

ORIGINAL

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

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IN RE:
EPICUS COMMUNICATIONS
GROUP, INC.,

CASE NO. 04-34915-BKC-PGH
CHAPTER 11
Jointly Administered

Debtor.
_____ /

IN RE:
EPICUS INC.,

CASE NO. 04-34916-BKC-PGH
CHAPTER 11

Debtor.
_____ /

**DEBTOR'S MOTION TO APPROVE ACCOUNT SALE AGREEMENT WITH
ARROW FINANCIAL SERVICES, LLC TO PURCHASE DEBTOR'S PRE-PETITION
ACCOUNTS DELINQUENT OVER 120 DAYS FREE AND CLEAR OF LIENS, CLAIMS
AND ENCUMBRANCES**

EPICUS, INC., the Debtor-in-Possession, by and through undersigned counsel, moves the Court for an Order Approving the Purchase and Sale Agreement with Arrow Financial Services, LLC ("Arrow") for the sale of the Debtor's pre-petition accounts receivable that are delinquent over 120 days and would state as follows:

1. On October 25, 2004, the Debtor initiated this case by filing a Voluntary Petition under

CMP _____ Chapter 11 of Title 11 of the United States Code in this Court. The Debtor's parent company,
COM _____
CTR _____ Epicus Communications Group, Inc., filed a Voluntary Petition under Chapter 11 on October 25,
ECR _____ 2004 under Case No. 04-34915-BKC-PGH.

GCL _____ 2. The Debtor is a telephone services re-seller with facilities in Seminole County, Florida.
OPC _____
RCA _____ The Debtor has been operating its business and managing its affairs as a Debtor-in-Possession under
SCR _____ the authority of 11 U.S.C. §§1107 and 1108.

SGA _____ 3. The Debtor has certain pre-petition accounts which are over one hundred twenty (120)

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days delinquent and wishes to sell these delinquent accounts to **ARROW FINANCIAL SERVICES, LLC**, ("ARROW") for an amount equal to 1% of the current balance of the accounts being sold. These accounts currently have a balance of \$4,978,294.10. Therefore, the purchase price will be \$49,782.94, subject to adjustment in the event the balance of the accounts being sold changes.

4. Arrow has agreed to purchase from the Debtor all accounts receivable over 120 days old. Because of the amount of the Debtor's accounts and the fact that very few of the accounts over 120 days old are ever collected, the Debtor stops billing after four (4) months. Therefore, all accounts that are over 120 days have stopped receiving invoices from the Debtor and there is little chance that the Debtor will receive payment for these accounts.

5. The Debtor has solicited other offers and Arrow is willing to pay a higher amount than similar companies for the purchase of these accounts. The Debtor had previously entered into a similar agreement with HOV Financial Services, LLC ("HOV") to purchase these accounts. The agreement with HOV was approved by the Court, but did not close. As a result, the Debtor sought other purchasers for the accounts.

6. Arrow is a good faith purchaser and is not affiliated with either the Debtor or HOV. Accordingly, Arrow is entitled to all of the protections afforded by §363(m) of the Bankruptcy Code.

7. The sale will be free and clear of all liens, claims and encumbrances. The accounts which the Debtor is seeking to sell are subject to a lien in favor of Bell South. Bell South and the Debtor have agreed that the purchase price will be remitted to Bell South and credited against the Debtor's post-petition obligations to Bell South, which are ongoing.

8. A copy of the Purchase and Sale Agreement is being attached to the original of this

motion on file in the Bankruptcy Court, the courtesy copy provided to the Court and the copy of the motion provided to the U.S. Trustee and counsel for the Creditors' Committee. A copy of the Agreement is available from undersigned counsel upon request.

WHEREFORE, the Debtor moves that this Court enter an Order allowing the Debtor to sell its pre-petition accounts receivable that are over 120 days old to Arrow for the sum of \$49,782.94, as adjusted, grant the Debtor authority to sign all documentation necessary to effectuate the transfer of the accounts to Arrow and for such other and further relief as this Court deems just and proper.

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent via U.S. Mail this 6th day of September, 2005 to all parties on the attached matrix.

I HEREBY CERTIFY that I am admitted to the Bar of the United States District Court for the Southern District of Florida and I am in compliance with the additional qualifications to practice in this Court set forth in Local Rule 2090-1(A).

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