of Revenue, Poquoson	Picus Communications, LLC		\$ 87.50	911 taxes		\$ 87.50
O			P	P	Comm of Revenue, Poquoson	Picus Communications, LLC		\$ 39.70	Utility Consumers Tax		\$ 39.70
O			P	P	Comm of Revenue, Pound	Picus Communications, LLC		\$ 48.00	Utility Consumers Tax		\$ 48.00
O			P	P	Comm of Revenue, Powhatan	Picus Communications, LLC		\$ 17.50	911 taxes		\$ 17.50
O			P	P	Comm of Revenue, Powhatan	Picus Communications, LLC		\$ 9.28	Utility Consumers Tax		\$ 9.28
O			P	P	Comm of Revenue, Prince George	Picus Communications, LLC		\$ 12.80	911 taxes		\$ 12.80
O			P	P	Comm of Revenue, Prince George	Picus Communications, LLC		\$ 47.76	Utility Consumers Tax		\$ 47.76
O											\$ -
O											\$ -
O			P	P	Comm of Revenue, Radford	Picus Communications, LLC		\$ 7.54	911 taxes		\$ 7.54
O			P	P	Comm of Revenue, Radford	Picus Communications, LLC		\$ 12.54	Public Right of Way Use		\$ 12.54
O			P	P	Comm of Revenue, Roanoke	Picus Communications, LLC		\$ 40.88	911 taxes		\$ 40.88
O			P	P	Comm of Revenue, Spotsylvania	Picus Communications, LLC		\$ 85.00	911 taxes		\$ 85.00
O			P	P	Comm of Revenue, Spotsylvania	Picus Communications, LLC		\$ 310.86	Utility Consumers Tax		\$ 310.86
O			P	P	Comm of Revenue, Rustburg	Picus Communications, LLC		\$ 21.86	911 taxes		\$ 21.86
O			P	P	Comm of Revenue, Rustburg	Picus Communications, LLC		\$ 2.33	Utility Consumers Tax		\$ 2.33
O			P	P	Comm of Revenue, Cape Charles	Picus Communications, LLC		\$ 20.00	Utility Consumers Tax		\$ 20.00
O			P	P	Comptroller of the Treasury, Baltimore	Picus Communications, LLC		\$ 1,244.02	MD Sales and Use		\$ 1,244.02
O			P	P	Comptroller of the Treasury, Annapolis	Picus Communications, LLC		\$ 1,106.60	MD Sales and Use		\$ 1,106.60
O			P	P	Comptroller of the Treasury, Annapolis	Picus Communications, LLC		\$ 670.04	Telephone Tax		\$ 670.04
O			P	P	Controller, Annapolis	Picus Communications, LLC		\$ 588.16	Utility Consumers Tax		\$ 588.16

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PICUS Priority Claims
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O			P	P	Controller, Annapolis	Picus Communications, LLC		\$ 2,205.45	911 Surcharge		\$ 2,205.45
O			P	P	Danville County	Picus Communications, LLC		\$ 285.33	Utility Consumers Tax		\$ 285.33
O			P	P	Department of Finance	Picus Communications, LLC		\$ 113.62	911 taxes		\$ 113.62
O			P	P	Department of Finance, Taxpayer Assistance	Picus Communications, LLC		\$ 140.79	Public Right of Way Use		\$ 140.79
O			P	P	Director of Finance, Charlottesville	Picus Communications, LLC		\$ 8.34	911 taxes		\$ 8.34
O			P	P	Director of Finance, Fairfax	Picus Communications, LLC		\$ 1,328.25	911 taxes		\$ 1,328.25
O			P	P	Director of Finance, Fairfax	Picus Communications, LLC		\$ 2,839.22	Utility Consumers Tax		\$ 2,839.22
O			P	P	Director of Finance, Fairfax	Picus Communications, LLC		\$ 179.55	Public Right of Way Use		\$ 179.55
O			P	P	Director of Finance, Vienna	Picus Communications, LLC		\$ 2.28	Public Right of Way Use		\$ 2.28
O			P	P	Director of Finance, Vinton	Picus Communications, LLC		\$ 7.41	Utility Consumers Tax		\$ 7.41
O			P	P	Director of Finance, Virginia Beach	Picus Communications, LLC		\$ 6,709.95	911 taxes		\$ 6,709.95
O			P	P	Director of Finance, Virginia Beach	Picus Communications, LLC		\$ 13,176.20	Utility Consumers Tax		\$ 13,176.20
O			P	P	Director of Right of Way & Utilities	Picus Communications, LLC		\$ 7,855.17	Public Right of Way Use		\$ 7,855.17
O			P	P	District of Columbia	Picus Communications, LLC		\$ 4,063.09	Sales Tax		\$ 4,063.09
O			P	P	District of Columbia Treasurer	Picus Communications, LLC		\$ 9,999.04	Telecommunication Service Tax		\$ 9,999.04
O			P	P	Falls Church City	Picus Communications, LLC		\$ 51.00	911 taxes		\$ 51.00
O			P	P	Falls Church City	Picus Communications, LLC		\$ 64.34	Utility Consumers Tax		\$ 64.34
O			P	P	Falls Church City	Picus Communications, LLC		\$ 29.07	Public Right of Way Use		\$ 29.07
O			P	P	Fauquier County	Picus Communications, LLC		\$ 120.00	911 taxes		\$ 120.00
O			P	P	Fauquier County	Picus Communications, LLC		\$ 26.02	Utility Consumers Tax		\$ 26.02
O			P	P	Montgomery County	Picus Communications, LLC		\$ 11.90	911 taxes		\$ 11.90
O			P	P	Montgomery County	Picus Communications, LLC		\$ 11.31	Utility Consumers Tax		\$ 11.31
O			P	P	Office of Budget & Fin, Baltimore County	Picus Communications, LLC		\$ 757.37	Utility Sales and Service Tax		\$ 757.37
O			P	P	Office of Budget & Fin, Baltimore City	Picus Communications, LLC		\$ 1,656.69	Utility Sales and Service Tax		\$ 1,656.69
O			P	P	Public Service Tax Division - SCC	Picus Communications, LLC		\$ 2,560.00	Virginia Relay Center Surcharge		\$ 2,560.00
O			P	P	State Dept of Assessments & Tax, Baltimore, MD	Picus Communications, LLC		\$ 16,165.87	Public Service Company Franchise Tax		\$ 16,165.87

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O			P	P	State Dept of Assessments & Tax, Accomack, VA	Picus Communications, LLC		\$ 167.00	911 taxes		\$ 167.00
O			P	P	State Dept of Assessments & Tax - Franch, Accomack	Picus Communications, LLC		\$ 258.13	Utility Consumers Tax		\$ 258.13
O			P	P	Town of Chincoteague	Picus Communications, LLC		\$ 3.00	Chincoteague 911 taxes		\$ 3.00
O			P	P	Town of Chincoteague	Picus Communications, LLC		\$ 7.29	Christianburg 911 taxes		\$ 7.29
O			P	P	Town of Chincoteague	Picus Communications, LLC		\$ 111.45	Clintwood Bus Utly Consumer tax		\$ 111.45
O			P	P	Town of Chincoteague	Picus Communications, LLC		\$ 2.34	Coeburn 911 tax		\$ 2.34
O			P	P	Town of Chincoteague	Picus Communications, LLC		\$ 21.00	Coeburn Utly Consumer Tax		\$ 21.00
O			P	P	Treasurer, Covington	Picus Communications, LLC		\$ 5.82	Alleghany Cnty Resdnt'l Utility Consumer Tax		\$ 5.82
O			P	P	Treasurer, Covington	Picus Communications, LLC		\$ 5.10	Alleghany Cnty 911 tax		\$ 5.10
O			P	P	Treasurer, Appomattox	Picus Communications, LLC		\$ 24.52	Appomattox Cnty Svc Tax		\$ 24.52
O			P	P	Treasurer, Arlington, VA	Picus Communications, LLC		\$ 208.00	Arlington County 911 Tax		\$ 208.00
O			P	P	Treasurer, Arlington, VA	Picus Communications, LLC		\$ 74.10	Arlington County Pblc Rights-of-way user fee		\$ 74.10
O			P	P	Treasurer, Verona	Picus Communications, LLC		\$ 126.00	Augusta Cnty 911 tax		\$ 126.00
O			P	P	Treasurer, Verona, VA	Picus Communications, LLC		\$ 63.34	Augusta Cnty Utly Consumers tax		\$ 63.34
O			P	P	Treasurer, Blacksburg, VA	Picus Communications, LLC		\$ 46.53	Blacksburg 911 tax		\$ 46.53
O			P	P	Treasurer, Blacksburg, VA	Picus Communications, LLC		\$ 18.81	Blacksburg Pblc Rights-of-Way use fee		\$ 18.81
O			P	P	Treasurer, Fincastle, VA	Picus Communications, LLC		\$ 3.50	Botetourt Cnty 911 Tax		\$ 3.50
O			P	P	Treasurer, Fincastle, VA	Picus Communications, LLC		\$ 12.25	Botetourt Cnty 911 Tax		\$ 12.25
O			P	P	Treasurer, Charles City, VA	Picus Communications, LLC		\$ 10.00	Charles City 911 Tax		\$ 10.00
O			P	P	Treasurer, Charles City, VA	Picus Communications, LLC		\$ 2.00	Charles Cnty Utly Consumers Tax		\$ 2.00
O			P	P	Treasurer, Charlotte Courthouse, VA	Picus Communications, LLC		\$ 20.00	Charlotte Cnty 911 Tax		\$ 20.00
O			P	P	Treasurer, Chatham, VA	Picus Communications, LLC		\$ 31.65	Chatham Bus Utly Consumer Tax		\$ 31.65
O			P	P	Treasurer, Chesapeake, VA	Picus Communications, LLC		\$ 1,132.95	Chesapeake 911 Tax		\$ 1,132.95
O			P	P	Treasurer, Chesapeake, VA	Picus Communications, LLC		\$ 1,895.41	Chesapeake Utly Consumers Tax		\$ 1,895.41
O			P	P	Treasurer, Chesterfield	Picus Communications, LLC		\$ 801.15	Residential Utly Consumer Tax		\$ 801.15
O			P	P	Treasurer, Chesterfield	Picus Communications, LLC		\$ 1,008.00	911 taxes		\$ 1,008.00

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Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	NATURE OF CLAIM	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
O			P	P	Treasurer, Covington, VA	Picus Communications, LLC		\$ 18.42	911 taxes		\$ 18.42
O			P	P	Treasurer, Covington, VA	Picus Communications, LLC		\$ 3.02	Covington Cty Cnty Utility users Tax		\$ 3.02
O			P	P	Treasurer, Culpepper, VA	Picus Communications, LLC		\$ 1,369.65	Culpepper Cnty 911 Tax		\$ 1,369.65
O			P	P	Treasurer, Culpepper, VA	Picus Communications, LLC		\$ 918.88	Culpepper Cnty Utility Consumers Tax		\$ 918.88
O			P	P	Treasurer, Dublin, VA	Picus Communications, LLC		\$ 1.34	Dublin Residential Utility Consumer Tax		\$ 1.34
O			P	P	Treasurer, Eastville, VA	Picus Communications, LLC		\$ 14.21	Exmore Bus Utility Consumers Tax		\$ 14.21
O			P	P	Treasurer, Winchester, VA	Picus Communications, LLC		\$ 37.50	Frederick Cnty 911 Tax		\$ 37.50
O			P	P	Treasurer, Winchester, VA	Picus Communications, LLC		\$ 22.90	Frederick Cnty Utility Consumers Tax		\$ 22.90
O			P	P	Treasurer, Fredericksburg, VA	Picus Communications, LLC		\$ 255.28	Fredericksburg Utility Consumers Tax		\$ 255.28
O			P	P	Treasurer, Pearisburg, VA	Picus Communications, LLC		\$ 69.00	Giles Cnty 911 Tax		\$ 69.00
O			P	P	Treasurer, Gordonsville, VA	Picus Communications, LLC		\$ 9.65	Gordonsville Utility Consumers Tax		\$ 9.65
O			P	P	Treasurer, Standardsville, VA	Picus Communications, LLC		\$ 27.60	Greene Cnty 911 Tax		\$ 27.60
O			P	P	Treasurer, Halifax, VA	Picus Communications, LLC		\$ 11.70	Halifax Cnty 911 Tax		\$ 11.70
O			P	P	Treasurer, Halifax, VA	Picus Communications, LLC		\$ 5.00	Halifax Cnty Utility Svc Tax		\$ 5.00
O			P	P	Treasurer, Hanover, VA	Picus Communications, LLC		\$ 207.00	Hanover Cnty Utility Consumers Tax		\$ 207.00
O			P	P	Treasurer, Hanover, VA	Picus Communications, LLC		\$ 9.82	Haysi Bus Utility Consumer Tax		\$ 9.82
O			P	P	Treasurer, Richmond, VA	Picus Communications, LLC		\$ 1,211.48	Henrico Cnty 911 Tax		\$ 1,211.48
O			P	P	Treasurer, Collinsville, VA	Picus Communications, LLC		\$ 133.10	Herndon Bus Utility Consumers Tax		\$ 133.10
O			P	P	Treasurer, Hopewell, VA	Picus Communications, LLC		\$ 92.92	Hopewell Utility Consumers Tax		\$ 92.92
O			P	P	Treasurer, Jonesville, VA	Picus Communications, LLC		\$ 2.25	Jonesville Utility Users Tax		\$ 2.25
O			P	P	Treasurer, Lebanon	Picus Communications, LLC		\$ 40.33	Lebanon Utility Consumers Tax		\$ 40.33
O			P	P	Treasurer, Jonesville, VA	Picus Communications, LLC		\$ 4.72	Lee Cnty Utility Consumers Tax		\$ 4.72
O			P	P	Treasurer, Leesburg, VA	Picus Communications, LLC		\$ 14.95	Leesburg Residential Utility Consumers Tax		\$ 14.95
O			P	P	Treasurer, Leesburg, VA	Picus Communications, LLC		\$ 8.55	Leesburg Pblc Rights-of-Way Use Fee		\$ 8.55
O			P	P	Treasurer, Louisa, VA	Picus Communications, LLC		\$ 2.20	Louisa Cnty 911 Tax		\$ 2.20
O			P	P	Treasurer, Lynchburg, VA	Picus Communications, LLC		\$ 97.62	Lynchburg 911 Tax		\$ 97.62

**Exhibit 2 -
PICUS Priority Claims
Filed and Schedule E**

Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	NATURE OF CLAIM	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
O			P	P	Treasurer, Lynchburg, VA	Picus Communications, LLC		\$ 89.49	Lynchburg Pblc Right-of-Way Use Fee		\$ 89.49
O			P	P	Treasurer, Madison, VA	Picus Communications, LLC		\$ 8.86	Madison Cnty Utily Consumers Tax		\$ 8.86
O			P	P	Treasurer, McKenney, VA	Picus Communications, LLC		\$ 29.13	McKenney Utily Users Tax		\$ 29.13
O			P	P	Treasurer, Boydton, VA	Picus Communications, LLC		\$ 3.30	Mecklenburg Cnty 911 Tax		\$ 3.30
O			P	P	Treasurer, Middleburg, VA	Picus Communications, LLC		\$ 14.11	Middleburg Bus Utily Consumers Tax		\$ 14.11
O			P	P	Treasurer, New Kent, VA	Picus Communications, LLC		\$ 30.04	New Kent Cnty Utily Consumers Tax		\$ 30.04
O			P	P	Treasurer, New Kent, VA	Picus Communications, LLC		\$ 159.72	New Kent Cnty 911 Tax		\$ 159.72
O			P	P	Treasurer, Eastville, VA	Picus Communications, LLC		\$ 147.29	Northampton Cnty Utily Consumers Tax		\$ 147.29
O			P	P	Treasurer, Norton, VA	Picus Communications, LLC		\$ 8.71	Norton 911 Tax		\$ 8.71
O			P	P	Treasurer, Norton, VA	Picus Communications, LLC		\$ 61.23	Norton Residential Utily Consumers Tax		\$ 61.23
O			P	P	Treasurer, Onancock, VA	Picus Communications, LLC		\$ 67.28	Onancock Utily Consumers Tax		\$ 67.28
O			P	P	Treasurer, Onancock, VA	Picus Communications, LLC		\$ 1.00	Onancock 911 Tax		\$ 1.00
O			P	P	Treasurer, Orange, VA	Picus Communications, LLC		\$ 71.44	Orange Bus Utily Consumers Tax		\$ 71.44
O			P	P	Treasurer, Orange, VA	Picus Communications, LLC		\$ 52.50	Orange Cnty 911 Tax		\$ 52.50
O			P	P	Treasurer, Orange, VA	Picus Communications, LLC		\$ 3.62	Orange Cnty Bus Utily Consumers Tax		\$ 3.62
O			P	P	Treasurer, Luray, VA	Picus Communications, LLC		\$ 7.29	Page Cnty 911 Tax		\$ 7.29
O			P	P	Treasurer, Farmville, VA	Picus Communications, LLC		\$ 0.98	Prince Edward Cnty 911 Tax		\$ 0.98
O			P	P	Treasurer, Purcellville, VA	Picus Communications, LLC		\$ 48.45	Purcellville Residential Utily Consumers Tax		\$ 48.45
O			P	P	Treasurer, Washingt, VA	Picus Communications, LLC		\$ 19.50	Rappahannock Cnty 911 Tax		\$ 19.50
O			P	P	Treasurer, Lebanon, VA	Picus Communications, LLC		\$ 36.00	Russell Cnty Residential Utily Consumers Tax		\$ 36.00
O			P	P	Treasurer, Salem, VA	Picus Communications, LLC		\$ 32.40	Salem 911 Tax		\$ 32.40
O			P	P	Treasurer, Salem, VA	Picus Communications, LLC		\$ 2.94	Salem Residential Utily Consumers Tax		\$ 2.94
O			P	P	Treasurer, Gate City, VA	Picus Communications, LLC		\$ 25.00	Scott Cnty Bus Utily Consumers Tax		\$ 25.00
O			P	P	Treasurer, Stafford, VA	Picus Communications, LLC		\$ 120.00	Stafford Cnty 911 Tax		\$ 120.00
O			P	P	Treasurer, Stafford, VA	Picus Communications, LLC		\$ 96.30	Stafford Cnty Residential Utily Consumers Tax		\$ 96.30
O			P	P	Treasurer, Staunton, VA	Picus Communications, LLC		\$ 176.30	Staunton 911 Tax		\$ 176.30

**Exhibit 2 -
PICUS Priority Claims
Filed and Schedule E**

Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	NATURE OF CLAIM	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
O			P	P	Treasurer, Staunton, VA	Picus Communications, LLC		\$ 45.56	Staunton Utty Consumers Tax		\$ 45.56
O			P	P	Treasurer, Suffolk, VA	Picus Communications, LLC		\$ 526.75	Suffolk, 911 Tax		\$ 526.75
O			P	P	Treasurer, Suffolk, VA	Picus Communications, LLC		\$ 812.85	Suffolk Utty Consumers Tax		\$ 812.85
O			P	P	Treasurer, Sussex, VA	Picus Communications, LLC		\$ 23.87	Sussex Cnty 911 Tax		\$ 23.87
O			P	P	Treasurer, Front Royal, VA	Picus Communications, LLC		\$ 3.00	Warren Cnty Utty Users Tax		\$ 3.00
O			P	P	Treasurer, Front Royal, VA	Picus Communications, LLC		\$ 3.00	Warren Cnty 911 Tax		\$ 3.00
O			P	P	Treasurer, Warrenton, VA	Picus Communications, LLC		\$ 52.95	Warrenton Bus Utty Consumers Tax		\$ 52.95
O			P	P	Treasurer, Warsaw, VA	Picus Communications, LLC		\$ 95.76	Warsaw Utty Consumers Tax		\$ 95.76
O			P	P	Treasurer, King William, VA	Picus Communications, LLC		\$ 79.05	West Point 911 Tax		\$ 79.05
O			P	P	Treasurer, King William, VA	Picus Communications, LLC		\$ 47.78	West Point Bus Utty Consumers Tax		\$ 47.78
O			P	P	Treasurer, Wise, VA	Picus Communications, LLC		\$ 54.55	Wise Cnty 911 Tax		\$ 54.55
O			P	P	Treasurer, Yorktown, VA	Picus Communications, LLC		\$ 401.12	York Cnty 911 Tax		\$ 401.12
O			P	P	Treasurer, Accomack, VA	Picus Communications, LLC		\$ 32.51	Parksley Utty Consumers Tax		\$ 32.51
O			P	P	Treasurer, Accomack Cnty	Picus Communications, LLC		\$ 14.25	Pearisburg Pblc Rights-of Way Use Fee		\$ 14.25
O			P	P	Treasurer, Accomack, VA	Picus Communications, LLC		\$ 30.00	Pennington Gap Utty Consumers Tax		\$ 30.00
O			P	P	Treasurer, Accomack, VA	Picus Communications, LLC		\$ 106.56	Petersburg 911 Tax		\$ 106.56
O			P	P	Treasurer, Accomack Cnty	Picus Communications, LLC		\$ 72.00	Pittsylvania Cnty 911 Tax		\$ 72.00
O			P	P	Treasurer, Chatham, VA	Picus Communications, LLC		\$ 24.73	Pittsylvania Cnty Bus Utty Consumers Tax		\$ 24.73
O			P	P	New Jersey Sales & Use Tax	Picus, Inc.		\$ 54.91	Open Account (AP) tax		\$ 54.91
											\$ 113,004.51

EXHIBIT 3 -
PICUS CLAIMS ANALYSIS

	A	B	C	D	E	F	G	H	I	N	O
1	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
2											
3	O	94	2/20/01	Admin		Omega Communications, Inc.	Picus, Inc.	844.47			
4	Settled	194	9/21/01	Admin		City of Alexandria	Picus Communications	11,792.73	113.00 and 140.00	\$ 4,450.00	\$ -
5	O	198	2/8/02	Admin		County of Arlington, VA	Picus Communications	2,004.24	282.10		
6	A	17	11/30/00	Not stated on claim		Collection Ofc (Warsaw, VA)	Picus Communications		622.05	\$ -	\$ -
7	Waived	138	3/13/01	Not stated on		Davel Communications, Inc.	Picus Communications	Amount is not yet determined		\$ -	
8											
9	O	3	11/21/00	P		PageNet of Hartford	Picus, Inc.	601.59	1,992.86		\$ -
10	O	13	11/28/00	P		Edward O. Miller	Picus, Inc.	50,000.00	18,240.73		\$ -
11	Amended	24	12/4/00	P		Experian	Picus, Inc.	1,503.88	5,997.58		\$ -
12	O	26	12/5/00	P		Powerhouse Advertising	Picus, Inc.	4,064.91	2,770.23		\$ -
13	?	28	12/11/00	P		Sprint	Picus Communications	7,338.34	9,282.88		\$ -
14	O	29	12/11/00	P	P	Treasurer (Pulaski, VA)	Picus Communications	378.60	153.13		\$ -
15	O	30	12/15/00	P		Symmetricom	Picus Communications	9,300.00	9,300.00		\$ -
16	O	41	12/21/00	P		George (Bucky)	Picus, Inc.	53,645.00	7,500.00		\$ -
17	O	50	1/3/01	P		Sign Masters	Picus, Inc.	5,601.20	5,601.20		\$ -
18	O	51	1/8/01	P		John Paul Williams	Picus, Inc.	53,645.00	7,500.00		\$ -
19	O	52	1/8/01	P		Ali FarPour	Picus, Inc.	19,762.18	20,401.15		\$ -
20	?	58	1/11/01	P		Sprint	iPlus	26,778.79	5,834.00		\$ -
21	Amended	75	1/26/01	P		IRS	Picus, Inc.	67,461.86			\$ -
22	O	77	1/26/01	P		City of Newport News, VA	Picus, Inc.	7,294.16	2,962.56		\$ -
23	Amended	85	2/15/01	P		City of Virginia Beach Treas. Ofc.	Picus, Inc.	1,974.20			\$ -
24	A	99	2/27/01	S	P	Treasurer Chesterfield County	Picus Communications	222.18	1,008 and 801.15		\$ -
25	O	102	2/27/01	P		State of Maryland	Picus Communications	260.60	5 listings		\$ -
26	A	106	3/1/01	S	P	Town of Southington	Picus, Inc.	1,749.99	Unknown		\$ -
27	A	107	3/2/01	S	P	City of Radford	Picus, Inc.	7.80	Unknown		\$ -
28	O	140	3/13/01	P		Discover Financial Services, Inc.	Picus Communications	492.95			\$ -
29	Amended	157	3/16/01	P		Portsmouth Comm of Revenue	Picus Communications	1,041.35	3,752.27	\$ -	\$ -
30	O	162	3/29/01	P		City of Virginia Beach Treas. Ofc.	Picus, Inc.	4,664.31	Various amounts scheduled		\$ -
31	A	164	3/30/01	P	P	Treasurer (Hampton, VA)	Picus Communications	965.85	2,749.07	\$ 965.85	\$ 965.85
32	A	167	4/18/01	P	P	Highwoods Realty Limited Partnership	Picus, Inc.	8,097.24	7,711.66	5,000 PAID	\$ -
33	A	178	5/7/01	P	P	City of Williamsburg	Picus, Inc.	1,994.72	Various amounts scheduled	\$ 1,994.72	\$ 1,994.72
34	O	179	6/11/01	P	P	IRS	Picus Communica	26,788.95			\$ -
35	O	179	6/11/01	U		IRS	Picus Communications	4,573.47		\$ 4,573.47	\$ -
36	O	180	6/11/01	P		IRS	Picus Communica	26,788.95			\$ -
37	O	180	6/11/01	U		IRS	Picus Communica	4,573.47			\$ -
38	Withdrawn	184	9/13/01	P		IRS	Picus Communica	120,557.90			\$ -
39	Amended	185	9/10/01	P		IRS	Picus, Inc.	53,638.34			\$ -
40	Amended	191	9/20/01	P	P	Treasurer, City of Portsmouth	Picus Communications	1,041.35	3,752.27		\$ -
41	A	192	9/20/01	P	P	City of Chesapeake	Picus Communications	733.61	215.85	733.61 PAID	\$ -

EXHIBIT 3 -
PICUS CLAIMS ANALYSIS

	A	B	C	D	E	F	G	H	I	N	O
1	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
42	A	193	9/24/01	P	P	Universal Service Administrative	Picus Communications	6,542.53	\$ 3,645.73	2,500 PAID	\$ -
43	?	197	12/13/01	P	P	IRS	Picus, Inc.	60,774.73			\$ -
44	A	199	8/1/02	S	P	Portsmouth City Treasu	Picus, Inc.	1,893.58	3,752.27	\$ 1,893.58	\$1,893.58
45											
46	O	25	12/5/00	S		Shurgard Storage	Picus, Inc.	418.79	1,221.50		
47	O	31	12/11/00	S		BB&T	Picus, Inc.	86,725.14	87,578.00		
48	O	80	2/20/01	S		Ascend Credit Corp	IEC	53,385.75			
49	O	91	2/20/01	S		Ascend Credit Corp.	iPlus	33,323.40	7,965.72		
50	O	92	2/20/01	S		Ascend Credit Corp.	Picus, Inc.	79,903.20	7,965.72		
51	O	98	2/23/01	S		Marlin Leasing	Picus, Inc.	21,732.38	2,176.25		
52	Withdrawn	116	3/9/01	S	S	GECC	Picus, Inc.	6,464,913.22	5,919,417.29	400,000 PAID	
53	Withdrawn	117	3/9/01	S		NTFC Capital Corp.	Picus, Inc.	6,980,076.50	6,258,356.09	\$ -	
54	Amended	121	3/9/01	S		Encompass National Accounts Group, Inc.	Picus Communications	1,205,086.88	1,127,978.18		
55	O	124	3/12/01	S		Massoum Moary	Picus, Inc.	89,524.36	59,043.03		
56	Settled	127	3/13/01	S	S	Ecufin, Inc.	Picus, Inc.	404,971.56	Unknown	150,000 PAID	
57	Settled	139	3/13/01	S		Murdock Atrium LP	Picus, Inc.	297,909.86	55,584.32	13,500 PAID	\$ -
58	O	149	3/15/01	S		Leasetec Corporation	iPlus	36,878.11			
59	Amended	150	3/13/01	S		Sunnse International Leasing Corp.	IEC	14,717.46	1,381.92		
60	Amended	168	4/18/01	S		Nortel Networks, Inc.	Picus Communications	836,182.96	203,694.54	\$ -	
61											
62	UNSECURED CLAIMS										
63											
64	A	1	11/22/00	U	Class 4	Johns Brothers	Picus, Inc.	294.76	54.85	\$ 294.76	
65	A	2	11/21/00	U	Class 4	Standard Coffee Service, Co.	Picus, Inc.	1,474.63	517.71	\$ 1,474.63	
66	A	4	11/21/00	U	Class 4	Budget Print Center	Picus, Inc.	257.29	196.17	\$ 257.29	
67	A	5	11/21/00	U	Class 4	Sweet Springs Valley Water Co	iPlus	73.17	31.36		
68	O	6	11/22/00	S	U	Webb Technologies	Picus Communications	6,307.20	6,307.20	\$ 6,307.20	
69	O	7	11/21/00	U	Class 4	Skip's Sport Equipment, Inc	Picus, Inc.	60,000.00	18,240.73		
70	A	8	11/20/00	U	U	Treasurer (King William, VA)	Picus Communications	left blank		\$ -	
71	A	9	11/20/00	U	Class 4	Dorey Electnc Co	Picus Communications	12,011.30	10,669.50	\$ 11,386.66	
72	O	10	11/27/00	U	Class 4	Jamali Family Partnership LLP	Picus, Inc.	198,810.90	138,487.21		
73	A	11	11/27/00	U	Class 4	Snelling Personnel Services	Picus, Inc.	31,045.00	Picus, Inc. - 16,805.20 Picus Comm - 14,131	\$ 31,045.00	
74	Amended	12	11/27/00	U	Class 4	Clarify, Inc	Picus Communications	430,840.00	430,840.00	\$ -	
75	A	14	11/28/00	U	Class 4	B&B Printing	Picus, Inc.	3,196.41	3,295.93	\$ 3,196.41	
76	A	15	11/28/00	U	Class 4	Cole Raywid	Picus	44,779.97	21,900.82	\$ 44,779.97	
77	A	16	11/30/00	U	Class 4	IONET Intetworking Services	Picus, Inc.	5,455.80	Scheduled on G	\$ 5,445.80	
78	A	18	11/30/00	U	Class 4	PTS Secretarial	Picus, Inc.	635.22	615.98	\$ 635.22	
79	A	19	12/1/00	U	Class 4	Jannon Holdings LLC	Picus, Inc.	452.64	8,219.28	\$ 452.64	
80	A	20	12/1/00	U	Class 4	Tweed's Security Services	Picus, Inc.	4,952.82	464.38	\$ 4,952.82	
81	A	21	12/1/00	U	Class 4	Lowe's	Picus, Inc.	513.44	477.39	\$ 513.44	
82	A	22	12/4/00	U	Class 4	Crystal Rock Bottled Water	Picus, Inc.	75.99	6.75	\$ 75.99	
83	A	23	12/4/00	U	Class 4	Hercules Fence	Picus Communications	1,152.00	1,152.00	\$ 1,152.00	
84	O	27	12/8/00	U	Class 4	Scott Miller	Picus, Inc.	25,000.00	9,120.37		
85	A	32	12/15/00	U	Class 4	VTIA	Picus Communications	1,500.00	1,500.00	\$ 1,500.00	
86	A	33	12/15/00	U	Class 4	Instant Furniture Rental, Inc.	Picus, Inc.	31,264.04	16,125.32	\$ 31,264.04	
87	A	34	12/18/00	U	Class 4	Wright Express Corp.	Picus Communications	3,014.30	1,287.62	\$ 3,014.30	
88	A	35	12/19/00	U	Class 4	Accu-Tech Corp.	Picus Communications	16,345.58	13,597.88	\$ 16,345.58	

EXHIBIT 3 -
PICUS CLAIMS ANALYSIS

	A	B	C	D	E	F	G	H	I	J	K
1	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
88	O	36	12/19/00	U	Class 4	Anthony C. Petretta	Picus, Inc.	25,000.00	9,120.37		
89	O	37	12/19/00	U	Class 4	Anthony L. Petretta	Picus, Inc.	15,000.00	4,722.20		
91	Waived	38	12/19/00	U	Class 4	Verizon Directones Corp	Picus Communications	3,654.30		\$ -	
92	A	39	12/20/00	U	Class 4	Young Broadcasting of Richmond (WRIC)	Picus Communications	24,062.80	16,502.80	\$ 24,062.80	
93	A	40	12/21/00	U	Class 4	Globaistrata Solutions, Inc.	Picus, Inc.	6,925.00	5,250.00	\$ 6,925.00	
94	Waived	42	12/22/00	U	Class 4	Verizon Directones Corp.	Sybercom	1,473.00	1,684.70	\$ -	
95	A	43	12/28/00	U	Class 4	Modis, Inc. (Idea Integration)	Picus, Inc.	498,476.24	409,946.58	\$ 409,946.58	
96	O	44	12/26/00	U	Class 4	David Brotman	Picus, Inc.	50,000.00	18,240.73		
97	Amended	45	12/27/00	U	Class 4	Dun & Bradstreet	Picus Communications	697.49	544.09	\$ -	
98	O	46	1/2/01	U	Class 4	Michael A. Petretta	Picus, Inc.	25,000.00	9,120.37		
99	O	47	1/2/01	U	Class 4	James E. Voght	Picus, Inc.	50,000.00	18,240.73		
100	O	48	1/2/01	U	Class 4	Dale R. Martin	Picus, Inc.	76,000.00	80,000.00		
101	A	49	1/3/01	S	Class 4	Dell Financial Services, Inc.	Picus, Inc.	21,240.23		\$ 14,186.06	\$ 14,186.06
102	A	53	1/8/01	U	Class 4	American Electric Power Company	Picus, Inc.	260.82	279.32	\$ 260.82	
103	O	54	1/9/01	U	Class 4	Oldgen, Inc	Picus, Inc.	39,976.00			
104	A	55	1/9/01	U	Class 4	Office Team	Picus, Inc.	10,778.43	9,765.07	\$ 10,778.43	
105	A	56	1/9/01	U	Class 4	Accountemps	Picus, Inc.	5,748.75	5,748.75	\$ 5,748.75	
106	A	57	1/9/01	U	Class 4	Taylor Office & Art Supply	Picus, Inc.	591.41	108.25	\$ 591.41	
107	A	59	1/12/01	U	Class 4	Computer Connections	Picus, Inc.	915.00	1,830.00	\$ 915.00	
108	A	60	1/16/01	U	Class 4	Remy Intelligent Staffing	Picus, Inc.	8,255.23	2,119.87	\$ 8,255.23	
109	A	61	1/16/01	U	Class 4	Associates Capital Bank (Office Max)	Picus, LLC	1,934.20	812.02	\$ 1,934.20	
110	O	62	1/16/01	U	Class 4	Blue Ridge Associates	Picus, Inc.	155,048.72	109,330.51		
111	O	63	1/16/01	U	Class 4	Marc Associates LLC	Picus, Inc.	155,048.72	109,330.51		
112	O	64	1/16/01	U	Class 4	Dell Marketing LP	Picus, Inc.	54,650.34	1,004.98	\$ 1,004.98	
113	O	65	1/17/01	U	Class 4	The Porter Group	Picus, Inc.	95,000.00	95,000.00	\$ -	
114	A	66	1/17/01	U	Class 4	Voice LOG	Picus Communications	4,042.95	2,872.95	\$ 4,042.95	
115	A	67	1/19/01	U	Class 4	American Arbitration Assn	Picus, Inc.	1,100.00	1,100.00	\$ 1,100.00	
116	A	68	1/19/01	U	Class 4	Southside Telecomm	Picus, Inc.	800.00	800.00	\$ 800.00	
117	O	69	1/19/01	U	Class 4	Gregory M. Campbell	Picus, Inc.	50,000.00	18,240.88		
118	A	70	1/22/01	U	Class 4	PageNet, Inc.	Picus, Inc.	2,653.16	1,537.21	\$ 2,653.16	
119	A	71	1/23/01	U	Class 4	CDW Computer Centers, Inc	Picus Communications	1,286.91	1,344.17	\$ 1,286.91	
120	A	72	1/23/01	U	Class 4	Info Directions	Picus Communications	68,555.18	96,517.18	\$ 68,555.18	
121	O	73	1/23/01	U	Class 4	Frank Cocuzza	Picus, Inc.	50,000.00	50,000.00		
122	O	74	1/25/01	U	Class 4	WTKR TV	Picus, LLC	50,001.00	50,001.00	\$ -	
123	Amended	75	1/26/01	U	Class 4	IRS	Picus, Inc.	4,573.47			
124	A	76	1/26/01	U	Class 4	Dr. Morgan E. Scott	Picus, Inc.	1,000.00	2,400.00	\$ 1,000.00	
125	A	78	1/29/01	U	Class 4	Sunnise Telecom, Inc.	Picus Communications	58,409.35	65,720.00	\$ 58,409.35	
126	O	79	1/31/01	U	Class 4	Balboa Capital Corp	Picus, Inc.	1,812.97	945.00	\$ -	
127	A	80	2/2/01	U	Class 4	Micromuse, Inc.	Picus, Inc.	11,600.00	11,600.00	\$ 11,600.00	
128	A	81	2/6/01	U	Class 4	Wise Tag & Label Co., Inc.	Picus, Inc.	1,047.92	1,047.92	\$ 1,047.92	
129	A	82	2/6/01	U	Class 4	Information Integration, Inc	Picus, Inc.	6,990.52	3,174.06	\$ 6,990.52	
130	A	83	2/6/01	U	Class 4	Omega Solutions, Inc.	Picus, Inc.	605,021.44	601,875.00	\$ 605,021.44	
131	Amended	84	2/14/01	U	Class 4	United Cities Gas Company	iPlus	101.41	12.69		
132	A	86	2/15/01	U	Class 4	Dataline, Inc	Picus Communications	78,869.97	78,869.97	\$ 78,869.97	
133	A	87	2/16/01	U	Class 4	Berne Gaszek	Picus, Inc.	254.40	296.80	\$ 254.40	
134	O	88	2/16/01	U	Class 4	Gerard Cocuzza	Picus, Inc.	50,000.00	50,000.00		
135	A	89	2/20/01	U	Class 4	United Cities Gas Company	iPlus	101.41	12.69	\$ 101.41	
136	A	93	2/20/01	U	Class 4	B.W. Wilson	Picus Communications	4,445.98	112.34	\$ 4,445.98	
137	A	95	2/20/01	U	Class 4	NeuStar, Inc	Picus Communications	9,333.62	8,482.74	\$ 9,333.62	
138	A	96	2/21/01	U	Class 4	WorldCom Network Service, Inc.	Picus Communications	30,495.29	19,959.08	\$ 30,495.29	
139	A	97	2/23/01	U	Class 4	Patton Boggs LLP	Picus, Inc.	4,948.99	Picus, Inc. - 7,447.09 Picus Comm - 123.19	\$ 4,948.99	

**EXHIBIT 3 -
PICUS CLAIMS ANALYSIS**

	A	B	C	D	E	F	G	H	I	N	O
1	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
140	A	100	2/27/01	U	Class 4	Expanan	Picus, Inc	4,915.45	5,997.58	\$ 4,915.45	
141	Waived	101	2/27/01	U	Class 4	Venson Wireless	Picus, Inc.	17,157.17	10,704.05 and 368.26	\$ -	
142	A	103	2/28/01	U	Class 4	Regions Interstate Billing Service	Picus, Inc.	121.64		\$ 121.64	
143	Waived	104	3/1/01	U	Class 4	Bell Atlantic	Picus, Inc.	1,354,635.80	28,036.00	\$ -	
144	Waived	105	2/26/01	U	Class 4	Verizon	Sybercom	4,946.81		\$ -	
145	O	108	3/5/01	U	Class 4	Murphy Software Consulting, Inc.	Picus Communications	50,000.00	50,000.00		
146	A	109	3/5/01	U	Class 4	Braun Consulting, Inc.	Picus Communications	114,961.41	114,961.11	\$ 114,961.41	
147	A	110	3/7/01	U	Class 4	Michael Plautz/Steven Plautz	Picus, Inc.	360,000.00	360,000.00	\$ 360,000.00	
148	O	111	3/6/01	U	Class 4	Dominion Telecom	Picus Communications	81,770.22	23,099.76	\$ 23,099.76	
149	A	112	3/7/01	U	Class 4	MetaSolv Software, Inc.	Picus Communications	1,572,914.00	1,568,164.00	\$ 1,572,914.00	
150	A	113	3/8/01	U	Class 4	Metro Information Services	Picus Communications	12,380.94	8,390.50	\$ 12,380.94	
151	A	114	3/8/01	U	Class 4	Baker Installations	Picus, Inc.	15,920.00	10,640.00	\$ 15,920.00	
152	O	115	3/8/01	U	Class 4	Brera Capital Partners, LLC	Picus, Inc.	249,040.65	146,027.48	\$ 146,027.48	
153	A	118	3/9/01	U	Class 4	HBA Architecture Eng. & Int. Design	Picus, Inc.	22,530.26	22,530.26	\$ 22,530.26	
154	A	119	3/9/01	U	Class 4	Prosoft	Picus, Inc.	14,783.54	2,401.03	\$ 14,783.54	
155	O	120	3/9/01	U	Class 4	e-spire Communications, Inc.	Picus Communications	205,440.00	32,347.09	\$ -	
156	A	122	3/9/01	U	Class 4	MicroWarehouse	Picus, Inc.	56,156.11	24,537.40	\$ 56,156.11	
157	Withdrawn	123	3/13/01	U	Class 4	Ecufin, Inc.	Picus Communications	6,101,150.00	Unknown	\$ -	
158	Amended	125	3/12/01	U	Class 4	Highwoods Realty Limited Partnership	Picus, Inc.	63,279.96	7,711.66		
159	O	126	3/12/01	U	Class 4	Gene Ross	Picus, Inc.	50,000.00			
160	A	128	3/12/01	U	Class 4	Baskerville & Son, P.C.	Picus, Inc.	37,501.56	32,178.32	\$ 37,501.56	
161	O	130	3/12/01	NOT stated on	Class 4	Nokia, Inc.	Picus Communications	16,235,494.69	10,483,791.40	\$ 10,483,791.40	
162	O	131	3/12/01	U	Class 4	DSET Corp	Picus, Inc.	1,155,000.00	1,155,000.00		
163	A	132	3/12/01	U	Class 4	Clarify, Inc.	Picus Communications	430,840.00	430,840.00	\$ 430,840.00	
164	A	133	3/12/01	U	Class 4	Illunnet	Picus Communications	8,786.68	5,228.67	\$ 8,786.68	
165	Amended	134	3/12/01	U	Class 4	Nortel Networks, Inc.	Picus Communications	1,702,351.70	203,694.54		
166	A	135	3/12/01	U	Class 4	Budget Travel Agency	Picus Communications	3,258.65		\$ 3,258.65	
167	Corrected	136	3/12/01	U	Class 2	The Prospect Group	Picus Communications	60,007.88	47,600.00		
168	A	137	3/13/01	U	Class 4	Jay Goldsberry & David G.S. Greene	Picus, Inc.	43,000.00	112,000.00	\$ 43,000.00	
169	A	140	3/13/01	U	Class 4	Discover Financial Services, Inc.	Picus Communications	4.92		\$ 4.92	
170	A	141	3/13/01	U	Class 4	Qwest Communications	Picus Communications	64,590.62	42,220.14	\$ 64,590.62	
171	A	142	3/13/01	U	Class 4	TMPWW dba Monster.com	Picus Communications	4,800.00	4,800.00	\$ 4,800.00	
172	A	143	3/13/01	U	Class 4	Advanced Switching Communications	Picus Communications	112,767.00	112,767.00	\$ 112,767.00	
173	O	144	3/13/01	U	Class 4	Mass Mutual Life Insurance Co.	Picus, Inc.	340,921.72			
174	A	145	3/13/01	U	Class 4	Virginia Ind & Comm Equipment	Picus, Inc.	84,361.05	56,076.91	\$ 84,361.05	
175	A	146	3/13/01	U	Class 4	Northpoint Communications	Picus, Inc.	32,030.48	37,579.51	\$ 32,030.48	
176	A	147	3/13/01	U	U	Lucent Technologies/Avaya	Picus, Inc.	Amount is not yet determined	1,982.00	\$ 1,092.00	
177	O	148	3/13/01	U	Class 4	Nimal Pujan	Picus, Inc.	81,759.00	49,999.73		
178	A	151	3/13/01	U	Class 4	Cox Virginia Telecom, Inc.	Picus, Inc.	98,489.29	96,422.24	\$ 98,489.29	
179	Corrected	152	3/13/01	U	Class 2	The Prospect Group	IEC	60,007.88	47,600.00		\$ -
180	Corrected	153	3/13/01	U	Class 2	The Prospect Group	Picus Communications	60,007.88			\$ -
181	O	154	3/13/01	U	Class 2	The Prospect Group	Picus, Inc.	60,007.88	47,600.00	\$ -	
182	A	155	3/13/01	U	Class 4	Cox Virginia Telecom, Inc	Sybercom	37,511.24	18,954.02	\$ 37,511.24	

EXHIBIT 3 -
PICUS CLAIMS ANALYSIS

	A	B	C	D	E	F	G	H	I	N	O
1	Status	NO	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
2											
183	A	156	3/13/01	U	Class 4	Joann Davidson	iplus	91.00		\$ 91.00	
184	A	158	3/22/01	U	Class 4	City of Norfolk	Picus, Inc.	8,168.50	7,140.00	\$ 8,168.50	
185	Claims Deadline 3/13/02										
186	A	159	3/22/01	U	Class 4	Bell Tech Logix	Picus Communications	40,503.00	42,285.30	\$ 40,503.00	
187	O	160	3/27/01	U	Class 4	Stephen & Elizabeth Mintun	Picus, Inc.	312,000.00	452,500.00		
188	O	161	3/28/01	U	Class 4	Olympia Bendix One, LLC	Picus, Inc.	552,750.00	Scheduled on G	\$ 552,750.00	
188	A	163	3/30/01	U	Class 4	Dun & Bradstreet	Picus, LLC	724.44	544.09	\$ 724.44	
190	O	165	4/4/01	U	Class 4	WorldCom	IEC	41,186.58	19,959.08	\$ 19,959.08	
191	A	166	4/16/01	U	Class 4	MapInfo Corporation	Picus, Inc.	1,406.10	1,308.00	\$ 1,406.10	
192	?	167	4/18/01	U	Class 4	Highwoods Realty Limited Partnership	Picus, Inc.	63,279.96	7,711.66	\$ 63,279.96	
193	Amended	168	4/18/01	U	Class 4	Nortel Networks, Inc.	Picus Communications	866,168.74	203,694.54		
194	Waived	169	4/18/01	U	Class 4	Verizon	iplus	5,497.36	1,024.40		
195	Amended	170	4/20/01	U	Class 4	Aetna Life Insurance Company	Picus, Inc.	38,317.10	9,872.95		
196	O	171	5/3/01	S	Class 4	Nortel Networks, Inc.	Picus Communications	1,910,281.17	203,694.54	\$ 1,520,000.00	
197	A	172	5/3/01	U	Class 4	Adelphia Data Center	iplus	2,059.18	72,517.65	\$ 2,059.18	
198	A	173	5/3/01	U	Class 4	Adelphia Data Center	iplus	9,208.02	72,517.65	\$ 9,208.02	
199	A	174	5/3/01	U	Class 4	Adelphia Data Center	iplus	44,359.73	72,517.65	\$ 44,359.73	
200	A	175	5/3/01	U	Class 4	Adelphia Data Center	iplus	17,701.45	72,517.65	\$ 17,701.45	
201	A	176	5/3/01	U	Class 4	Adelphia Data Center	iplus	10,419.29	72,517.65	\$ 10,419.29	
202	A	177	5/3/01	U	Class 4	Adelphia Data Center	iplus	3,059.90	72,517.65	\$ 3,059.90	
203	Amended	181	7/12/01	U	Class 4	Aetna Life Insurance Company	Picus, LLC	166,744.83	9,872.95		
204	O	182	7/26/01	U	Class 4	Cisco Systems	Picus Communications	56,161.50	Not scheduled	\$ 56,161.50	
205	A	183	8/7/01	U	Class 4	Pitney Bowes	Picus, LLC	590.22	2,678.43	\$ 590.22	
206	Amended	185	9/10/01	U	Class 4	IRS	Picus, Inc.	14,065.65			
207	A	186	9/10/01	U	Class 4	United Cities Gas Company	Picus, Inc.	101.41	12.69	\$ 101.41	
208	O	187	9/11/01	U	Class 4	Aetna Life Insurance Company	Picus Communications	223,570.83	9,872.95		
209	O	188	9/14/01	U	Class 4	Worldcom, Inc.	Picus, Inc.	46,408.69	19,959.08		
210	O	189	9/20/01	U	Class 4	Profitec, Inc.	Picus, Inc.	67,080.92	Not scheduled		
211	O	190	9/20/01	U	Class 4	Massoum Moastery	Picus, Inc.	89,000.00	59,043.03		
212	A	193	9/24/01	P	Class 4	Universa Service Administrative Company	Picus Communications	6,542.53	Not scheduled	\$ 4,042.53	
213	A	195	9/24/01	U	Class 4	Exodus	IEC	24,003.48	19,069.09	\$ 24,003.48	
214	A	196	10/1/01	U	Class 4	StarNet, Inc.	Picus, Inc.	1,179.75	767.25	\$ 1,179.75	
215	A	197	12/13/01	U	Class 4	IRS	Picus, Inc.	17,045.23		\$ 17,045.23	
216											
217											
218				U	Class 4	AT&T	Picus, LLC		193.76	\$ 193.76	
219				U	Class 4	AT&T	Picus, LLC		282.52	\$ 282.52	
220				U	Class 4	AT&T	Picus, LLC		65.83	\$ 65.83	
221				U	Class 4	Cotrell Communications	Picus, LLC		85.00	\$ 85.00	
222				U	Class 4	Creative Thinking	Picus, LLC		144.00	\$ 144.00	
223				U	Class 4	DoubleTree	Picus, LLC		7,854.79	\$ 7,854.79	
224				U	Class 4	Federal Express	Picus, LLC		68.88	\$ 68.88	
225				U	Class 4	Global Imaging Systems	Picus, LLC		236.79	\$ 236.79	
226				U	Class 4	Greater Southington	Picus, LLC		330.00	\$ 330.00	
227				U	Class 4	Joncess Cafe	Picus, LLC		129.57	\$ 129.57	
228				U	Class 4	Lloyd, Kane, Wiedner & Wills	Picus, LLC		2,166.25	\$ 2,166.25	
229				U	Class 4	Network Access Solutions	Picus, LLC		5,325.20	\$ 5,325.20	
230				U	Class 4	Pinnacle Cafeteria Admin.	Picus, LLC		102.12	\$ 102.12	
231				U	Class 4	Pip Printing	Picus, LLC		253.94	\$ 253.94	
232				U	Class 4	Ribbons & Rolls, Inc.	Picus, LLC		31.30	\$ 31.30	
233				U	Class 4	Southington Board of Water	Picus, LLC		24.68	\$ 24.68	

EXHIBIT 3 -
PICUS CLAIMS ANALYSIS

1	A	B	C	D	E	F	G	H	I	N	O
2	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
234				U	Class 4	Trustee Retirement Services	Picus, LLC		267.50	\$ 267.50	
235				U	Class 4	Vensign	Picus, LLC		349.00	\$ 349.00	
236	O			U	Class 4	A-Tel	Picus, Inc.			\$ -	
237				U	Class 4	ADT Security Services	Picus, Inc. & Cybercom		25.31	\$ 25.31	
238				U	Class 4	Airborne Express	Picus, Inc. &		859.99	\$ 859.99	
239				U	Class 4	Alphagraphics	Picus, Inc.		3,021.10	\$ 3,021.10	
240				U	Class 4	American Office Systems	Picus, Inc.		1,162.27	\$ 1,162.27	
241				U	Class 4	American Registry for Internet	Picus, Inc. &		30.00	\$ 30.00	
242				U	Class 4	Amecom	Picus, Inc.		13,258.96	\$ 13,258.96	
243				U	Class 4	Anicom	Picus, Inc.		72.11	\$ 72.11	
244				U	Class 4	BackRds internet, Inc.	Picus, Inc.		130.00	\$ 130.00	
245	O			U	Class 4	Bancorp Financial Services	Picus, Inc. &	(Assigned)		\$ -	
246	O			U	Class 4	Bay Shore Enterprises	Picus, Inc.	(Paid by Ecufir		\$ -	
247				U	Class 4	BB&T of VA Business	Picus, Inc.		4,690.00	\$ 4,690.00	
248				U	Class 4	Besa Cascade Office Products	Picus, Inc.		19,232.24	\$ 19,232.24	
249				U	Class 4	Brown's Exterminating Co	Picus, Inc. &		55.00	\$ 55.00	
250				U	Class 4	CCMI	Picus, Inc.		35.25	\$ 35.25	
251				U	Class 4	Click Interconnect, Inc.	Picus, Inc.		36.49	\$ 36.49	
252				U	Class 4	Connecticut Business Systems	Picus, Inc.		57.77	\$ 57.77	
253				U	Class 4	County Graphics	Picus, Inc.		27,864.00	\$ 27,864.00	
254				U	Class 4	Covista	Picus, Inc.		151.29	\$ 151.29	
255				U	Class 4	CriticalPath, Inc.	Picus, Inc.		1,350.00	\$ 1,350.00	
256				U	Class 4	CSC	Picus, Inc.		447.08	\$ 447.08	
257				U	Class 4	Daily Press	Picus, Inc.		191.17	\$ 191.17	
258				U	Class 4	DELL	Picus, Inc.		1,004.98	\$ 1,004.98	
259				U	Class 4	Deluxe Business	Picus, Inc.		337.58	\$ 337.58	
260				U	Class 4	DFS Business Forms	Picus, Inc.		103.53	\$ 103.53	
261				U	Class 4	DHL Worldwide	Picus, Inc.		76.32	\$ 76.32	
262				U	Class 4	Digital Xpress	Picus, Inc.		15,257.00	\$ 15,257.00	
263	O			U	Class 4	Divaris Property Management	Picus, Inc.	(Paid)		\$ -	
264				U	Class 4	eFocust	Picus, Inc.		2,000.00	\$ 2,000.00	
265				U	Class 4	Electronic Systems	Picus, Inc.		250.00	\$ 250.00	
266				U	Class 4	Enterprise Rent-A-Car	Picus, Inc.		1,351.12	\$ 1,351.12	
267				U	Class 4	Enterprise, Inc.	Picus, Inc.		454.00	\$ 454.00	
268				U	Class 4	Fire-X Corporation	Picus, Inc.		1,040.00	\$ 1,040.00	
269	O			U	Class 4	First Sierra Financial	Picus, Inc. &	(Assigned)		\$ -	
270				U	Class 4	First Union	Picus, Inc.		925.62	\$ 925.62	
271				U	Class 4	First USA Bank	Picus, Inc.		900.35	\$ 900.35	
272				U	Class 4	Genuity Solutions	Picus, Inc. &		1,200.00	\$ 1,200.00	
273				U	Class 4	Gibson Equipment	Picus, Inc.		2,237.20	\$ 2,237.20	
274				U	Class 4	Golden Design	Picus, Inc.		100.00	\$ 100.00	
275	O			U	Class 4	Great American	Picus, Inc. &	(Assigned)		\$ -	
276				U	Class 4	Greater Richmond Tech Council	Picus, Inc.		255.00	\$ 255.00	
277				U	Class 4	H.R. Direct	Picus, Inc.		685.95	\$ 685.95	
278				U	Class 4	Hackworth Reprographics	Picus, Inc.		200.00	\$ 200.00	
279				U	Class 4	Holiday Inn	Picus, Inc. &		2,606.70	\$ 2,606.70	
280				U	Class 4	Horizon Data Corp.	Picus, Inc.		15,000.00	\$ 15,000.00	
281				U	Class 4	Ingram Micro	Picus, Inc. &		270.20	\$ 270.20	
282				U	Class 4	itnbe.com, Inc	Picus, Inc.		85.00	\$ 85.00	
283				U	Class 4	itnbe.com, Inc.	Picus Communications		799.93	\$ 799.93	
284				U	Class 4	J.B. Denny Company	Picus, Inc.		704.29	\$ 704.29	
285				U	Class 4	J.S. Paluch Co., Inc.	Picus, Inc.		68.00	\$ 68.00	
286				U	Class 4	Jeff Ingmire's Plumbing & Heat	Picus, Inc.		144.06	\$ 144.06	
287				U	Class 4	Kaufman & Canoles	Picus, Inc.		113,703.53	\$ 113,703.53	
288				U	Class 4	King Trailer Rentals	Picus, Inc.		119.60	\$ 119.60	
289				U	Class 4	Letton Gooch Printers	Picus, Inc.		1,551.42	\$ 1,551.42	
290				U	Class 4	Lite 94.1 FM	Picus, Inc.		2,550.00	\$ 2,550.00	
291				U	Class 4	MABC	Picus, Inc.		270.00	\$ 270.00	
292				U	Class 4	McCabe Associates.	Picus, Inc.		2,000.00	\$ 2,000.00	
293				U	Class 4	Mensel Americas, Inc.	Picus, Inc.		406.99	\$ 406.99	
294				U	Class 4	National Seminars	Picus, Inc.		395.00	\$ 395.00	
295				U	Class 4	Network Plus, Inc	Picus, Inc.		440.94	\$ 440.94	
296				U	Class 4	Nextel	Picus, Inc.		3,504.64	\$ 3,504.64	
297				U	Class 4	Nextel Communications	Picus Communications		2,167.13	\$ 2,167.13	
298				U	Class 4	Peripheral Dynamics, Inc	Picus, Inc.		4,186.52	\$ 4,186.52	
299	O			U	Class 4	Picus Communications	Picus, Inc.	(Intercompany)		\$ -	
300	O			U	Class 4	Picus Communications	iPlus	(Intercompany)		\$ -	
301				U	Class 4	Progressive Communications	Picus, Inc.		625.25	\$ 625.25	
302				U	Class 4	Protocol Communications	Picus, Inc.		58.59	\$ 58.59	
303				U	Class 4	PSA Collections	Picus, Inc. &		19.41	\$ 19.41	
304				U	Class 4	PSINet	Picus, Inc.		3,834.00	\$ 3,834.00	
305				U	Class 4	Purchase Power	Picus, Inc.		1,344.49	\$ 1,344.49	
306				U	Class 4	Qwest Business Svcs	Picus, Inc.		2,733.74	\$ 2,733.74	
307				U	Class 4	R&B Communications	Picus, Inc. &		47.34	\$ 47.34	
308				U	Class 4	Richmond Times Dispatch	Picus, Inc.		839.89	\$ 839.89	
309				U	Class 4	RoadWay Express	Picus, Inc.		138.13	\$ 138.13	
310				U	Class 4	ScanSource	Picus, Inc.		34.46	\$ 34.46	
311	O			U	Class 4	SNET	Picus, Inc.	(Assigned)		\$ -	
312				U	Class 4	Spectrum Computers	Picus, Inc.		270.99	\$ 270.99	
313				U	Class 4	Sprint - Atlanta, GA	IEC		476.20	\$ 476.20	
314				U	Class 4	Sprint PCS - Baltimore, MD	Picus, Inc. & IEC		37.72	\$ 37.72	
315				U	Class 4	Stafford Enterprises.	Picus, Inc. &		259.00	\$ 259.00	
316				U	Class 4	StandGuard	Picus, Inc.		243.14	\$ 243.14	
317				U	Class 4	SunCom	Picus, Inc.		2,070.38	\$ 2,070.38	

EXHIBIT 3 -
PICUS CLAIMS ANALYSIS

1	A	B	C	D	E	F	G	H	I	N	O
2	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
318				U	Class 4	Tech Data Corporation	Picus, inc. &		2,540.54	\$ 2,540.54	
319				U	Class 4	Telecompute Corp	Picus, Inc. &		225.00	\$ 225.00	
320				U	Class 4	The Hartford Courant	Picus, Inc.		118.24	\$ 118.24	
321				U	Class 4	The StepSaver, Inc.	Picus, Inc.		192.00	\$ 192.00	
322				U	Class 4	Total Penpherals, Inc.	Picus, Inc.		10,611.00	\$ 10,611.00	
323				U	Class 4	Town Point Club	Picus, Inc.		1,362.47	\$ 1,362.47	
324				U	Class 4	United Parcel Service	Picus, Inc.		115.20	\$ 115.20	
325				U	Class 4	Universal Access, Inc	Picus, inc. &		1,808.00	\$ 1,808.00	
326				U	Class 4	Unet	Picus, Inc.		14,797.53	\$ 14,797.53	
327				U	Class 4	Virginia Power	Picus, Inc.		138.03	\$ 138.03	
328				U	Class 4	Virginian Pilot	Picus, Inc.		2,634.75	\$ 2,634.75	
329				U	Class 4	VisiNet	Picus, Inc.		5,750.00	\$ 5,750.00	
330				U	Class 4	VoiceCom, Inc.	Picus, Inc. &		1,510.00	\$ 1,510.00	
331				U	Class 4	Wachovia Securities	Picus, Inc.		13,802.41	\$ 13,802.41	
332				U	Class 4	WNIS 790AM	Picus, Inc.		1,000.00	\$ 1,000.00	
333				U	Class 4	World Office Systems	Picus, Inc.		409.63	\$ 409.63	
334				U	Class 4	Wnght Line	Picus, Inc.		744.72	\$ 744.72	
335				U	Class 4	WRVA	Picus, Inc.		875.00	\$ 875.00	
336				U	Class 4	WTVR Radio	Picus, Inc.		4,690.00	\$ 4,690.00	
337				U	Class 4	WVKL Radio	Picus, Inc.		529.41	\$ 529.41	
338				U	Class 4	WWEZ	Picus, Inc.		2,524.50	\$ 2,524.50	
339				U	Class 4	Yankee Gas Service	Picus, Inc.		27.87	\$ 27.87	
340				U	Class 4	ZipLink Internet	Picus, Inc.		976.00	\$ 976.00	
341				U	Class 4	Advantis	Picus Communications		1,015.06	\$ 1,015.06	
342				U	Class 4	Amercomm Direct Marketing	Picus Communications		2,594.45	\$ 2,594.45	
343				U	Class 4	Buise Office Supplies	Picus Communications		48.24	\$ 48.24	
344				U	Class 4	BRdWing Communications	Picus Communications		53,251.29	\$ 53,251.29	
345				U	Class 4	Chewing & Wilmer, Inc.	Picus Communications		563.00	\$ 563.00	
346				U	Class 4	Coverall of Virginia	Picus Communications		300.00	\$ 300.00	
347				U	Class 4	Deil Receivables LP	Picus Communications		56,754.39	\$ 56,754.39	
348				U	Class 4	Doramus Trauger & Ney	Picus Communications		9,305.06	\$ 9,305.06	
349	O			U	Class 4	First Union	Picus Communications	(Paid by Ecufin)		\$ -	
350				U	Class 4	First Union Bank Visa	Picus Communications		871.99	\$ 871.99	
351				U	Class 4	GN NETTEST o/o TeleTool	Picus Communications		50,319.00	\$ 50,319.00	
352				U	Class 4	John Staurulakis, Inc.	Picus Communications		977.85	\$ 977.85	
353				U	Class 4	MCI WorldCom Communications	Picus Communications		159.93	\$ 159.93	
354				U	Class 4	MCI WorldCom Communications	Picus Communications		516.96	\$ 516.96	
355				U	Class 4	MCI WorldCom Communications	IEC		2,269.84	\$ 2,269.84	
356				U	Class 4	MCI WorldCom Communications	IEC		20,796.66	\$ 20,796.66	
357				U	Class 4	MCI WorldCom Communications	IEC		3,331.52	\$ 3,331.52	
358				U	Class 4	Microtech-Tel, Inc.	Picus Communications		1,580.80	\$ 1,580.80	
359				U	Class 4	Retail Alliance	Picus Communications		760.85	\$ 760.85	
360				U	Class 4	LeClair Ryan	Picus Communications		10,750.03	\$ 10,750.03	
361				U	Class 4	Softward House International	Picus Communications		3,882.87	\$ 3,882.87	
362				U	Class 4	Telcordia Technologies	Picus Communications		1,138.15	\$ 1,138.15	
363				U	Class 4	Telesystems, Inc	Picus Communications		505.00	\$ 505.00	
364				U	Class 4	Total Site Solutions	Picus Communications		1,127,978.18	\$ 1,127,978.18	
365				U	Class 4	Turnstone Systems, Inc	Picus Communications		66,250.15	\$ 66,250.15	
366	O			U	Class 4	Zhone Technologies	Picus Communications	(Test sample)		\$ -	
367				U	Class 4	Amtech Computer Services	Picus Communications		4,102.69	\$ 4,102.69	
368				U	Class 4	Resource Communications	Picus Communications		130.00	\$ 130.00	
369				U	Class 4	Picus, LLC	Picus Communications	(Intercompany)		\$ -	
370				U	Class 4	Picus, Inc.	IEC	(Intercompany)		\$ -	
371				U	Class 4	Picus, Inc	iPlus	(Intercompany)		\$ -	
372				U	Class 4	Rockhurst College	iPlus		199.00	\$ 199.00	
373											
374										\$ 19,473,811.12	
375											
376											
377						SPRINT CLAIMS					
378	O	28	12/11/00	P		Sprint - Overland Park, Kansas	Picus Communications	7,338.34		\$ -	\$ -

	A	B	C	D	E	F	G	H	I	N	O
1	Status	NO.	DATE FILED	Type Filed	Treatment Under Plan	CREDITOR	DEBTOR	AMOUNT OF CLAIM	AMOUNT ON SCHEDULES	ALLOWED AMOUNT (est.)	AMOUNT DUE UNDER PLAN
2											
379	O	58	1/11/01	P		Sprint - Overland Park, Kansas	iPlus	26,778.79		\$ -	\$ -
380						Sprint - Atlanta, GA	Picus Communications		9,282.88		
381						Sprint - Atlanta, GA	IEC		476.20		
382						Sprint PCS - Baltimore, MD	Picus, Inc. & IEC		37.72		
383						Sprint - Atlanta, GA	iPlus		22.49		
384						Sprint - Atlanta, GA	Picus, Inc		5,834.00		

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE 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.

CORRECTED JOINT PLAN OF LIQUIDATION

AUGUST 7, 2003

**Frank J. Santoro, VSB #20259
Karen M. Crowley, VSB #35881
MARCUS, SANTORO & KOZAK, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23705
Telephone: (757) 393-2555
Facsimile: (757) 399-6870
Counsel for the Debtors**

PLAN OF REORGANIZATION

Picus proposes this Plan under Chapter 11 of the United States Bankruptcy Code. All capital terms used herein have the meaning assigned to them in the Glossary of Defined Terms for the Plan documents attached as Exhibit A to this Plan.

A. SUMMARY OF PLAN AND MEANS OF EXECUTION

Over the course of the past two years, Picus has Liquidated most of its Property into cash. Upon Confirmation, the Debtor will retain all Property in accordance with Bankruptcy Code § 1123(a)(5)(A) other than Property sold during the administration of this Case in accordance with Bankruptcy Code § 363 or otherwise abandoned under the terms of this Plan. The Debtor will continue to collect and Liquidate any remaining unliquidated Property as cost effectively as possible. This Plan provides for the distribution of the proceeds realized from the Liquidation.

Upon Confirmation, the Debtors shall be deemed consolidated for the following purposes under the Plan: (i) no distributions shall be made under the Plan on account of the Intercompany Claims and (ii) each and every claim filed or to be filed against any of the Debtors shall be deemed filed against the deemed consolidated Debtors and shall be deemed one claim against and obligation of the deemed consolidated Debtors. To the extent that a creditor has filed more than one proof of claim in this Case against more than one Debtor for the same claim and in the same or similar amount, the creditor shall be entitled to only one satisfaction of such claim in the amount of the last filed of such proofs of claim. All prior filed proofs of claim shall not receive any distribution under the Plan without further order of this Court.

The Debtor anticipates that, by Confirmation, the only Property not fully Liquidated will be the proceeds from the Davel Settlement, the MDU Sale and outstanding accounts receivable. The Debtor will continue to collect this Property in the ordinary course, in accordance with its business judgment. Any Property not Liquidated by Confirmation, including the proceeds from the Davel Settlement, the MDU Sale and accounts receivable, may be Liquidated by private, negotiated sale, public auction or such combination thereof as the Debtor believes to be in the best interests of the Estate, taking into consideration the value of the assets, the probability of collection, the costs of sale, the time necessary to market or sell the asset and similar factors. After Confirmation, the Debtor will consult with and obtain the approval of counsel for the Committee and the Office of the United States Trustee before consummating any sale or abandoning any Property. The Debtor may abandon any Property that it determines is burdensome or is of inconsequential value and benefit to the Estate by delivering a notice of abandonment to counsel for the Committee and the Office of the United States Trustee. In the event that these parties are unable to agree upon the sale or abandonment of any of the Property, the Court will retain jurisdiction to resolve the issue of the reasonableness and propriety of any sale or abandonment.

Any sale or transfer of the Property shall be made in accordance with the provisions of §§ 1141(c) and 1123(a)(5)(D) of the Bankruptcy Code, free and clear of all liens, security interests and other interests, choate or inchoate, resulting from all claims and interests of all creditors, equity security holders and parties in interest, with any such liens to attach to the proceeds of the sale in the same order of priority and extent as held in the assets sold.

The Debtor will perform all remaining unperformed obligations and duties imposed upon it, directly or indirectly, by the Court or in accordance with its fiduciary duty to the Estate. The Debtor shall file, or cause to be filed, all necessary and required tax returns and shall take all necessary steps to close the Case.

Not later than the Effective Date—

- Subject to any extensions granted pursuant to further order of the Court, the Debtor shall file and serve any objections to claims filed with the Court to which the Debtors dispute liability in whole or in part. The Debtor shall litigate any objections to Final Order or compromise and settle them in accordance with the Debtor's business judgment. The Debtor may obtain any such extension order without a hearing or notice upon presentation of a proposed order to the Court.
- Any party in interest shall file requests for payment of administrative expenses, including professional fees, not otherwise the subject of prior bar dates or pending Applications or Requests for Payment of Administrative Expenses. Unless otherwise ordered by the Court, the Confirmation Order shall operate to set an Administrative Claims Bar Date for the filing of any such requests as not later than 30 days after Confirmation. Unless extended by order of the Court, the Debtors, the Committee, and any other party in interest will have 15 days after the Administrative Claims Bar Date to review and object to such requests for payment, provided that such 15 day period of review may be extended by the Court upon the request of the Debtors.
- Counsel for the Debtor shall escrow from cash held by or for the Debtor \$50,000.00, for professional fees rendered post confirmation ("Professional Escrow").
- Debtor will consolidate all remaining cash into the Cash Account..

On the First Distribution Date, the Debtor shall—

- Subject to any extensions granted pursuant to further order of the Court, file and serve any objections to requests for payment of Administrative Expenses, including professional fees, timely filed with the Court to which the Debtors dispute liability in whole or in part. The Debtor shall be litigate any objection to Final Order or compromise and settle them in accordance with the Debtor's business judgment. The Debtor may obtain any such extension order without a

hearing or notice upon presentation of a proposed order to the Court. Any timely filed request for payment of Administrative Expenses, other than professional fees, to which the Debtor has not objected or for which the Debtor has not obtained an extension for objecting, shall be deemed Allowed without further order of the Court.

- Pay Allowed Administrative Expenses in full from Cash Account.
- Reserve from the Cash Account an amount sufficient to pay in full upon resolution any Administrative Expense for which an application or request for payment is pending.
- Pay Allowed Priority Claims in full from Cash Account.
- Distribute pro rata to holders of all other Allowed Claims, other than unclassified claims, Resolved Claims or Intercompany Claims, 85 % of the remaining balance of the Cash Account, less any funds reserved for Administrative Expenses as further described below.

Administrative Expenses not paid on the First Distribution Date shall be paid in full from reserved funds within 10 days after any order allowing such expenses becomes Final.

Holders of any classified claims Allowed after the First Distribution Date shall be paid, within 10 days after the date the order allowing the claim becomes final, a distribution from the Cash Account in the same proportion as that paid to other holders of Allowed Claims in that class on the First Distribution Date. For example, if holders of Class 4 claims receive a distribution on the First Distribution Date in the amount of 3% of their claims, then any claim in Class 4 subsequently Allowed will receive a distribution of 3% of the Allowed amount of the claim. No distribution shall be made with respect to all or any portion of any claim to which a filed objection remains pending until the entire resolution of the objection.

On the Second Distribution Date, any funds remaining in the Professional Escrow shall be transferred in the Cash Account. The Debtor then shall distribute the outstanding balance of the Cash Account, less funds reserved for Administrative Expenses, pro rata to holders of Allowed Class 4 claims up to the full amount of the claims, without interest.

Distributions to holders of Allowed Claims shall be made at the address of the holder of such claim as filed with the Court or otherwise indicated on records of the Debtors.

Any cash, assets or any other Property distributed under the Plan that remains unclaimed (including by an entity's failure to negotiate a check issued to such entity) or otherwise not deliverable to the entity entitled thereto before 60 calendar days after the first distribution shall be redistributed to all other creditors as part of the second

distribution. In such event, such entity's claim shall no longer be deemed to be Allowed and such entity shall be deemed to have waived its rights to such payments or distributions under the Plan pursuant to section 1143 of the Bankruptcy Code and shall have no further claim in respect of such distribution and shall not participate in any further distributions under the Plan with respect to such claim.

B. EXECUTORY CONTRACTS

To the extent that there are any unexpired leases and/or executory contracts between the Debtor and creditors or other parties in interest, entered into prior to the Filing Date, which have not been otherwise assumed or assigned, either pursuant to the Plan, or pursuant to an order of the Court, they shall be deemed rejected, pursuant to §365(a) of the Bankruptcy Code, upon the earlier of (a) Confirmation; or (b) the date of a separate order entered by the Court approving the rejection of such contract and/or lease. Any creditor claiming damages from rejection of a lease or an executory contract, who has not previously filed a proof of claim, shall have until the earlier of (a) the date established in a separate order entered by the Court; or (b) the Effective Date, in which to file such a proof of claim. The Debtor will have 15 days after the filing of the claim to object to its allowance. Any Allowed Claim filed pursuant to this paragraph shall be deemed a Class 4 claim.

C. UNCLASSIFIED CLAIMS AND THEIR TREATMENT

In accordance with Bankruptcy Code § 1123(a)(1), the following Administrative Expenses and Priority Claims are not classified. The treatment specified for unclassified claims and interests follows:

1. Administrative Expenses of a Kind Specified in Bankruptcy Code §§ 503(b) and 507(a)(1). Unless otherwise ordered by the Court, the Confirmation Order shall operate to set an Administrative Claims Bar Date as not later than 30 days after Confirmation for the filing of any requests for payment of Administrative Expense pursuant to 11 U.S.C. § 507(a)(1), including professionals employed by the Estate pursuant to 11 U.S.C. § 327 or 1103, which arose after August 1, 2001, and on or before Confirmation. Any creditor or party in interest with such a claim for payment must file with the Court a motion or application to request payment on or before the Administrative Claims Bar Date. **If such motion or application is not timely filed in accordance with this Plan or in accordance with an order otherwise setting a bar date for filing administrative claims, the party will be prohibited from asserting such claim against the Estate.** Unless extended by order of the Court, the Debtors, the Committee, and any other party in interest will have 15 days after the Administrative Claims Bar Date to review and object to such requests for payment, provided that such 15 day period of review may be extended by the Court upon the request of the Debtors. Any timely filed request for payment of Administrative Expenses, other than professional fees, to which the Debtor has not objected or for which the Debtor has not obtained an extension for objecting, shall be deemed Allowed without further order of the Court. Except as otherwise agreed in writing, the holders of Allowed Administrative Claims,

pursuant to Bankruptcy Code § 507(a)(1), will receive payment in full on the First Distribution Date.

a. Escrow for Professional Fees: Counsel for the Debtor shall escrow the amount of \$50,000.00 to be applied toward professional fees rendered post-confirmation (the "Professional Escrow"). Any unused professional fees on the Second Distribution Date shall be included as part of the second distribution in accordance with this Plan, subject to a small reservation to pay the final professional fees, costs and U.S. Trustee quarterly fees.

b. U.S. Trustee Fees: Among such claims as will be paid pursuant to this paragraph shall be those amounts, if any, which may be due to the Office of the United States Trustee, which will continue to be paid until the Case is closed.

c. Exceptions to paragraph (C)(1) above include:

i. On or before the Administrative Claims Bar Date, each professional, employed pursuant Bankruptcy Code § 327, shall file an application seeking approval of professional fees through Confirmation. The professional shall receive payment for unpaid fees and expenses when an Order by the Court approving such professional's compensation is entered. Following Confirmation, such professional shall be monthly paid its necessary and reasonable fees by sending a monthly billing statement, similar to those filed with the Court as part of the fee application process, to counsel for the Debtor, counsel for Committee and the U.S. Trustee. If there is no written objection to the statement within 10 days after transmittal of the billing statement, which objection may be by facsimile, e-mail or first class mail, counsel for the Debtor shall promptly pay such bill from the Professional Escrow.

ii. The holder of any Administrative Expense or Claim to which a party in interest filed a written objection under Bankruptcy Rule 3007, unless previously resolved and paid prior to Confirmation, will receive payment on the later of (i) the First Distribution Date or (ii) 10 days after the date an order allowing such an Administrative Claim is final. Sufficient reserves shall be held by the Debtor to pay the Administrative Claim in full should the claim not be resolved prior to the First Distribution Date.

2. Claims of a Kind Specified in Bankruptcy Code § 507(a)(2) – (9). Exhibit 2 to the Disclosure Statement lists all Priority claims, either filed or scheduled, against the Estate, including claims filed as secured by taxing authorities. Allowed claims of taxing authorities for which proofs of claim were filed as secured will be paid in full under the plan as priority claims rather than as secured claims because the various properties on which the taxing authorities have claimed liens are no longer part of the Debtor's estate. The Debtor intends to file any objections to priority claims on or before 20 days prior to the Confirmation Hearing. Except as otherwise agreed in writing, the

holders of Allowed Priority Claims, pursuant to Bankruptcy Code § 507(a), will receive on the First Distribution Date, payment in full, except any unpaid penalty incurred or assessed Pre-Petition with respect to an Allowed Priority tax claim, which is not in compensation for a governmental unit's actual pecuniary loss, shall be excluded from treatment under this paragraph and shall be treated as an Allowed Unsecured Claim.

D. CLASSIFIED CLAIMS AND THEIR TREATMENTS

Subject to any extensions granted pursuant to further order of the Court, the Debtor shall file and serve all objections, if any, to the allowance of claims filed with the Court within 30 days after Confirmation. The objections shall be litigated to Final Order or compromised and settled in accordance with the Debtor's business judgment. The Debtor may obtain any such extension order without a hearing or notice upon presentation of a proposed order to the Court.

In accordance with Bankruptcy Code §§ 1122 and 1123(a)(1), certain claims asserted against the Debtor are placed in classes. The precise amount of the claim in each class may vary from that stated in this Plan in the event that the Debtor objects to the amount of the claim or its classification (i.e. as secured or priority, etc.). The claims are classified and treated as follows:

Class 1 – Compromised Claims

Class 1 consists of Allowed claims based on proofs of claim that have been filed in this Case that subsequently were compromised and paid or waived, as listed on attached Exhibit B, other than claims that were allowed as unsecured claims in an agreed amount which shall be classified and treated as Class 4 claims.

Class 1 claims are not Impaired. Each holder of an Allowed claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

Class 1 claims shall be satisfied in accordance with the terms of their agreements with the Debtor and shall not receive any further distribution under the Plan.

Class 2 – Consolidated Claims

Class 2 consists of Allowed claims that have been asserted by the same creditor against more than one Debtor in this Case, for the same claim and in the same or similar amount, including any claims based on theories of joint and several liability or claims for any deficiency.

Class 2 claims are Impaired. Each holder of an Allowed Class 2 claim shall be entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

Each and every Class 2 Allowed claim filed against more than one Debtor shall be consolidated and treated as one claim against and obligation of the deemed consolidated Debtors in the amount of the last filed of such claims. Holders of Class 2 claims shall be entitled to only one satisfaction of such claim under the Plan, regardless of the number of claims that have been scheduled in this Case or for which more than one proof of claim has been filed.

Each consolidated Class 2 claim shall be paid under the Plan as if it were a claim under Class 4.

Class 3 – Intercompany Claims

Class 3 consists of any claim by any Debtor against any other Debtor. The Debtors have agreed not to receive any distribution under the Plan.

Class 3 claims are not Impaired. Each holder of an Allowed claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

Class 4 – All Other Allowed Claims

Class 4 consists of all Allowed Claims, not otherwise classified under the Plan.

Class 4 claims are Impaired. Each holder of an Allowed Class 4 claim shall be entitled to vote to accept or reject the Plan under Bankruptcy Code §1126.

On the First Distribution Date, Allowed Class 4 claims will be paid a pro rata distribution from 85% of the remaining balance of the Cash Account, after the full payment or reservation for Priority Claims, costs of Liquidation, Administrative Expenses, and disputed claims. Class 4 claims that are Allowed after the First Distribution Date will be paid the pro rata share of the funds distributed on the First Distribution Date within 10 days after entry of a Final Order resolving any objection to the claim.

On the Second Distribution Date, Allowed Class 4 claims, including Allowed Class 2 Consolidated Claims, will receive a pro rata share of any funds remaining in the Cash Account up to the full amount of their claims, without interest.

Class 5 – Equity Interests

This Class consists of all the equity interests of any entity in any of the Debtors.

The Class 5 interests are Impaired. Each holder of an Allowed Class 5 interest shall be deemed to have rejected the Plan under Bankruptcy Code §1126.

Unless tax considerations justify different treatment, the equity interests in all the Debtors will be canceled within a reasonable time following final Liquidation and Distribution of all Property of the Estate.

E. STRUCTURE OF POST-CONFIRMATION DEBTOR.

Officers and Directors. The only officers and directors of the Debtor after Confirmation shall be Bijan Kazemi and Richard B. Ayres, who shall serve only to the extent necessary to carry out the Plan and complete the Liquidation and every other act necessary to wind up the business and affairs of the Debtor.

Shareholders. Unless tax considerations justify different treatment, all equity interest in the Debtors will be canceled within a reasonable time following final Liquidation and Distribution of all Property of the Estate. If the equity interests are not canceled, the Debtor will amend its operative documents to contain a provision prohibiting the issuance of nonvoting equity securities.

Destruction of Corporate Records and Documents: The Debtors have maintained their books and records in storage facilities. After the entry of the final decree, the Debtor will be permitted, unless otherwise prohibited by law or necessary to resolve outstanding issues in this Case, to dispose of all of the books and records of the Debtor.

F. EFFECTS OF CONFIRMATION.

Confirmation of the Plan, except to the extent expressly stated to the contrary in the Plan, shall generally have the effect described in Bankruptcy Code §1141. As this is a Liquidating plan, Picus will not receive a discharge, pursuant to Bankruptcy Code §1141(d)(3). All creditors, parties in interest and interest holders will, nevertheless, be bound by the Plan, as confirmed, and will not have claims against Picus other than as specifically stated in the Plan. The sole remedy and right of collection of the holders of claims shall be pursuant to the provisions of this Plan.

G. U.S. TRUSTEE'S FEES

Pursuant to Bankruptcy Code § 1129(12), quarterly fees due the U.S. Trustee will be paid on the Effective Date and continue to be paid until the Case is closed.

H. JURISDICTION OF THE COURT

The Court shall retain jurisdiction of this Chapter 11 Case pursuant to and for the purposes of Bankruptcy Code § 1127(b) and for the following purposes:

(a) Classification of the claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of objections as may be filed to such claims. The failure by the Debtor to object to, or to examine any claim for the purposes of voting, shall not be deemed to be a waiver of the Debtor's right to object to, or re-examine the claim in whole or in part.

(b) Collection of money owed to the Debtor on claims arising during the administration of the Estate, disputes concerning Property of the Estate, including damages due the Debtor and supervision and approval of the sale of Property of the Estate.

(c) Determining Allowed Administrative Expenses of administration and compensation of parties entitled thereto, including professionals employed with the authorization of the Court and those professionals employed by creditors who are entitled by applicable law to be compensated by the Estate.

(d) Hearing and determining any and all causes of action which arise under and pursuant to any provision in the Bankruptcy Code.

(e) Modification of the Plan, correcting any defect, curing any omission, or reconciling any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan to the extent authorized by the Bankruptcy Code and Bankruptcy Rules.

(f) Determining any and all applications, adversary proceedings, and contested or litigated matters arising in or related to the Debtor's reorganization proceeding, including enforcement, interpretation or clarification of the Confirmation Order or any other orders entered during the Case.

(g) Determining matters concerning state, local and federal taxes pursuant to Bankruptcy Code §§ 106, 505, 1141 and 1146.

(h) Determining the validity, priority, enforceability and extent of all liens, encumbrances, mortgages, security agreements, deeds of trust, assignments and other charges and levies which are, or become liens or encumbrances on assets or Estate Property prior to Confirmation.

(i) Resolving controversies and disputes regarding the interpretation of the Plan or Orders previously entered by the Court.

(j) Implementing the provisions of the Plan and entry of any orders in aid of Confirmation and consummation of the Plan including, without limitation, orders to protect the Debtor, the Debtor as reorganized, and assets and Estate Property from actions by creditors and/or interest holders of Debtor.

(k) Enforcing the rights of the Debtor under the Plan.

(l) Entry of a final decree in the Case.

(m) For such other matters as may be set forth in the Confirmation Order.

I. NOTICES

Any notice required by the Plan, or given by any creditor or party in interest concerning the Plan, shall be mailed by certified mail to the Debtor and by regular mail to counsel for the Debtor at the following addresses:

Picus
Attn: Bijan Kazemi and Richard B. Ayres
B R Management Services
208 East Plume Street, Suite 302
Norfolk, VA 23510

Frank J. Santoro, Esquire
Karen M. Crowley, Esquire
Marcus, Santoro & Kozak, P.C.
355 Crawford Parkway, Suite 700
Portsmouth, VA 23705

A copy of any notice required by the Plan, or given by any creditor or party in interest concerning the Plan, shall be also mailed by first class mail to:

Debera F. Conlon, Esq.
Office of the United States Trustee
Federal Building, Room 625
200 Granby Street
Norfolk, VA 23510

Jonathan L. Hauser, Esq.
Troutman Sanders, LLP
Dominion Tower, Ste 2525
999 Waterside Drive
Norfolk, VA 23514-3670

J. MISCELLANEOUS PROVISIONS

Effectuating Documents and Further Transactions: The appropriate officer or director of the Debtor shall be authorized to execute, deliver, file or record such stipulations, contracts, instruments, releases and other agreements or documents and take such actions on behalf of the Debtor as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

Exemption from Transfer Taxes: Pursuant to Section 1146(c) of the Bankruptcy Code, the delivery of any deed or other instrument of transfer, under, in furtherance of, or

in connection with this Plan, including any deeds, bills of sale or assignments executed in connection with the disposition of assets, contemplated by this Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

Modification of Plan: Picus reserves the right, in accordance with the Bankruptcy Code and Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, Picus may amend or modify this Plan, in accordance with Bankruptcy Code § 1127, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. A holder of an Allowed Claim or equity interest that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the claim or equity interest of such holder.

Withdrawal or Revocation: Picus may withdraw or revoke this Plan at any time prior to Confirmation. If Picus revokes or withdraws this Plan prior to Confirmation, or if Confirmation does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claim by or against Picus or any other person or to prejudice in any manner the rights of Picus or any other person in any further proceedings involving Picus.

Courts of Competent Jurisdiction: If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Severability: In the event that the Court determines, prior to Confirmation, that any provision of this Plan is invalid, void or unenforceable, the Court shall, with the consent of Picus, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Governing Law: Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia, without giving effect to the principles of conflicts of law thereof.

Conflicting Provisions: To the extent that the provisions of the Disclosure Statement are inconsistent with this Plan, the provisions of this Plan shall govern.

Headings: Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

K. CONCLUSION

The Plan complies with all applicable provisions of Chapter 11, Title 11, United States Code. The Plan is proposed in good faith, is not prohibited by law, and is in the best interests of all creditors, holders of equity interests, and the Debtor.

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

By: _____
Of Counsel

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

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 cases)

Chapter 11

Debtors in Possession.

GLOSSARY OF DEFINED TERMS
for Documents pertaining to Joint Plan of Liquidation
for Picus, Inc.;
Picus Communications, LLC;
Sybercom, Inc.;
Iplus Internet Services, Inc.; and
Internet Enterprise Center, Inc.

Any term in the Joint Plan of Liquidation (the "Plan") or Disclosure Statement (the "Disclosure Statement") or that is defined in 11 U.S.C. §§ 101, 102, 1101 or elsewhere in the Bankruptcy Code shall have the same meaning assigned therein. The following terms, where they are used in the Plan or Disclosure Statement, shall have the meanings assigned herein below.

Administrative Claims Bar Date: The last date for filing with the Court a request for payment of Administrative Expenses.

Administrative Expense or Claim: The costs and expenses of this Chapter 11 case, including: (a) the actual, necessary costs and expenses of preserving the Debtor's estate and/or operating the business of the Debtor; (b) all allowances of compensation and reimbursement of costs and expenses under §§330 or 503 of the Bankruptcy Code; or (c) such items as may otherwise be Allowed by an order of the Court.

Allowed: Concerning a claim against or an equity security interest in the Debtor, such a claim or interest to the extent that (a) a proof of claim or interest was timely filed, to which no objection has been filed upon the timeframes contained in this Plan; or (b) a proof of claim was deemed filed pursuant to §1111(a) of the Bankruptcy Code and such claim was not listed by the Debtor as disputed, contingent or unliquidated in its list of creditors filed with the Court pursuant to Bankruptcy Code §521(1); or (c) a claim or equity security interest which is Allowed by an Order of the Court to that effect.

Ballot: The document by which the holder of a claim against or an interest in the Debtor indicates whether such holder accepts or rejects the Plan.

Bankruptcy Code: Title 11, United States Code, as in effect on the Filing Date, and all amendments thereto which are made applicable to this Case by law.

BB&T: Branch Banking & Trust Company

Case: The jointly administered cases commenced by the filing of voluntary petitions under Chapter 11 of the Bankruptcy Code by Picus, Inc.; Picus Communications, LLC; Sybercom, Inc., iPlus Internet Services, Inc.; Internet Enterprise Center, Inc., which are now pending in the United States Bankruptcy Court for the Eastern District of Virginia, Norfolk Division, and captioned as above.

Cash Account: One interest bearing account into which the Debtor will consolidate all its cash not otherwise segregated or required to be held in escrow under the Plan.

Chapter 11: Sections 1101, *et seq.*, of the Bankruptcy Code, as in effect on the Filing Date, and all amendments thereto which are made applicable to this Case by law.

Committee: The Official Committee of Unsecured Creditors.

Confirmation or Confirmation of the Plan: The date on which an order confirming the Plan is entered on the docket by the Court.

Confirmation Hearing: The Hearing on the confirmation of the Plan.

Consummation: Substantial consummation of the Plan, as that term is defined in Bankruptcy Code §1101(2).

Court: The United States Bankruptcy Court for the Eastern District of Virginia, Norfolk Division, before which this Case is pending.

Davel: Davel Communications, Inc., and/or Teleleasing Enterprises, Inc.

Davel Settlement: The settlement of the various claims between Picus and Davel Communications and Teleleasing Enterprises, Inc., as set forth in the order entered on November 14, 2002, on the docket of the adversary proceeding number 02-7065-S in this Case, and described in the Disclosure Statement.

DIP: Debtor in Possession, as that term is used and defined in the Bankruptcy Code.

Debtor or Debtors: Collectively, Picus, Inc.; Picus Communications, LLC; Sybercom, Inc., iPlus Internet Services, Inc.; Internet Enterprise Center, Inc., the Debtors in Possession in this case.

Disclosure Statement: Means the joint disclosure statement, and any amendments thereto, filed with the Bankruptcy Court in connection with the Plan.

Effective Date: The effective date of this Plan, as the term "effective date" is used in Chapter 11 of the Bankruptcy Code, shall be 30 days after Confirmation of the Plan.

Encumbered Proceeds: The cash resulting from the Liquidation of the collateral for a Secured Claim.

Estate: The owner of all Property upon the filing of the Case, pursuant to §541(a) of the Bankruptcy Code.

Filing Date: November 7, 2000, the date this Case was filed with the Court.

First Distribution Date: 45 days after Confirmation.

GECC: Collectively, General Electric Capital Corporation and/or NTFC Capital Corporation.

Hearing: The last date on which a hearing before the Court is conducted and not continued.

IRS: The Internal Revenue Service, an agency of the Department of the Treasury of the United States.

Impaired: With respect to a classified claim or interest or a class of claims or interests, treatment by the Plan that is inconsistent with all of the subsections of Bankruptcy Code §1124.

IEC: Internet Enterprise Center, Inc., a debtor in possession in this case.

Intercompany Claims: Intercompany Claims shall consist of any claim by any Debtor against any other Debtor which arose in the ordinary course of Debtor's business.

Liquidate or Liquidation: Any method or manner by which the assets of the Debtor, including causes of action, are converted to cash.

iPlus: iPlus Internet Services, Inc., a debtor in possession in this case.

MDU: MDU Services, Inc.

MDU Sale: The sale of the Debtor's equipment at co-location sites to MDU Services, Inc., as approved by order of the Court entered December 5, 2002, and described in the Disclosure Statement.

MS&K: Marcus, Santoro & Kozak, P.C., formerly Marcus, Santoro, Kozak & Melvin, P.C.

Nortel: Nortel Networks, Inc

Picus: Collectively, the Debtors, Picus, Inc., Picus Communications, LLC, Sybercom, Inc., iPlus Internet Services, Inc. and Internet Enterprise Center, Inc.

Picus, Inc.: Picus, Inc., also doing business as Megahits, PicusNet, and/or Omega Solutions, a debtor in possession in this Case.

Picus Communications: Picus Communications, LLC, a debtor in possession in this case.

Plan or Plan of Liquidation: The debtor's plan of liquidation dated April 3, 2003 and filed with the Court on April 3, 2003, including any amendments.

Pre-Petition: Times and dates before the Filing Date.

Post-Petition: Times and dates on and after the Filing Date.

Priority/Priority Claim: The portion of an Allowed claim that is not a Secured Claim and which is entitled to priority under §507(a) if the Bankruptcy Code.

Property: All property and interests in property belonging to the Debtor as of the Filing Date, to the fullest extent provided by §541(a) of the Bankruptcy Code; all rights and actions or causes of action belonging to the Estate and/or to which the Estate succeeded on the Filing Date under applicable law, including, but not limited to §§544, 547, 548, 549 and 550 of the Bankruptcy Code; and the proceeds of such rights and actions or causes of action.

Second Distribution Date: The earlier of (a) 60 days after all Property has been Liquidated or (b) one year after Confirmation.

Secured/Secured Claim: An Allowed claim secured by a lien, security interest or other charge against or interest in Property in which the Debtor has an interest, which interest was perfected as required by applicable nonbankruptcy law or which is subject to setoff under Section 553 of the Bankruptcy Code. A claim is an Allowed Secured Claim to the extent of, but not exceeding, the value (determined pursuant to Section 506 of the Bankruptcy Code) of the interest of the holder of such claim in the Debtor's interest in such Property, or to the extent of the amount subject to setoff. An Allowed Secured Claim includes interest, fees, costs and charges only to the extent they may be allowed by Section 506(b) of the Bankruptcy Code.

Unsecured or Unsecured Claim: An Allowed claim which is neither an Administrative Expense, a Priority Claim nor a Secured Claim.

U.S. Trustee: the Office of the United States Trustee for the Eastern District of Virginia, Norfolk Division.

Paid Compromised Claims

Status	NO.	CREDITOR	DATE FILED	AMOUNT OF CLAIM	NATURE OF CLAIM	COMMENTS	ALLOWED AMOUNT
Class 1 Compromised Claims:							
A	192	City of Chesapeake	09/20/01	\$ 733.61	Business License Tax	Claim allowed pursuant to order entered 8/27/02	\$733.61 PAID
Waived	138	Davel Communications, Inc.	03/13/01		Breach of contract	Claim waived pursuant to order entered 11/14/02	\$ -
Withdrawn	123	Ecufin, Inc.	03/13/01	\$ 6,101,150.00	Money loaned	Claim withdrawn pursuant to settlement order entered 5/16/02	\$ -
A	127	Ecufin, Inc.	03/13/01	\$ 404,971.56	Money loaned	\$150,000 PAID balance of claim waived pursuant to order entered 5/16/02	\$150,000 PAID
A	116	GECC	03/09/01	\$ 6,484,913.22	Money loaned	\$400,000 PAID pursuant to settlement order entered 5/16/02. Balance of claim withdrawn	\$400,000 PAID
A	167	Highwoods Realty Limited Partnership	04/18/01	\$ 8,097.24	Rejection of leases	\$5,000 PAID pursuant to order entered 7/9/02	\$5,000 PAID
Withdrawn	184	IRS	09/13/01	\$ 120,557.90		Withdrawn pursuant to notice docket #400	\$ -
Withdrawn	117	NTFC Capital Corp.	03/09/01	\$ 6,980,076.50	Money loaned	Claim withdrawn pursuant to settlement order entered 5/16/02	\$ -
Waived	105	Verizon	02/26/01	\$ 4,946.81	Services performed	Claim waived pursuant to settlement order entered 11/07/02	\$ -
Waived	38	Verizon Directories Corp.	12/22/00	\$ 3,654.30	Services performed	Claim waived pursuant to settlement order entered 11/07/02	\$ -
Waived	101	Verizon Wireless	02/27/01	\$ 17,157.17	Services performed	Claim waived pursuant to settlement order entered 11/07/02	\$ -
Compromised Claims to be Treated as Class 4 Claims:							
A	9	Dorey Electric Co.	11/20/00	\$ 12,011.30	Services performed	Objected to claim. Allowed in lesser amount pursuant to order entered 10/31/01	\$ 11,386.66
A	130	Nokia	03/12/01	\$ 16,235,494.69	Purchase Agreement	Allow as unsecured pursuant to order entered 5/16/02	\$ 16,235,494.69

Paid Compromised Claims

Status	NO.	CREDITOR	DATE FILED	AMOUNT OF CLAIM	NATURE OF CLAIM	COMMENTS	ALLOWED AMOUNT
A	193	Universal Service Administrative Company	09/24/01	\$ 6,542.53	Federal Universal Service Obligation	\$2,500 PAID and \$4,042.53 allowed as unsecured non-priority pursuant to order entered 7/9/02	\$ 4,042.53

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Norfolk Division

In re

Picus, Inc.

Case Number 00-72059-SCS

CHAPTER 11

Internet Enterprise Center, Inc.

Debtor(s)

Order Approving Disclosure Statement
And Fixing Hearing on Confirmation and Times for Filing
Objections to Confirmation and Acceptances or Rejections of Plan

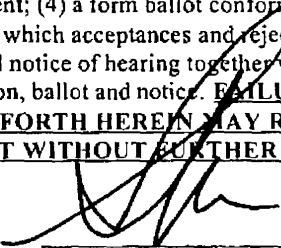
A disclosure statement under Chapter 11 of the Bankruptcy Code having been filed by
PICUS, INC. on APRIL 3, 2003, with respect to a plan filed on
APRIL 3, 2003, and

It having been determined after hearing on notice that the disclosure statement, with the amendment(s) and addenda thereto, *if applicable*, contain adequate information;

It is **ORDERED** that:

1. The disclosure statement filed by PICUS, INC. on APRIL 3, 2003, is approved.
2. SEPTEMBER 4, 2003 is fixed as the last day for filing written acceptances or rejections of the plan, with the amendment(s) thereto, *if applicable*, referred to above.
3. SEPT 11, 2003 at 11:00 A.M. is fixed for the hearing on confirmation of the plan.
4. Any objection to confirmation of the plan and any complaint objecting to the discharge of the individual debtor, if applicable, shall be filed with the Clerk of the United States Bankruptcy Court no later than **five (5) business days** prior to the hearing on confirmation of the plan and any objection to confirmation shall be served pursuant to Federal Rule of Bankruptcy Procedure 3020(b)(1) and Local Bankruptcy Rule 3016-1(E).
5. The proponent of the plan shall transmit by mail to all creditors, equity security holders, United States Trustee and other parties in interest at least **33 days** prior to the above hearing as provided in Rules 2002 and 3017(d) of the Federal Rules of Bankruptcy Procedure (1) the plan; (2) the disclosure statement with any amendments or addenda thereto as approved by the Court; (3) any opinion of the court approving the disclosure statement; (4) a form ballot conforming substantially to Official Form 14, and (5) notice of hearing on confirmation and time within which acceptances and rejections of such plan may be filed. The Proponent of the plan shall file with the Clerk the original notice of hearing together with a certification of distribution of the aforementioned plan, disclosure statement, opinion, ballot and notice. **FAILURE TO TIMELY COMPLY WITH THE NOTICING INSTRUCTIONS AS SET FORTH HEREIN MAY RESULT IN THE HEARING BEING STRICKEN FROM THE DOCKET WITHOUT FURTHER NOTICE.**

Date: 7/25/03


United States Bankruptcy Judge

NOTICE OF JUDGMENT OR ORDER
ENTERED ON DOCKET: **JUL 25 2003**

Certificate of Service. On the date of entry of this order on the docket, the docketing clerk hereby certifies that a copy of the order was served by electronic means or first class mail upon all parties in interest as required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules.

[ver. 5/31/02]

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.

BALLOT FOR ACCEPTING OR REJECTING PLAN

The undersigned, a creditor [or stockholder] of the above-named debtor, in the unpaid principal amount of \$ _____,

() Accepts

() Rejects

the plan of liquidation filed by the above named debtor.

Dated: _____

(Type or print name) _____

(Signed) _____

By _____

(If appropriate)

As _____

Address _____

Return this ballot on or before September 4, 2003 to:

Karen M. Crowley, Esq.
Marcus, Santoro & Kozak, P.C.
1435 Crossways Boulevard, Suite 300
Chesapeake, Virginia 23320
(757) 333-3390 facsimile