

DOCUMENT NO
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

ORIGINAL

In re PATHNET OPERATING, INC., Debtor.	Chapter 7 Case No. 01-12266-SSM
In re PATHNET OPERATING OF VIRGINIA, INC., Debtor.	Case No. 01-12267-SSM
In re PATHNET FIBER EQUIPMENT, LLC, Debtor.	Case No. 01-12268-SSM
In re PATHNET REAL ESTATE, LLC, Debtor.	Case No. 01-12269-SSM

**MOTION TO ESTABLISH CLAIMS AND
OBJECTIONS PROCEDURES AND FOR RELATED RELIEF**

Gordon P. Peyton (the "Trustee"), by counsel, respectfully states as follows:

- The Trustee has continued to act since his appointment upon a conversion of these matters from Chapter 11 to Chapter 7
- At the present time, the Trustee has approximately \$1,212,924.49 in a money market account at J.P. Morgan Chase Bank for the benefit of pre-petition, unsecured, non-priority creditors. The Trustee expects that this amount will increase but not dramatically. The Trustee

H. Bradley Evans, Jr. (VSB #4733)
E. Andrew Burcher (VSB #41310)
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510 King Street, Suite 301
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(703) 684-2000
Counsel to Gordon P. Peyton, Trustee

and his counsel have been involved in an extensive review of the Proofs of Claim filed in this matter. At the present time, it is estimated that the distribution will be less than 2¢ on the dollar.

3. The cost of complete mailings to all creditors regarding all objections and compromises would be prohibitively expensive. In addition, it will considerably increase the delay in distribution.

4. In order to expedite matters, the Trustee respectfully prays that the Court enter an Order providing that:

- All unsecured, non-priority claims that aggregate less than \$5,000.00 will not be paid without further notice because of the de minimis distribution amount involved.
- All claims which were listed or filed as secured (other than Cisco Systems Capital Corporation ("Cisco") and Nortel Networks, Inc., ("Nortel")) will be allowed as unsecured without further notice unless a separate objection is filed.
- All creditors who filed more than one Proof of Claim for the same approximate amounts will be allowed only as to the larger of the two without further notice unless there is objection on other grounds.
- All Proofs of Claim filed or listed in the Schedules which are subject to unsatisfied preference judgments will be disallowed in their entirety without further notice.
- No distributions will be made from Pathnet Fiber Equipment, LLC (Case No. 01-12268-SSM); Pathnet Operating of Virginia, Inc., Case No. 01-12267-SSM; and Pathnet Real Estate, LLC, Case No. 01-12269-SSM.
- No money will be paid by the Trustee to any other Pathnet entity.
- The Trustee will have authority to compromise and pay any claim which is subject to controversy with notice going only to secured lenders Cisco and Nortel, the U.S. Trustee's Office and any other entity which specifically requests notice of such compromises.


WHEREFORE, it is prayed that the attached, proposed Order be entered by the Court.

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CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
NMS _____
RCA _____
SCR _____
SEC _____
OTH Grant

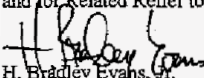
GORDON P. PEYTON, TRUSTEE IN
BANKRUPTCY
By Counsel

REDMON, PEYTON & BRASWELL, LLP

By: 
/s/ H. Bradley Evans, Jr.
H. Bradley Evans, Jr. (VSB #4733)
E. Andrew Burcher (VSB #41310)
510 King Street, Suite 301
Alexandria, VA 22314
(703) 684-2000
(703) 684-5109 (fax)
Counsel to Gordon P. Peyton, Trustee

CERTIFICATE OF SERVICE

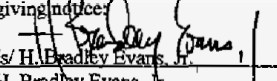
I hereby certify that on this 28th day of February, 2005, I caused a copy of the foregoing Motion to Establish Claims and Objections Procedures and for Related Relief to be mailed first-class, postage prepaid to all parties on the attached list.


/s/ H. Bradley Evans, Jr.
H. Bradley Evans, Jr.

*Pursuant to Local Rule 5005-1(C)(8), the attached service list is not being served on each of the parties, but is attached to the original Certificate of Service filed with the Court.

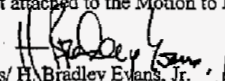
Date: February 28, 2005

Signature, name, address and telephone number of person giving notice:


/s/ H. Bradley Evans, Jr.
H. Bradley Evans, Jr.
Redmon, Peyton & Braswell, LLP
510 King Street, Suite 301
Alexandria, VA 22314
(703) 684-2000
Virginia State Bar No. 4733
Counsel for Gordon P. Peyton, Trustee in Bankruptcy

CERTIFICATE OF SERVICE

I hereby certify that I have this 28th day of February, 2005, mailed a true copy of the foregoing Notice to all parties listed on the service list attached to the Motion to Establish Claims and Objections Procedures and for Related Relief.


/s/ H. Bradley Evans, Jr.
H. Bradley Evans, Jr.

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).

If you do not wish the Court to grant the relief sought in the motion, or if you want the Court to consider your views on the motion, then on or before March 15, 2005, you or your attorney must:

- File with the Court (United States Bankruptcy Court for the Eastern District of Virginia (Alexandria Division), 200 South Washington Street, P.O. Box 19247, Alexandria, VA 22320-9247), a written response with supporting memorandum as required by Local Bankruptcy Rule 9013-1(H). **Unless a written response and supporting memorandum are filed and served by the date specified, the Court may deem any opposition waived, treat the motion as conceded, and issue an order granting the requested relief without further notice or hearing.** If you mail your response to the Court for filing, you must mail it early enough so the Court will receive it on or before the date stated above. You must also mail a copy to the persons listed below.
- Attend the hearing to be held on March 22, 2005 at 10:00 a.m.
- Send a copy of any written response to the following persons:
 - H. Bradley Evans, Jr.
Redmon, Peyton & Braswell, LLP
510 King Street, Suite 301
Alexandria, VA 22314
 - United States Trustee, Region 4
115 South Union Street, Suite 210
Alexandria, VA 22314

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an order granting that relief.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

In re	)	Chapter 7
PATHNET OPERATING, INC., Debtor.	)	Case No. 01-12266-SSM
In re	)	Case No. 01-12267-SSM
PATHNET OPERATING OF VIRGINIA, INC., Debtor.)	
In re	)	Case No. 01-12268-SSM
PATHNET FIBER EQUIPMENT, LLC, Debtor.)	
In re	)	Case No. 01-12269-SSM
PATHNET REAL ESTATE, LLC, Debtor.)	

ORDER REGARDING CLAIMS PROCEDURE AND DISTRIBUTION

THIS MATTER CAME on to be heard on the ___ day of March, 2005, on the Motion of the Trustee to expedite and simplify the process of objecting to and making distributions pursuant to the Proofs of Claim filed and claims listed in these cases. It having been represented to the Court that the Trustee anticipates that distribution will be less than 2¢ on the dollar to pre-petition, unsecured, non-priority creditors in accordance with the Cash Collateral Agreement as later amended, and it further appearing that there is an immense mailing list in this case and

H. Bradley Evans, Jr. (VSB #4733)
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Counsel to Gordon P. Peyton, Trustee

Schedules in which the Debtors listed many creditors and stated zero was owing and said creditors never filed Proofs of Claim; and after Notice, no objection having been filed and the Court being of the opinion it is proper, it is

ORDERED AND ADJUDGED that:

1. Any non-priority claim which is less than \$5,000.00 is hereby disallowed as de minimis without further notice

2. The claim of any creditor listed or which filed a Proof of Claim which has an unsatisfied preference judgment entered against it in these cases, will be disallowed without further notice.

3. Any creditor which filed duplicate claims (or claims which are substantially similar) will be paid under one Proof of Claim only and if they are of different amounts, the larger amount will be paid without further notice unless a separate objection is filed. The other such duplicate claims will be disallowed without further notice.

4. No Proofs of Claim would be allowed nor distribution to any other Pathnet entity without further notice.

5. All claims other than the secured claims of Nortel Networks, Inc. ("Nortel") and Cisco Systems Capital Corporation ("Cisco") which have been filed as "secured" will be allowed as unsecured unless a separate objection is filed.

6. The Trustee will be authorized to compromise and adjust any Proof of Claim without notice to any other creditors except Nortel and Cisco, and the United States Trustee, provided that any creditor who requests notice in writing will also be notified of said proposed compromise(s).

DATED this ____ day of March, 2005.

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Alexandria Division)

In re	)	Chapter 7
PATHNET OPERATING, INC.,	)	Case No. 01-12266-SSM
Debtor.)	
In re)	
PATHNET OPERATING OF VIRGINIA,	)	Case No. 01-12267-SSM
INC.,)	
Debtor.)	
In re)	
PATHNET FIBER EQUIPMENT, LLC,	)	Case No. 01-12268-SSM
Debtor.)	
In re)	
PATHNET REAL ESTATE, LLC,	)	Case No. 01-12269-SSM
Debtor.)	

NOTICE OF MOTION

YOU ARE HEREBY NOTIFIED that Gordon P. Peyton, Trustee in Bankruptcy, by counsel, as filed the attached Motion to Establish Claims and Objections Procedures and for Related Relief. A hearing will be held on March 22, 2005 at 10:00 a.m. If you object to this Motion, you or your counsel must file a written objection with the Court and serve a copy on the undersigned counsel.

H. Bradley Evans, Jr. (VSB #4733)
E. Andrew Burcher (VSB #41310)
REDMON, PEYTON & BRASWELL, LLP
510 King Street, Suite 301
Alexandria, VA 22314
(703) 684-2000
Counsel to Gordon P. Peyton, Trustee

CLARENCE S. HAYES, JR.
U.S. BANKRUPTCY COURT JUDGE

TASK FOR THIS:

REDMON PEYTON & BRASWELL, LLP

By:

[Handwritten Signature]
A. H. Bradley, Esq., Jr.

H. Bradley Evans, Jr. (VSB #4733)

510 King Street, Suite 301

Alexandria, VA 22314

(703) 684-2000

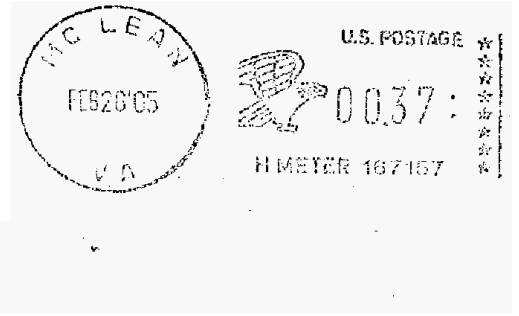
(703) 684-5109 (fax)

Counsel to Gordon P. Peyton, Trustee

H. Bradley Evans, Jr.
Redmon, Peyton & Braswell, LLP
510 King Street, Suite 301
Alexandria, VA 22314

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COMMISSION
CLERK



Deliver to:

Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

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**Important Legal Notice
Regarding Pathnet Operating, Inc.**

