

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: COMMERCECONNECT MEDIA HOLDINGS, INC., et al., [1]

Case No.: 09-12765 (BLS)
Reporting Period: August

MONTHLY OPERATING REPORT

Required Documents	Form No.	Document Attached	Explanation Attached	Affidavit / Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	x		
Bank Reconciliation	MOR-1a			x
Schedule of Professional Fees Paid	MOR-1b	x		
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	x		
Balance Sheet	MOR-3	x		
Status of Postpetition Taxes	MOR-4			x
Copies of IRS Form 61123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	x		
Listing of aged accounts payable	MOR-4		x	
Accounts Receivable Reconciliation and Aging	MOR-5	x		
Debtor Questionnaire	MOR-5	x		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual

9-16-09

Date

James Ogle

Printed name of Authorized Individual

CFO

Title of Authorized Individual

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: CommerceConnect Media Holdings, Inc. (1749), Cygnus Business Media, Inc. (0832), Cygnus New Business Launches, Inc. (0713) and Cygnus Interactive New Business Launches, Inc. (1283). The address for all Debtors is: 1233 Janesville Avenue, Fort Atkinson, WI 53538.

Schedule of Cash Disbursements
Form: MOR-1

	CCMH Consolidated	Cygnus Business Media, Inc.	Cygnus New Business Interactive Launch, Inc.	Cygnus New Business Launch, Inc.
Cash Beginning of Month	4,028,276	4,028,276		
Receipts:				
Cash Sales	512,818	512,818		
Accounts Receivable	4,710,111	4,710,111		
Total Receipts	5,222,929			
Disbursements:[2]				
Net Payroll	1,582,668	1,416,139	166,529	
Payroll Taxes	134,968	134,968		
Outside Commission	6,276	6,276		
Mechanical	475,823	453,323	22,500	
Editorial	49,217	49,217		
Circulation	33,438	33,438		
Expo Direct Costs	91,974	91,751		223
Employee Reimbursements	53,248	53,012	236	
Publication Postage (CAPS)	211,970	211,970		
Facilities	119,384	92,028	27,356	
Utilities	48,629	47,431	1,198	
Other G&A[3]	393,569	365,605	27,519	445
Professional Fees	-	-		
Prepay Deposits	295,659	295,659		
Total Disbursements	3,496,822	3,250,816	245,338	668
Net Cash Flow	1,726,107			
Cash - End of Month	5,754,383			
	5,754,383			

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[2] Direct costs based on disbursements by vendor type unless otherwise noted

[3] Allocation of remaining disbursements based on percentage of revenue for CBM of 93% and Cygnus Interactive of 7%

Bank Reconciliation
Form: MOR-1a

The below bank statements have been received and reconciled for the period ending August 31, 2009:

	Account Number	GL Account Number	Purpose	Reconciled by	Name on the Account
Chase - Main Account	20569075	5001	Main account-lockbox, wires, etc	Terri Stark	Cygnus Business Media Inc
Chase - Disbursements Account	30010899	5001	Main account-checking	Terri Stark	Cygnus Business Media Inc
Chase - Flexben Account	698569969	5003	Checking account for Independent Health to disburse Flexben checks	Terri Stark	Cygnus Business Media - Flexben
Chase - Utilities	817570237	5006	Utility Deposits	Terri Stark	Cygnus Business Media - Utilities
Chase - E Commerce Credit Card	623470119	5016	Web credit card deposits for subscription-Verisign/Paymentech weekly sweeps to Chase Main	Terri Stark	Cygnus Business Media Inc
Chase FH.com E-commerce	623472081	5018	Web credit card deposits for FH subscriptions/Membersone-Verisign/Paymentech daily sweeps to Chase Main	Terri Stark	Firehouse.Com Credit Card Account
Johnson Bank	11379400	5002	Local bank for miscellaneous cash received	Terri Stark	Cygnus Business Media Inc NY Division
Johnson Bank-Credit Card Deposits	1000297977	5017	Local bank for credit card transactions	Terri Stark	Cygnus Business Media Inc Credit Card Account
Wells Fargo Bank - MN	275812485	5008	Burnsville bank for miscellaneous cash received	Reid Burke	Johnson Hill Press Inc dba Cygnus Expositions
Bremer Bank - MN	651356	5013	Farmfest bank for miscellaneous cash received	Reid Burke	Cygnus Business Media
Bank of America-Baltimore	003931690816	5060	Bank for miscellaneous cash received at Expos	Reid Burke	Cygnus Business Media, Inc

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Schedule of Professional Fees and Expenses Paid
Form: MOR-1b

No payments have been make to professionals.

The following accruals have been recorded for Chapter 11 filing:

Professional:	Amount
Zolfo Cooper	200,000
Claims Agent	325,000
1st Lien Advisor	25,000
1st Lien Legal Council	200,000
Miller Buckfire	150,000
Curtis, Mallet	400,000
Richard Layton	150,000
Total	<u>1,450,000</u>

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Statement of Operations

Form: MOR-2

	MONTH					YTD				
	CONSOL	CYGNUS	INTERACTIVE	CYGNUS	CCMH	CONSOL	CYGNUS	INTERACTIVE	CYGNUS	CCMH
	TOTAL	BUS MEDIA	DIVISION	LAUNCH		TOTAL	BUS MEDIA	DIVISION	LAUNCH	
ADVERTISING REVENUE	3,588,791	3,588,791	-	-	-	30,352,671	30,352,671	-	-	-
SUBSCRIPTION REVENUE	123,554	123,554	-	-	-	1,027,012	1,027,012	-	-	-
MISCELLANEOUS REVENUE	165,385	165,385	-	-	-	1,258,901	1,258,901	-	-	-
INTERNET REVENUE	646,173	494,382	151,791	-	-	5,353,183	3,927,988	1,425,195	-	-
EXPO REVENUE	1,933,592	1,933,592	-	-	-	10,860,407	10,810,022	-	50,385	-
TOTAL REVENUE	6,457,495	6,305,704	151,791	-	-	48,852,174	47,376,594	1,425,195	50,385	-
PRE PRESS	43,424	43,424	-	-	-	352,697	352,697	-	-	-
MECHANICAL	1,190,057	1,258,286	(68,229)	-	-	10,407,880	11,068,314	(660,434)	-	-
EDITORIAL COSTS	81,986	81,986	-	-	-	808,545	805,546	2,999	-	-
CIRCULATION	304,710	304,710	-	-	-	2,656,736	2,656,736	-	-	-
EXPO DIRECT COSTS	1,027,162	1,026,939	-	223	-	7,382,172	7,325,265	-	56,907	-
TOTAL COST OF OPERATIONS	2,647,339	2,715,345	(68,229)	223	-	21,608,030	22,208,558	(657,435)	56,907	-
GROSS PROFIT	3,810,156	3,590,359	220,020	(223)	-	27,244,144	25,168,036	2,082,630	(6,522)	-
GP %	59.0%	56.9%	144.9%	#DIV/0!	0.0%	55.8%	53.1%	146.1%	-12.9%	0.0%
SALARIES - SALES	636,648	636,648	-	-	-	6,398,071	6,315,805	82,266	-	-
SALARIES - OFFICE	724,582	559,037	165,545	-	-	7,230,249	5,679,592	1,550,657	-	-
EMPLOYEE FRINGE BENEFITS	221,441	220,457	984	-	-	1,666,669	1,658,072	8597	-	-
P/R TAXES	134,968	134,968	-	-	-	1,516,942	1,516,942	-	-	-
OUTSIDE COMMISSION	54,880	54,880	-	-	-	469,149	469,149	-	-	-
TRAVEL & ENT	68,401	68,165	236	-	-	952,443	916,802	35,641	-	-
PROMOTIONS & CONV	43,240	43,240	-	-	-	568,912	568,912	-	-	-
POSTAGE	8,843	8,697	146	-	-	88,199	87,087	1,112	-	-
FACILITIES	119,384	92,028	27,356	-	-	981,321	766,838	214,483	-	-
TELEPHONE	40,616	39,418	1,198	-	-	340,451	331,319	9,132	-	-
OTHER S, G & A	43,344	29,997	13,347	-	-	472,465	328,366	144,099	-	-
PROFESSIONAL FEES	32,717	32,717	-	-	-	362,752	361,994	758	-	-
BAD DEBTS	70,289	70,289	-	-	-	369,014	369,014	-	-	-
MISC EXP/(INC)	51	(394)	-	445	-	(95,675)	(95,590)	(185)	100	-
EXPO INDIRECT COSTS	152,264	152,264	-	-	-	1,336,954	1,336,954	-	-	-
TOTAL S, G & A	2,351,668	2,142,411	208,812	445	-	22,657,916	20,611,256	2,046,560	100	-
EBITDA	1,458,488	1,447,948	11,208	(668)	-	4,586,228	4,556,780	36,070	(6,622)	-
INTEREST PREFERRED SHARES	1,267,238	-	-	-	1,267,238	12,024,526	-	-	-	12,024,526
UNREALIZED GAIN/LOSS	-	-	-	-	-	-	-	-	-	-
INTEREST - NET	1,321,303	1,321,303	-	-	-	10,860,905	10,860,905	-	-	-
NON-OPERATING-OTHER	1,362,045	1,362,045	-	-	-	8,235,161	8,235,161	-	-	-
DEPRECIATION EXP	146,721	140,886	5,835	-	-	1,176,901	1,125,094	51,807	-	-
AMORTIZATION EXP	224,560	224,560	-	-	-	1,782,056	1,782,056	-	-	-
PRETAX CONTRIBUTION	(2,863,379)	(1,600,846)	5,373	(668)	(1,267,238)	(29,493,321)	(17,446,436)	(15,737)	(6,622)	(12,024,526)
INCOME TAXES/(BENEFIT)	-	-	-	-	-	-	-	-	-	-
NET INCOME	(2,863,379)	(1,600,846)	5,373	(668)	(1,267,238)	(29,493,321)	(17,446,436)	(15,737)	(6,622)	(12,024,526)

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Balance Sheet
Form: MOR-3

	CONSOL TOTAL	ELIM	TOTAL CYGNUS	CYGNUS BUS MEDIA	CYGNUS INTERACTIVE	CYGNUS LAUNCH	CCMH, Inc.
ASSETS							
CASH	5,754,383		5,754,383	5,754,383	285	(285)	-
ACCOUNTS RECEIVABLES	7,429,906		7,429,906	7,429,906	-	-	-
NOTES RECEIVABLE & INTERCOMPANY	-		-	131,077	91,508	(31,461)	(191,124)
PREPAID EXPENSES	3,521,727		3,521,727	3,484,906	-	36,822	-
INVENTORY	467,409		467,409	467,409	-	-	-
CURRENT ASSETS	17,173,425	-	17,173,425	17,267,680	91,793	5,075	(191,124)
FIXED ASSETS-COST	18,434,615		18,434,615	17,264,666	1,169,949	-	-
ACCUMULATED DEPRECIATION	(11,771,371)		(11,771,371)	(10,707,295)	(1,064,075)	-	-
FIXED ASSETS-NET	6,663,245	-	6,663,245	6,557,371	105,874	-	-
GOODWILL	53,400,174		53,400,174	53,400,174	-	-	-
OTHER INTANGIBLES - NET	12,888,406		12,888,406	12,888,406	-	-	-
REFINANCING COSTS	-		-	-	-	-	-
INVESTMENTS	-	(143,156,825)	143,156,825	32,491,844	-	-	110,664,980
LONG TERM ASSETS	72,951,824	(143,156,825)	216,108,649	105,337,795	105,874	-	110,664,980
TOTAL ASSETS	90,125,249	(143,156,825)	233,282,074	122,605,475	197,667	5,075	110,473,856
LIABILITIES							
ACCOUNTS PAYABLE - TRADE	2,891,804		2,891,804	2,891,804	-	-	-
ACCRUED EXPENSES	2,168,243		2,168,243	2,168,243	-	-	-
UNEARNED INCOME	3,599,640		3,599,640	3,589,630	-	10,010	-
CURRENT LIABILITIES	8,659,686	-	8,659,686	8,649,676	-	10,010	-
PRE-PETITIONED CURRENT PORTION-LONG TERM DEBT	158,781,228		158,781,228	158,781,228	-	-	-
PRE-PETITIONED ACCOUNT PAYABLE-TRADE	2,116,741		2,116,741	2,116,741	-	-	-
PRE-PETITIONED ACCRUED EXPENSES	17,562,318		17,562,318	17,562,314	4	-	-
PRE-PETITIONED UNEARNED INCOME	1,301,066		1,301,066	1,252,766	12,444	35,856	-
PRE-PETITIONED OTHER CURRENT LIABILITIES	(78,528)		(78,528)	(78,528)	-	-	-
PRE-PETITIONED CURRENT LIABILITIES	179,682,825	-	179,682,825	179,634,521	12,448	35,856	-
TOTAL CURRENT LIABILITIES	188,342,511	-	188,342,511	188,284,198	12,448	45,866	-
CPI-PREFERRED STOCK A	1,267,238		1,267,238	-	-	-	1,267,238
LONG TERM LIABILITIES	1,267,238	-	1,267,238	-	-	-	1,267,238
PRE-PETITIONED LONG TERM BANK DEBT	30,000,000		30,000,000	30,000,000	-	-	-
PRE-PETITIONED OTHER LONG TERM LIABILITIES	2,186,461		2,186,461	2,186,461	-	-	-
PRE-PETITIONED LONG TERM DEFERRED INCOME TAX	955,000		955,000	955,000	-	-	-
PRE PETITION CPI-PREFERRED STOCK A	82,840,922		82,840,922	-	-	-	82,840,922
PRE-PETITIONED LONG TERM LIABILITY	115,982,383	-	115,982,383	33,141,461	-	-	82,840,922
TOTAL LONG TERM LIABILITIES	117,249,621	-	117,249,621	33,141,461	-	-	84,108,160
TOTAL LIABILITIES	305,592,133	-	305,592,133	221,425,659	12,448	45,866	84,108,160
STOCKHOLDER'S EQUITY							
COMMON STOCK	2,284		2,284	-	-	-	2,284
CPI-Preferred Stock B	109,820,300		109,820,300	-	-	-	109,820,300
CPI-Preferred Stock C	4,251,938		4,251,938	-	-	-	4,251,938
PAID IN CAPITAL	7,020	(143,156,825)	143,163,845	110,664,980	20,512,630	11,979,857	6,378
RETAINED EARNINGS	(329,548,426)		(329,548,426)	(209,485,164)	(20,327,411)	(12,020,646)	(87,715,204)
STOCKHOLDER'S EQUITY	(215,466,884)	(143,156,825)	(72,310,059)	(98,820,184)	185,219	(40,790)	26,365,696
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	90,125,249	(143,156,825)	233,282,074	122,605,475	197,667	5,076	110,473,856

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Status of Post Petition Taxes
Form: MOR-4

All tax returns that are due as of 9/15/09 have been filed.

E-filed 9/15/2009:

Commerce Connect Media Hldg., Inc. & Subsidiaries

Federal Consolidated Return, Form 1120

Cygnus Business Media, Inc

Georgia Corporation Income Tax and Net Worth Tax Return, Form 600

Massachusetts Business or Manufacturing Corporation Excise Return, Form 355

South Carolina Corporation Income Tax Return, Form SC1120

Commerce Connect Media Hldg., Inc. & Subsidiaries – Filed 9/16/2009

New York General Business Corp. Combined Franchise Tax Return, Form CT-3-A

New York State General Corporation MTA Surcharge Return, Form CT-3M/4M

New York City Combined General Corporation Tax Return, Form NYC-3A

Cygnus Business Media, Inc. – Filed 9/16/2009

Alabama Corporation Income Tax Return, Form 20C

Alabama Business Privilege Tax Return and Annual Report, Form CPT

Maryland Corporate Income Tax Return, Form 500

New Mexico Corporate Income and Franchise Tax Return, Form CIT-1

Oklahoma Annual Franchise Tax Return, Form 200

Oklahoma Corporation Income Tax Return, Form 512

Cygnus Interactive New Business Launches, Inc. – Filed 9/16/2009

Maryland Corporate Income Tax Return, Form 500

PWC is in the process of completing the remaining returns for states that have a due date of 10/15/09

The Payroll Processor, Ceridian completes all required tax filing for withholding purposed we have confirmed that they are current.

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Summary of Unpaid Post Petition Debts
Form: MOR-4

	<u>Current</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>Over 90</u>	<u>Total</u>
Accounts Payable[2]	1,185,039	1,185,039	51,677			1,236,716
Accrued AP	1,652,935	1,652,935				1,652,935
Accrued Circulation Exp	136,611	136,611				136,611
Agency Commission	1,153	1,153				1,153
Accrued Commission	204,677	204,677				204,677
Wages Payable	160,392	160,392				160,392
Flexible Spending Deposits	16,300	16,300				16,300
Sales/Use Tax	25,514	25,514				25,514
Deferred Revenue Expos	3,385,728	3,385,728				3,385,728
Deferred Revenue Pub & Interactive	191,052	191,052				191,052
Deferred Sub Revenue	22,860	22,860				22,860
Heroism Deposits	310	310				310
Interest	1,309,745	1,309,745				1,309,745
FICA Tax Payable	6,687	6,687				6,687
Accrued Health Ins Exp	278,235	278,235				278,235
Accrued Property Taxes	9,133	9,133				9,133
Accrued Consulting/Audit	25,813	25,813				25,813
Accrued Management Fee - ABRY	19,676	19,676				19,676
						-
Total Postpetition Debts	<u>8,631,862</u>	<u>8,631,862</u>	<u>51,677</u>	<u>-</u>	<u>-</u>	<u>8,683,539</u>

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[2] Detail can be provided upon request.

Accounts Receivable Reconciliation and Aging [2]

Form: MOR-5

Total Accounts Receivable at the beginning of the reporting period	6,777,157.21
Amounts billed	4,328,569.93
Amounts collected	<u>4,225,612.53</u>
Total Accounts Receivable at the end of the reporting period	6,880,114.61
Accounts Receivable Aging	
0-30 days old	3,905,390.06
31-60 days old	1,799,225.52
61-90 days old	639,331.19
91+ days old	<u>536,167.84</u>
Total Accounts Receivable	6,880,114.61
Amount considered uncollectible (Bad Debt acct.5199)	<u>(227,499.83)</u>
Accounts Receivable Net	6,652,614.78

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[2] Aging is prepared based on system invoiced AR for publication and interactive products billed through the Datatrac Sub-system. The expo division has no AR as prepayments are required to enter the show and exhibit. Other miscellaneous accruals for Receivables are recorded in the general ledger directly that included but are not limited to revenue sharing with partners, content licensing, list rentals and reprints. The company records this in account 5100 on the trial balance.

Debtor Questionnaire
 Form: MOR-5

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide explanation below.		X
2. Have any funds been disbursed from any account other than a detor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.		X
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	X	

3. A couple of states that do not accept electronic filing were filed one day late, minimal late fees will be incurred. The states are listed on the Tax filing schedule.

5. A utility deposit account was required to be established by the court, this was complete and is listed in the schedule of bank reconciliation:

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