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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:) Chapter 11
)
ELANTIC TELECOM, INC.,) Case No. 04-36897-DOT
)
Debtor.)

**NOTICE OF (A) FILING OF BANKRUPTCY PETITION,
(B) FILING OF MOTIONS AND (C) HEARING ON MOTIONS**

PLEASE TAKE NOTICE that on July 19, 2004, the above-captioned debtor and debtor-in-possession (the "Debtor" and or "ETI") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq., with the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the "Court").

PLEASE TAKE FURTHER NOTICE that, on July 20, 2004, the Debtor filed the following motions:

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____

1. Debtor's Motion For An Administrative Order Establishing Notice, Case Management And Hearing Procedures And Memorandum In Support Thereof;
2. Debtor's Motion To (A) Extend Time For Filing Schedules And Statements And (B) Grant Certain Related Relief And Memorandum In Support Thereof;
3. Debtor's Motion To Approve Continued Use Of (A) Cash Management Systems And (B) Existing Bank Accounts And Business Forms And Memorandum In Support Thereof;
4. Debtor's Motion To Determine Adequate Assurance Of Payment For Future Utility Services And Memorandum In Support Thereof;

SEC J Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
OTH Shannon D. Franklin, Esquire (Va. Bar No. 46864)
Tavenner & Beran, PLC
1015 East Main Street, First Floor
Richmond, Virginia 23219
Telephone: (804) 783-8300
Telecopy: (804) 783-0178

Proposed Counsel for the Debtor

DOCUMENT NUMBER-DATE

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5. Emergency Motion Of Debtor For Entry Of An Order (i) Authorizing The Debtor To Use Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (ii) Authorizing The Debtor To Provide Adequate Protection Payments Pursuant To Section 361 Of The Bankruptcy Code And (iii) Scheduling A Final Hearing Pursuant To Bankruptcy Rule 4001;
6. Debtor's Motion To Authorize (A) Continuation of Insurance and Workers' Compensation Programs And Policies And (B) Payment of Premiums And Memorandum In Support Thereof;
7. Debtor's Motion For An Order Establishing Procedures For Sale Of Miscellaneous Assets And Memorandum In Support Thereof;
8. Debtor's Motion For An Administrative Order Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals And Memorandum In Support Thereof;
9. Debtor's Motion To Approve The Rejection Of Certain Nonresidential Real Property Leases Pursuant To 11 U.S.C. § 365 And Memorandum In Support Thereof;
10. Debtor's Motion To Extend Time To Assume Or Reject Unexpired Leases Of Nonresidential Real Property And Memorandum In Support Thereof.

(collectively, the "Motions").

On July 20, 2004, copies of the Motions will be served upon: the Office of the United States Trustee, the Debtor's twenty largest unsecured creditors as identified in its Chapter 11 petition, the Debtor's known secured creditors, and any known legal counsel for the Debtor's secured creditors (all as listed on Schedule A attached hereto).¹ Any party receiving this notice who does not appear on Schedule A may request copies of the Motions by contacting counsel for the Debtor at:

Tavener & Beran, PLC
1015 East Main Street, First Floor
Richmond, Virginia 23219
Telephone (804) 783-8300

¹ The Debtor's Motion For An Administrative Order Establishing Notice, Case Management And Hearing Procedures And Memorandum In Support Thereof was served on all parties on Schedule A as well as all of the Debtor's creditors as listed on its Chapter 11 petition.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one). Under Local Bankruptcy Rule 9013-1, unless a written response to Motions 1 through 6 is filed with the Clerk of Court and served on the moving party before the scheduled hearing date, the Court may deem any opposition waived, treat Motions 1 through 6 as conceded, and issue orders granting the relief requested.

Under Local Bankruptcy Rule 9013-1, unless a written response to Motions 7 through 10 is filed with the Clerk of Court and served on the moving party within five (5) business days before the scheduled hearing date, the Court may deem any opposition waived, treat Motions 7 through 10 as conceded, and issue orders granting the relief requested.

PLEASE TAKE FURTHER NOTICE that, on July 22, 2004 at 10:00 a.m., (or such time thereafter as the matter may be heard) the undersigned will appear before The Honorable Douglas O. Tice Jr., United States Bankruptcy Judge, in Room 335 of the United States Courthouse Annex, 1100 East Main Street, Richmond, Virginia 23219, and will move the Court for entry of orders approving Motions 1 through 6.

PLEASE TAKE FURTHER NOTICE that, on August 17, 2004 at 2:00 p.m., (or such time thereafter as the matter may be heard) the undersigned will appear before The Honorable Douglas O. Tice Jr., United States Bankruptcy Judge, in Room 335 of the United States Courthouse Annex, 1100 East Main Street, Richmond, Virginia 23219, and will move the Court for entry of orders approving Motions 7 through 10.

If you do not want the Court to grant the relief sought in the Motions, or if you want the Court to consider your views on Motions, then before 10:00 a.m. on July 22, 2004 (as to Motions 1 through 6) and within five (5) business days of August 17, 2004 (as to Motions 7 through 10) you or your attorney must:

- Electronically file with the Court, at the address shown below, a written response with supporting memorandum pursuant to Local Bankruptcy Rule 9013-1. You must mail or otherwise file it early enough so the Court will receive it on or before the due date identified herein.

Clerk of Court
United States Bankruptcy Court
1100 East Main Street, Room 310
Richmond, Virginia 23219

You must also serve a copy on:

Lynn L. Tavenner, Esquire
Tavenner & Beran, PLC
1015 East Main Street, First Floor
Richmond, Virginia 23219

Lee Barnhill, Esquire
Assistant United States Trustee
Office of the United States Trustee
600 East Main Street, Suite 301
Richmond, Virginia 23219

If you or your attorney do not take these steps, the Court may deem any opposition waived, treat the Motions as conceded, and issue orders granting the requested relief without further notice or hearing.

ELANTIC TELECOM, INC.

By: /s/ Lynn L. Tavenner
Proposed Counsel

Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
Shannon D. Franklin, Esquire (Va. Bar No. 46864)
Tavenner & Beran, PLC
1015 East Main Street, First Floor
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Telephone: (804) 783-8300
Telecopy: (804) 783-0178

Proposed Counsel for the Debtor

CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of July, 2004, a true and correct copy of the Notice Of (A) Filing of Bankruptcy Petition (B) Filing of Motions, and (C) Hearings On Motions was served via overnight delivery (next business day) to the Office of the United States Trustee, the Debtor's twenty largest unsecured creditors as identified in its Chapter 11 petition, the Debtor's known secured creditors, and any known legal counsel for the Debtor's secured creditors (all as listed on Schedule A attached hereto) and by first class mail, postage prepaid, on all of the Debtor's creditors as listed in its Chapter 11 petition.

/s/ Lynn L. Tavenner

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:) Chapter 11
)
ELANTIC TELECOM, INC.,) Case No. 04-36897-DOT
)
Debtor.)

**DEBTOR'S MOTION FOR AN ADMINISTRATIVE ORDER
ESTABLISHING NOTICE, CASE MANAGEMENT AND HEARING
PROCEDURES AND MEMORANDUM IN SUPPORT THEREOF**

The above-captioned debtor and debtor-in-possession (the "Debtor" and/or "ETI") hereby moves the Court for the entry of an administrative order establishing notice, case management and hearing procedures, and in support thereof, respectfully represent as follows:

Background

1. On July 19, 2004 (the "Petition Date"), the Debtor commenced its reorganization case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code").
2. The Debtor is continuing in possession of its property and is operating and managing its business, as a debtor-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

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Proposed Counsel for the Debtor

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

The Debtor's Business

4. ETI provides wholesale fiber bandwidth and carrier services to long-distance, international, wireless carriers, and competitive local exchange carriers across its extensive fiber optic network, which consists of approximately 16,000-miles.

5. ETI originally was incorporated in April, 1997 as VPS Communications, Inc., and operated thereafter as Dominion Telecom, Inc. ("DTI" or the "Pre-merger Debtor"). On May 20, 2004, Elantic Networks Merger Sub, Inc., a Virginia corporation and a wholly-owned subsidiary of Elantic Networks, Inc., a Delaware corporation ("ENI"), was merged with and into the Pre-merger Debtor (the "Merger"). The Debtor survived the Merger and became a wholly-owned subsidiary of ENI.

6. ETI currently owns fiber optic cable and operates its core business in Virginia, with cable running over easements belonging to Virginia Electric and Power Company d/b/a Dominion Virginia Power. It also owns extrusion fiber optic lines throughout much of the eastern United States, and holds many infeasible rights of use upon cable belonging to others. ETI owns or leases equipment, real property and technologies that are incidental to its business.

7. The initial focus of the Pre-merger Debtor's strategy was to capitalize upon the strength of the existing fiber network presence in the marketplace throughout Virginia and northeastern North Carolina. However, it later attempted to expand beyond its core areas of expertise and geographic strengths, which included a massive expansion effort that stretched the network from Virginia, to as far north as Canada, as far south as Miami, FL and as far west as

Dallas, TX. It was assumed that that the high demand for network capacity, as touted during the Internet boom would continue; accordingly, the Pre-merger Debtor expended approximately \$1 billion dollars to build the fiber network. This large outlay of cash for start-up construction, coupled with ongoing expenses associated therewith, contributed significantly to the Pre-merger Debtor's poor cash position. In addition, the telecom sector took a severe downturn just as construction began on the network.

8. Despite the downturn in the telecom sector, expenditures continued for constructing infrastructure, space build-out, and staffing before the Pre-merger Debtor identified the need for a modified business plan. However, this realization did not occur until long-term leases with too much capacity were in place in major markets, including Chicago, Atlanta, Miami, and many additional locations connecting those major-city markets. While many of the locations did not have equipment, customers, or revenue, the Pre-merger Debtor remained obligated to pay on-going expenses associated with such non-performing locations. As a result, the expenses from the non-performing locations depleted any revenue achieved by the Pre-merger Debtor at its profitable locations.

9. At the closing of the Merger, the Debtor was producing approximately \$2.5M in monthly revenue and spending approximately \$4M per month in net cash outflow.

10. Since the closing of the Merger, the Debtor has made significant strides in attempting to reduce the monthly cash burn. For example, to address the immediate need to reduce costs in the operation of the business, ETI entered into a management agreement (the "Management Agreement") with Cavalier Telephone, LLC ("Cavalier Telephone") for the daily management and operation of the network assets and other related business activities. This

management relationship is similar to that previously implemented between the Pre-merger Debtor and DT Services, Inc. (“DTS”); however, unlike the previous agreement, the Management Agreement has provided ETI with the opportunity to increase existing customer revenue, eliminate unprofitable business expenses, and research and implement certain cost cutting measures based upon Cavalier Telephone’s history of competently and efficiently managing the day-to-day operations of its own network and telecommunications business. After the closing of the Merger, Cavalier Telephone employed certain individuals (previously employed by DTS) to ensure that, in conjunction with the Management Agreement, it provides ETI with access to people with adequate knowledge of the network and history of existing customers.

11. In addition, ETI has, through negotiations, reduced monthly costs associated with certain agreements. However, before ETI can be profitable, it must re-negotiate or cancel additional unproductive and/or above-market leases and other operating agreements. ETI also needs to “clean up” its balance sheet.

12. ETI anticipates that it can experience moderate sustained growth by scaling back to select geographic areas, reducing costs (including those costs associated with certain long-term commitments), continuing to sell services and expanding its customer base.

13. In order to reduce costs and maximize revenue, including revenue from existing customer contracts with long-term commitments and a pipeline of new customer contracts for service, ETI believes pursuing a reorganization under Chapter 11 of the Bankruptcy Code is in the best interest of its creditors, customers and other parties in interest.

14. The prospects for ETI's reorganization are great. Since the closing of the Merger, ETI has taken steps to significantly reduce ongoing monthly expenditures. Furthermore, ETI believes that it has the ability to continue growing revenue from existing and new customers and will sustain and grow its business. Thus, ETI anticipates a successful reorganization under Chapter 11 of the Bankruptcy Code.

Request for Establishing Procedures Regarding Service and Notice of Filings

15. The Debtor requests the entry of an order authorizing and establishing procedures for serving and providing notice to interested parties. Specifically, the Debtor proposes that, except for notices supplied by the Debtor pursuant to Bankruptcy Rules 2002(a)(1), 2002(a)(4), 2002(a)(7), 2002(b)(1), 2002(b)(2), 2002(d), 2002(f)(1), 2002(f)(2), 2002(f)(3) and 2002(f)(5), and unless otherwise provided herein and/or by another order of this Court, every motion, application, objection, notice, brief, memorandum, affidavit, declaration or other writing filed in this case (including notices and orders by the Court, but not including proofs of claim, proofs of interest, or documents related to adversary proceedings) (collectively, the "Filings") shall be served upon the following parties:

- (a) The Debtor and its counsel;
- (b) The Office of the United States Trustee for the Eastern District of Virginia (the "United States Trustee");
- (c) Counsel to any official committee of unsecured creditors established in this case pursuant to § 1102 of the Bankruptcy Code (the "Creditors' Committee"), if any, the individual members of the Creditors' Committee when appointed (otherwise to the creditors listed on the Debtor's List of Creditors Holding 20 Largest Unsecured

Claims) and counsel to any other statutory committee appointed in this case;

(d) Counsel to any entity, if any, providing post-petition financing facilities;

(e) The Debtor's secured creditors or counsel for the same;

(f) Parties that properly file a request for notice of papers filed in this case, pursuant to Bankruptcy Rule 2002; and

(g) Other persons or entities that, by reason of their involvement in this case or the nature of the relief sought or the matter at issue, are directly affected by the Filing.

16. The names and addresses of the parties identified in subparagraphs (a) through (g) above, as of the date of this Motion, are set forth on Schedule A attached hereto and incorporated herein by reference (the "General Service List"). The Debtor shall file an updated copy of the General Service List with the Court, and serve such updated General Service List to the parties identified therein, no later than the tenth (10th) day of each calendar month. The Debtor shall provide a copy of the most up-to-date version of the General Service List to any party requesting a copy of the same.

17. All Filings for which notices to all parties in interest or other particularized notices are required pursuant to Bankruptcy Rules 2002(a)(2), 2002(a)(3), 2002(a)(6) or 4001 shall be served on the parties identified on the General Service List and in accordance with the following procedures:

(a) Filings relating to the use, sale, lease or abandonment of property shall be served on each entity having an ownership interest in the property or a lien or encumbrance on the property;

(b) Filings relating to relief from the automatic stay under § 362 of the

Bankruptcy Code or other automatic stay matters shall be served, as applicable, on (i) each entity having a lien or encumbrance on any affected property and (ii) the parties to any underlying lawsuit or administrative proceeding and its counsel;

(c) Filings relating to the use of cash collateral or obtaining credit shall be served on each entity with an interest in the cash collateral or each entity with a lien or other interest in property on which a lien is proposed to be granted;

(d) Filings relating to approval of a proposed compromise or settlement shall be served on each entity that is a party to the compromise and settlement;

(e) Filings relating to rights under § 365 of the Bankruptcy Code shall be served on each party to the executory contract(s) or unexpired lease(s) sought to be affected; and

(f) Filings relating to rights under § 366(b) of the Bankruptcy Code shall be served on each entity providing utility services to the Debtor.

18. All responses to a Filing shall be filed in accordance with this Motion and served on (a) the party or parties that submitted the Filing, (b) the parties on the General Service List and (c) any other party entitled to notice of the underlying Filing in accordance with this Motion. Such responses shall be filed and served in accordance with Local Rule 9013-1(H) except as modified by this Motion and/or any other Order of this Court.

19. All Filings and responses thereto in this case shall be filed with the Clerk of the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the "Clerk"), 1100 East Main Street, Room 310, Richmond, Virginia 23219-3515 (Phone: (804) 916-

2400) in accordance with the Electronic Filing Procedures (the “Electronic Filing Procedures”) described on Exhibit A attached hereto.

20. All parties requesting copies of any document filed with the Court shall obtain the same as directed in any order approving this Motion.

21. Any creditor or party in interest may enter an appearance and request to receive copies of filings (a “Notice Request”) by filing a request with the Clerk in accordance with the Electronic Filing Procedures and providing a copy of the Notice Request to counsel to the Debtor and counsel to any Creditors’ Committee appointed in this Chapter 11 case. A Notice Request must include the name and address of the party requesting service and must include a certification that the Notice Request has been served upon counsel to the Debtor and Counsel to the Creditors’ Committee, if applicable.

22. Notwithstanding anything to the contrary herein, the prosecution of any adversary proceedings commenced in this Chapter 11 case shall be subject to the Bankruptcy Rules, Local Rules of this Court and any separate case management or scheduling orders entered in such adversary proceedings of this Court.

23. Notice and service accomplished in accordance with the provisions of this Motion shall be deemed adequate in all respects pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court.

Request for Establishing Procedures Regarding Scheduling of Hearings

24. By this Motion, the Debtor requests the entry of an order authorizing and establishing procedures for scheduling of hearings and related matters.

25. Unless otherwise ordered or allowed by the Court, all matters will be considered by the Court during the regular omnibus hearings (collectively, the "Omnibus Hearings" or each an "Omnibus Hearing") on the following dates and times:

- August 17, 2004 at 2:00 p.m.
- September ____, 2004 at ____
- October ____, 2004 at ____
- November ____, 2004 at ____
- December ____, 2004 at ____
- January ____, 2005 at ____.

at the United States Bankruptcy Court for Eastern District of Virginia, Richmond Division, 1100 East Main Street, Room 335, Richmond, Virginia 23219-3515. Additional Omnibus Hearings may be scheduled by the Court on its own accord, or upon the request of the Debtor. Each Omnibus Hearing may be extended or continued on a subsequent date, if necessary, at the discretion of the Court.

26. The Debtor or a party with a particularized interest in a matter may request a separate or additional hearing on such matter (an "Additional Hearing") by requesting an Additional Hearing from the Court's Courtroom Deputy at (804) 916-2441 and/or (804) 916-2442. The party requesting an Additional Hearing must identify the nature of the matter or matters to be heard, the total estimated time necessary to present such matter or matters and why said matter cannot be heard at an Omnibus Hearing.

27. If a party in interest determines that an expedited hearing on a matter is necessary and warranted (i.e., a hearing before the next regularly-scheduled Omnibus Hearing or applicable Additional Hearing to be conducted on shortened notice), such party in interest shall request such a hearing in accordance with Local Rule 9013-1(N) and this Motion.

28. All time periods referenced in this Motion shall be calculated in accordance with Bankruptcy Rule 9006(a).

Notice

29. No trustee, examiner or creditors' committee has been appointed in this Chapter 11 case.

30. Notice of this Motion has been given to: (a) the Office of the United States Trustee, (b) the Debtor's twenty largest unsecured creditors as identified in its Chapter 11 petition, (c) the Debtor's known secured creditors, and (d) any known legal counsel for the Debtor's secured creditors and on (e) all of the Debtor's creditors as listed in its Chapter 11 petition. In light of the nature of the relief requested herein, the Debtor submits that no other or further notice is required.

WHEREFORE, the Debtor respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit B: (A) establishing procedures regarding (i) service and notice and (ii) scheduling of hearings; and (B) granting such other and further relief as the Court may deem proper.

ELANTIC TELECOM, INC.

By: /s/ Paula S. Beran
Proposed Counsel

Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
Shannon D. Franklin, Esquire (Va. Bar No. 46864)
Tavenner & Beran, PLC
1015 East Main Street, First Floor
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Telephone: (804) 783-8300
Telecopy: (804) 783-0178

Proposed Counsel for the Debtor

CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of July, 2004, a true and correct copy of the Debtor's Motion For An Administrative Order Establishing Notice, Case Management And Hearing Procedures And Memorandum In Support Thereof will be served via overnight delivery (next business day) to: the Office of the United States Trustee, the Debtor's twenty largest unsecured creditors as identified in its Chapter 11 petition, the Debtor's known secured creditors, and any known legal counsel for the Debtor's secured creditors (all as listed on Schedule A attached hereto) and by first class mail, postage prepaid, on all of the Debtor's creditors as listed in its Chapter 11 petition.

/s/ Paula S. Beran
Paula S. Beran, Esquire (Va. Bar No. 34679)
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Telecopy: (804) 783-0178

UNITED STATES BANKRUPTCY COURT
Eastern District of Virginia - Live
1100 East Main Street
Richmond, VA 23219

EXHIBIT A

NOTICE OF ELECTRONIC FILING PROCEDURE

Case Name:

Case Number:

Date Filed:

The above case, which has been filed in this court, can be accessed electronically via the Court's Internet site at <http://www.vaeb.uscourts.gov> or <http://ecf.vaeb.uscourts.gov>. In compliance with Federal Rule of Bankruptcy Procedure 9011 and in accordance with the "Administrative Procedures for Filing, Signing, Retaining and Verification of Pleadings and Papers in the Case Management/Electronic Case Filing (CM/ECF) System" Exhibit (hereafter Administrative Procedures), which is incorporated by reference in Standing "Order Adopting Case Management/Electronic Case Filing Procedures" (No.01-6), the registered participant's password shall constitute the signature of that person; therefore, security of a registered participant's password is the responsibility of that person. An original signed copy of the filing shall be retained in the registered participant's files in accordance with the Administrative Procedures.

Parties with legal representation must file documents in accordance with the following:

1. The requirements for filing, viewing and retrieving case documents are: A personal computer running Netscape navigator software version 4.6x or 4.7x, Adobe Acrobat 4.0 or later software to convert documents from a word processor format to a portable document format (PDF), and an Internet Service Provider (ISP) using Point-to-Point Protocol (PPP). The URL address is www.vaeb.uscourts.gov and a password is needed to access this system. Please contact the Court for further assistance. If you are unable to comply with these requirements then
2. You must submit your documents on a diskette using PDF format. The Adobe Acrobat software will provide this format. Further instruction may be found in Adobe's manual. Use a separate diskette for each filing. Submit the diskette in an envelope with case name, case number, type and title of document, and the file name on the diskette. If you are unable to comply with these requirements or the requirements set forth in item number 1 above, then
3. You must submit your documents on a diskette using one of the following formats: Word, WordPerfect, or DOS text (ASCII). If you are unable to comply with this requirement, the requirements set forth in item number 2, or the requirements set forth in item number 1 above, then
4. You must file a "Request for Waiver to File Conventionally" as provided for in the Administrative Procedures to indicate your inability to file by diskette. You then may file conventionally on unstapled, unbound 8 1/2" x 11" single-sided paper. Documents must be submitted with full signature(s), and will be scanned by the Clerk's Office. The scanned file will constitute the original signature(s). Include your "Request for Waiver to File Conventionally" with your filing.

Important Note: All parties without legal representation may file documents conventionally in accordance with the Local Bankruptcy Rules.

Dated: 04-06-2002
VAN-062

William C. Redden
Clerk of Court

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:) Chapter 11
ELANTIC TELECOM, INC.,) Case No. 04-36897-DOT
Debtor.)

**ADMINISTRATIVE ORDER ESTABLISHING NOTICE,
CASE MANAGEMENT AND HEARING PROCEDURES**

This matter came before the Court upon the Debtor's Motion For An Administrative Order Establishing Notice, Case Management And Hearing Procedures And Memorandum In Support Thereof (the "Motion"). The Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested in the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2) and (c) notice of this Motion and the Hearing was sufficient under the circumstances; and the Court being fully advised in the premises and having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; it is hereby

ORDERED as follows:

Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
Shannon D. Franklin, Esquire (Va. Bar No. 46864)
Tavenner & Beran, PLC
1015 East Main Street, First Floor
Richmond, Virginia 23219
Telephone: (804) 783-8300
Telecopy: (804) 783-0178

Proposed Counsel for the Debtor

1. The Motion is hereby GRANTED.
2. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

Service and Notice of Filings

3. General Service Rules. Except for notices supplied by the Debtor pursuant to Bankruptcy Rules 2002(a)(1), 2002(a)(4), 2002(a)(7), 2002(b)(1), 2002(b)(2), 2002(d), 2002(f)(1), 2002(f)(2), 2002(f)(3) and 2002(f)(5), and unless otherwise provided by this Order or another order of this Court, every motion, application, complaint, objection, notice, brief, memorandum, affidavit, declaration or other writing filed in this case (including notices and orders by the Court, but not including proofs of claim, or proofs of interest, documents related to adversary proceedings, or documents related to applications for payment of compensation or reimbursement of expenses of professionals) (collectively, "Filings" and each a "Filing") shall be served upon the following parties:

- (a) The Debtor and its counsel;
- (b) The Office of the United States Trustee for the Eastern District of Virginia (the "United States Trustee");
- (c) Counsel to any official committee of unsecured creditors established in this case pursuant to § 1102 of the Bankruptcy Code (the "Creditors' Committee"), if any, the individual members of the Creditors' Committee when appointed (otherwise to the creditors listed on the Debtor's List of Creditors Holding 20 Largest Unsecured Claims) and counsel to any other statutory committee appointed in this case;
- (d) Counsel to any entity, if any, providing post-petition financing facilities;

- (e) The Debtor's secured creditors or counsel for the same;
- (f) Parties that properly file a request for notice of papers filed in this case, pursuant to Bankruptcy Rule 2002; and
- (g) Other persons or entities that, by reason of their involvement in this case or the nature of the relief sought or the matter at issue, are directly affected by the Filing.

4. Special Service Rules. All Filings for which notices to all parties in interest or other particularized notices are required pursuant to Bankruptcy Rules 2002(a)(2), 2002(a)(3), 2002(a)(6) or 4001 shall be served on the parties identified on the General Service List and in accordance with the following procedures:

(a) Filings relating to the use, sale, lease or abandonment of property shall be served on each entity having an ownership interest in the property or a lien or encumbrance on the property;

(b) Filings relating to relief from the automatic stay under § 362 of the Bankruptcy Code or other automatic stay matters shall be served, as applicable, on (i) each entity having a lien or encumbrance on any affected property and (ii) the parties to any underlying lawsuit or administrative proceeding and their counsel;

(c) Filings relating to the use of cash collateral or obtaining credit shall be served on each entity with an interest in the cash collateral or each entity with a lien or other interest in property on which a lien is proposed to be granted;

(d) Filings relating to approval of a proposed compromise or settlement shall be served on each entity that is a party to the compromise and settlement; and

(e) Filings relating to rights under § 365 of the Bankruptcy Code shall be

served on each party to the executory contract(s) or unexpired lease(s) sought to be affected.

(f) Filings relating to rights under § 366(b) of the Bankruptcy Code shall be served on each entity providing utility services to the Debtor.

5. Responses. All responses to a Filing shall be filed in accordance with this Order and served on (a) the party or parties that submitted the Filing, (b) the parties on the General Service List and (c) any other party entitled to notice of the underlying Filing in accordance with this Order. Such responses shall be filed and served in accordance with Local Rule 9013-1(H) except as modified by this Motion and/or any other Order of this Court.

6. Right to Seek Limitation or Expansion of Notice. Nothing in this Order shall prejudice the rights of any party in interest to (a) move the Court to further limit or expand notice of certain matters and proceedings upon a showing of good cause, including the right to file a motion seeking emergency ex parte consideration, or consideration upon shortened time; (b) seek a reduction or enlargement of a time period under Bankruptcy Rule 9006(b) or 9006(c); or (c) seek a modification of the General Service List or the other procedures set forth herein. All requests for expedited relief shall be made in accordance with paragraph six (6) below.

7. Means of Service. Service may be made by regular United States mail (postage prepaid), electronic delivery through the Court's electronic case filing procedures, facsimile, overnight delivery, priority delivery, special courier or hand delivery; provided, however, that (a) service of any Filing requesting relief at a hearing on less than ten (10) days' notice shall be served by electronic delivery through the Court's electronic case filing procedures, facsimile,

overnight delivery, special courier or hand delivery and (b) any responsive Filing must be served so as to be received by the applicable service parties no later than the established response date.

8. Filing Procedure. All Filings and responses thereto in this case shall be filed with the Clerk of Court, 1100 East Main Street, Room 310, Richmond, Virginia 23219-3515 (Phone: (804) 916-2400) in accordance with the Electronic Filing Procedure described on Exhibit A attached to the motion.

9. Copies. All parties requesting copies of any document filed with the Court, except proofs of claim, are hereby put on notice and directed to obtain from the Court's website at www.vaeb.uscourts.gov or order them directly from:

Dave Jones & Assoc., Ltd.
c/o Clerk of Court
United States Bankruptcy Court
Eastern District of Virginia
1100 East Main Street, Room 310
Richmond, Virginia 23219-3515

Please be advised further that the Clerk's Office will not be required to provide copies during the pendency of this case. Charges and billings for copy work performed will be made by, Pacer Services, and/or Dave Jones & Assoc., Ltd., as applicable. Actual costs will depend on the nature of the Filing(s) being copied, but will, in general, be substantially less than the statutory charge made by the Clerk's Office.

10. Adversary Proceedings. Notwithstanding anything to the contrary herein, the prosecution of any adversary proceedings commenced in this Chapter 11 case shall be subject to the Bankruptcy Rules, Local Rules and any separate case management or scheduling orders entered in such adversary proceedings.

11. Requests For Notice. Any creditor or party in interest may enter an appearance and request to receive notice (a “Notice Request”) by filing a request with the Clerk in accordance with the Electronic Filing Procedures and providing a copy of the Notice Request to counsel to the Debtor and counsel to any Creditors’ Committee appointed in this Chapter 11 case. A Notice Request must include the name and address of the partying requesting service and must include a certification that the Notice Request has been served upon counsel to the Debtor and Counsel to the Creditors’ Committee, if applicable.

12. Adequate Notice. Notice and service accomplished in accordance with the provisions of this Order shall be deemed adequate in all respects pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court.

Scheduling of Hearings and Related Matters

13. Omnibus Hearings. Unless otherwise ordered by the Court, all matters will be considered by the Court during the regular omnibus hearings (collectively, the “Omnibus Hearings”) scheduled as follows:

- August 17, 2004 at 2:00 p.m.
- September ____, 2004 at ____
- October ____, 2004 at ____
- November ____, 2004 at ____
- December ____, 2004 at ____
- January ____, 2005 at ____

Additional Omnibus Hearings may be scheduled by the Court on its own accord, or upon the request of the Debtor. Each Omnibus Hearing may be extended or continued on a subsequent date, if necessary, at the discretion of the Court.

14. Additional Hearings. The Debtor or a party with a particularized interest in a matter may request a separate or additional hearing on such matter (an “Additional Hearing”) by providing a written request for an Additional Hearing from the Court’s Courtroom Deputy at (804) 916-2441 and/or (804) 916-2442. The party requesting an Additional Hearing must identify the nature of the matter or matters to be heard, the total estimated time necessary to present such matter or matters and why said matter cannot be heard at an Omnibus Hearing.

15. Expedited Hearings. If a party in interest determines that an expedited hearing on a matter is necessary and warranted (i.e., a hearing before the next regularly-scheduled Omnibus Hearing or applicable Additional Hearing to be conducted on shortened notice), such party in interest shall request such a hearing in accordance with Local Rule 9013-1(N) and this Order.

16. All time periods referenced in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

17. Upon entry the Clerk shall provide copies of this order to all parties listed on the Service List attached hereto.

Enter:

CHIEF UNITED STATES BANKRUPTCY JUDGE

I ask for this:

Lynn L. Tavenner, Esquire (Va. Bar No. 30083)
Paula S. Beran, Esquire (Va. Bar No. 34679)
Shannon D. Franklin, Esquire (Va. Bar No. 46864)
Tavenner & Beran, PLC
1015 East Main Street, First Floor
Richmond, Virginia 23219
Telephone: (804) 783-8300
Telecopy: (804) 783-0178

Proposed Counsel for the Debtor

Seen and not objected to:

Lee Barnhill, Esquire (D.C. Bar No. 430121)
Office of the United States Trustee
600 East Main Street, Suite 301
Richmond, Virginia 23219
Telephone: (804) 771-2310

Assistant United States Trustee

CERTIFICATION

I hereby certify that, pursuant to Local Rule 9022-1, the foregoing proposed Administrative Order Establishing Notice, Case Management and Hearing Procedures has either been served upon and/or endorsed by all necessary parties.

Proposed Counsel

SCHEDULE A

Adelphia Comms. Corp.
c/o Dow Lohnes Albertson
1200 New Hampshire Ave. NW Suite 800
Washington, DC 20036

WILTEL Communications
8711 Freeport Parkway North A2
Irving TX 75063

City of Richmond
900 E Broad St.
City Hall Room 103
Richmond VA 23219

Adelphia Business Solutions
PO Box 931843
Atlanta GA 31193

MCI
PO Box 96022
Charlotte NC 28296

Con Edison
4 Irving Place
New York NY 10003

Sprint
PO Box 219489
Kansas City MO 64121

Verizon CABS
PO Box 37205
Baltimore MD 21297

De-Tech, Inc
3404 Hermitage Rd
Richmond VA 23227

MFP Financial Services Inc.
PO Box 70880
525 Monroe St 7th Fl. Mailroom
Chicago IL 60673

New York City Finance Dept.
PO Box 5070
Kingston NY 12402

County of Henrico
Lockbox 4733
PO Box 85080
Richmond VA 23285

KMC Telecom
P.O. Box 48169
Newark NJ 7101

Level 3 Communication, LLC
Department #182
Denver CO 80291

Cox Communications
1400 Lake Hearn Drive
Atlanta GA 30319

Lake County Treasurer
11 E. 4th St.
Gary IN 46402

Insignia Esg, Inc
PO Box 203049
Houston TX 77216

Valley Net Partnership
PO Box 1990
Waynesboro VA 22980

GE Energy Mgmt. Services Inc
PO Box 643449
Pittsburgh PA 15264

Marietta Street Partners, LLC
56 Marietta St.
Atlanta GA 30303

MBBC Investment Corp.
75 State St Suite 2500
Boston MA 02109

M/C Partners
75 State St Suite 2500
Boston MA 02109

M/C Venture Partners IV, L.P.
75 State St Suite 2500
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M/C Venture Partners V, L.P.
75 State St Suite 2500
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M/C Venture Investors L.L.C.
75 State St Suite 2500
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Chestnut Venture Partners, L.P.
75 State St Suite 2500
Boston MA 02109

Bancamerica Capital Investors SBIC, L.P.
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Dallas TX 75202

BB&T Capital Partners, LLC
200 W Second St 4th Fl
Winston Salem NC 27101

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US Trustee Office
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James D. McGinley, Esq.
Edwards & Angel
101 Federal Street
Boston MA 02110

SCHEDULE A

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c/o Brett R. Lindsay
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