

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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**In re:**

**COMMERCECONNECT MEDIA HOLDINGS,  
INC., et al.,<sup>1</sup>**

**Debtors.**

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)  
) **Chapter 11**  
)  
) **Case No. 09-**  
)  
) **Joint Administration Pending**  
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**MOTION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING DEBTORS TO  
(A) CONTINUE THEIR WORKERS' COMPENSATION PROGRAMS  
AND THEIR LIABILITY, PROPERTY, AND OTHER INSURANCE  
PROGRAMS AND (B) PAY ALL OBLIGATIONS IN RESPECT THEREOF**

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors" or "Cygnus") file this motion (the "Motion") for entry of an order, substantially in the form attached hereto as Exhibit A (the "Proposed Order"), authorizing, but not directing, the Debtors to (a) continue their workers' compensation program and their liability, property and other insurance programs, and (b) pay all obligations in respect thereof, on an uninterrupted basis, consistent with their practices in effect prior to the commencement of the Debtors' chapter 11 cases, including the payment of all premiums, claims, deductibles, excess, administrative expenses and all other charges incurred, whether relating to the period prior to or after the commencement of these chapter 11 cases, all as more fully set forth in the Motion. In support of this Motion, the Debtors rely on the Affidavit of James Ogle in Support of First Day Motions (the "Ogle Affidavit") filed contemporaneously with this Motion, and respectfully state as follows:

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<sup>1</sup> 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 each of the Debtors is: 1233 Janesville Avenue, Fort Atkinson, Wisconsin 53538.

## **Jurisdiction**

1. On the date hereof (the "Petition Date"), the Debtors commenced their respective bankruptcy cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"). No creditors' committee has yet been appointed in the Chapter 11 Cases by the United States Trustee. The Debtors are continuing in possession of their respective properties and are operating their respective businesses, as debtors-in-possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. The statutory predicates for the relief sought herein are sections 105(a), 362(d), 363(b) and 503(b) of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").

## **Introduction**

4. As described in more detail below, the Chapter 11 Cases have been commenced to effectuate a negotiated out-of-court restructuring plan that has previously been agreed to by all but one of the Debtors' senior secured lenders, all of the Debtors' junior secured lenders, the holders of all of CommerceConnect Media Holdings, Inc.'s ("CCMH") Series A Preferred Stock and the holders of a majority in interest of CCMH's voting equity. The Debtors do not intend the Chapter 11 Cases to have any effect on the allowed claims of general unsecured creditors, but rather, to permit such claims to effectively "ride through" the Chapter 11 process and be paid in full without any impact by the bankruptcy on the relative rights, obligations and defenses of the

parties. While the Debtors had hoped to avoid the cost of the Chapter 11 Cases by restructuring consensually out-of-court, one (1) hold out senior lender has refused to consent, apparently seeking to extract further value from the companies or its co-lenders. For this reason, the Debtors were forced to modify the consensual restructuring into a prepackaged plan of reorganization (the “Plan”). Approximately 96% of the Debtors’ senior secured lenders and 100% of the Debtors’ junior secured lenders have voted in favor of the Plan, representing approximately \$200 million of the approximately \$206 million in secured debt owed to these institutional creditors. The Debtors have therefore commenced these Chapter 11 Cases to confirm the Plan, and will be seeking to do so expeditiously.

A. The Debtors’ Businesses.

5. Cygnus is a leading business-to-business (“B2B”) publisher and communications company, distributing content to diverse audiences in the construction, public safety, industrial and manufacturing, security, technology, transportation and aviation industries. Cygnus employs approximately 680 people, including 430 salaried and hourly employees and 250 independent contractors, all of whose livelihoods depend in some significant measure upon the successful continuation of the Debtors’ business enterprise. These employees and independent contractors are essential to the Debtors’ business operations and perform a variety of critical functions.

6. Several magazines published by Cygnus have been published for more than 40 years. Cygnus’ market-leading brands include *Qualified Remodeler*, *Firehouse*, *Equipment Today*, *Kitchen and Bath Design News*, and the *CPA Technology Advisor*. Cygnus’ breadth of content is internationally-recognized, reaching millions of business professionals who rely on Cygnus’ proprietary content to make critical business decisions. Cygnus reaches business professionals by utilizing three media platforms: publishing, interactive and expositions.

7. Publishing. Cygnus publishes 42 leading trade publications in 13 major markets, reaching over three million professionals, manufacturers and retail subscribers regularly. Cygnus' publications are staffed with award-winning, industry-recognized writers and editors.

8. Interactive. With 38 website destinations, Cygnus' interactive division is a leading online provider of essential news, information, utilities and e-commerce services to 13 unique markets, providing industry news and information to over two million B2B professionals annually. Cygnus offers its interactive customers a full complement of updated industry news and award-winning editorial as well as video, webinars, online catalogs, e-newsletters and digital supplements and editions. In 2008, Cygnus interactive websites generated over 180 million page views with nearly two million unique visitors per month.

9. Expositions. Cygnus' exposition division is a leader in producing industry expositions, consistently providing solutions for doing business successfully. It produces approximately 32 trade shows and events annually, managing hundreds of thousands of square feet for thousands of exhibitors and tens of thousands of attendees each year. Additionally, Cygnus is at the forefront in producing electronic show dailies which include broadcast components, and Cygnus also produces custom programming from expo clients for use at trade shows.

B. Economic Performance and Other Challenges.

10. Cygnus' capital structure is highly leveraged, with approximately \$206 million in total funded debt (inclusive of accrued interest) as of June 30, 2009. Cygnus' funded debt consists primarily of (i) not less than \$173 million of senior, first lien debt under a credit agreement (the "Prepetition Credit Agreement") dated as of July 13, 2004, having General Electric Capital Corporation ("GECC") as agent; and (ii) approximately \$33 million of junior,

second lien debt under a term loan dated as of July 13, 2004, having Barclays Bank PLC (“Barclays”) as agent. In addition, Cygnus has issued approximately \$81 million of Series A Redeemable Preferred Stock (as of June 30, 2009, including accretion), approximately \$109,820 of Series B Preferred Stock (as of June 30, 2009), and approximately \$4,252 of Series C Preferred Stock (as of June 30, 2009).

11. Based on 2008 EBITDA of \$23 million, the total leverage ratio (secured debt) is approximately 8.9x and the aggregate leverage is 12.5x (including Series A but excluding Series B and Series C Preferred Stock).

12. Since the second quarter of 2008, Cygnus has been unable to meet its total leverage ratio covenants and has been in default under its financing agreements. The result of the covenant default was that lenders denied the company use of the \$13 million of availability under the Prepetition Credit Agreement, and Cygnus’ liquidity has become constrained. Cygnus has been unable to make regular debt service payments to either the senior secured lenders or junior secured lenders, and has been operating under a nonbinding forbearance from the lenders. Further, as a result of these events, Cygnus’ credit rating has been downgraded by Moody’s and Standard & Poor’s.

13. Additionally, Cygnus faces certain challenges that are not specific to it, but rather are being seen across the B2B industry. In addition to decreased advertising arising from the current economic climate, the B2B industry specifically has undergone a fundamental change driven by enhanced functionality of online advertising and tools causing traditional advertisers to reduce their allocation of resources to B2B publications and increase spending in their marketing budgets on their own websites.

14. Finally, Cygnus has been negatively affected by the overall shift away from print media. Although Cygnus has three media platforms, the majority of the business is devoted to and revenue is derived from print media. The management team continues to believe that in order to be more successful, the Cygnus model needs to continue to shift toward interactive media and away from print, providing the most appropriate balance for Cygnus' advertisers.

C. Sale Efforts; Negotiations with Lenders.

15. More than three years ago, the Board of Directors of Cygnus engaged a well-known, leading investment bank to conduct a process to broadly market the company. This marketing process was unsuccessful in producing a credible bid that satisfied the Board of Directors. After a change in management teams and approximately twelve months later, the Board of Directors retained a nationally recognized boutique investment bank focused on media companies to again market the company through a solicitation process where numerous parties were contacted. During this period Cygnus undertook a considerable internal restructuring designed to address the business challenges facing all print media companies.

16. The second marketing process concluded with the leading party providing a bid that failed to satisfy the secured creditors of the company and would not provide a recovery for other constituents. As noted above, the sale processes occurred at a time when print media businesses were (and continue to be) in considerable upheaval, and when the economy as a whole has been subject to considerable decline.

17. Due to these disappointing marketing process results, Cygnus engaged Miller Buckfire & Co., LLC ("Miller Buckfire") to assist the company's efforts to address its liquidity constraints and its overleveraged balance sheet. Miller Buckfire is an investment banking firm

with considerable expertise in distressed scenarios, including ones such as those faced by the company where the value of a company is less than its secured debt.

18. Miller Buckfire has performed a number of tasks simultaneously, including resoliciting the leading bidder noted above, soliciting interest from potential investors and strategic partners and conducting negotiations with Cygnus' secured lenders and preferred equity holders regarding an internal restructuring of the company's balance sheet. There have been a number of sit down meetings with and/or management presentations to interested parties and extensive negotiations with the senior secured and junior secured lenders.

19. Unfortunately, the multiple sales processes did not produce a buyer who could or would purchase Cygnus for an amount necessary to satisfy even the company's senior secured debt. As a result, Miller Buckfire and Cygnus turned their attention to the various restructuring possibilities. After examining the options, including both a chapter 11 bankruptcy filing and an out-of-court restructuring, Miller Buckfire and Cygnus concluded that an out-of-court restructuring presented the most viable option for the Debtors, as it likely would have the least impact on the Debtors' going concern value, the lowest cost of implementation and potentially could be consummated more quickly than the other alternatives. These factors translated into the best potential return for the Debtors' stakeholders.

20. The result is that Miller Buckfire and Cygnus developed, along with GECC, the other senior lenders, Barclays, the holders of the Series A Preferred Stock and the holders of a majority in interest of the Debtors' voting equity, a proposed restructuring that would convert a large portion of the existing senior secured debt, and all of the existing junior secured debt, into equity and warrants, respectively (the "Out-of-Court Restructuring").

D. Need for Relief.

21. The Out-of-Court Restructuring was intensely negotiated over a series of months, among the Debtors, GECC, the other senior lenders, Barclays, the holders of the Series A Preferred Stock and the holders of a majority in interest of the Debtors' voting equity. Throughout the process, each of GECC and Barclays has been in nearly constant contact with the registered holders of the senior secured debt and junior secured debt. Information and documentation has been made available in real time to all senior lenders, including, in the case of the senior secured lenders, through an on-line document database (*Intralinks*).

22. Until the week of July 13, 2009, the Out-of-Court Restructuring had been proceeding apace. As early as Monday of that week, all of the parties were hopeful that the Out-of-Court Restructuring would close on July 16, 2009, and in fact, the professionals had already begun to collect the signatures of the parties to the Out-of-Court Restructuring agreements when an unexpected obstacle arose.

23. On July 14, 2009, the Debtors were informed by GECC that one of the 21 holders of the not less than \$173 million of senior, first lien debt, may refuse to consent to the Out-of-Court Restructuring. That holder, Genesis CLO 2007-2 Ltd. ("Leichtman Fund"), a fund managed by Levine Leichtman Capital Partners ("Levine Leichtman"), holds approximately \$6.4 million of the not less than \$173 million of senior, first lien debt, which is less than 4% of the dollar amount of the claims in that class. Nonetheless, on an out-of-court basis, the Prepetition Credit Agreement requires unanimous consent of the holders to effectuate the transactions required. See Prepetition Credit Agreement, § 11.2(c).

24. Since that time, each of the Debtors, GECC and Barclays, and their respective professionals, have attempted to obtain Levine Leichtman's consent – with no success. Levine

Leichtman's refusal to consent has therefore made an out-of-court solution impossible. Given the foregoing factors, the Debtors have determined that a chapter 11 prepackaged plan affords them the best option to preserve and realize upon the value of the companies and is the only remaining option to implement the agreed upon restructuring.

25. In consultation with their professionals, and after careful examination, the Debtors' Boards of Directors, the Debtors, GECC and Barclays have determined that chapter 11, combined with the prepackaged Plan, is the best and most efficient way to maximize a return for the Debtors, their estates, and all parties-in-interest. Additionally, the Debtors have entered into a cash collateral agreement with GECC which, subject to Bankruptcy Court approval, allows the Debtors' the use of cash collateral to ensure that the Debtors will have sufficient liquidity to complete the Chapter 11 process and effectuate the Plan.

26. Consistent with the terms of the Out-of-Court Restructuring previously agreed to by the Debtors, all but one of the holders of the senior, first lien debt and all of the holders of the junior, second lien debt, the Plan seeks to impair only the not less than \$173 million of senior, first lien debt under a Prepetition Credit Agreement (Class 3), the approximately \$33 million of junior, second lien debt (Class 4), any intercompany obligations (Class 6) and the existing equity interests in the Debtors (Class 7 and 8). Holders of other secured claims and general unsecured claims will have their allowed claims reinstated, or, at the option of the Debtor, paid in full. The result is that the Plan provides for no impairment of virtually all the going-concern obligations of the Debtors, as well as the conversion of a large portion of the existing senior secured debt, and all of the existing junior secured debt, to equity and warrants, respectively. The conversion of debt to equity results in a greatly reduced debt service and a largely deleveraged balance sheet.

27. On July 27, 2009, the Debtors solicited votes for or against the Plan from Class 3 and 4, the only Classes entitled to vote under the Plan. As noted above and contained in the voting affidavit of Garden City Group<sup>2</sup> filed contemporaneously herewith, approximately 95% in number and approximately 96% in dollar amount of Class 3 creditors (all but the Leichtman Fund) have accepted the Plan and 100% in number and dollar amount of Class 4 creditors have voted to accept the Plan. Class 7 and Class 8 creditors were not solicited as they are receiving no distributions on account of their claims/interests and are deemed to have rejected the Plan.

28. The existence of a Plan that has been overwhelmingly approved by the voting Classes, as well as the cash collateral agreement between GECC and the Debtors, will allow the Debtors to transition through bankruptcy as smoothly and as quickly as possible. The Debtors' publications, interactive web site and expositions should be virtually unaffected. Further, out of an abundance of caution, the Debtors seek approval as part of their "first day motions" relief which will allow the Debtors' obligations to employees and critical vendors to be honored in the ordinary course of business until such time as the Plan is confirmed and the obligations reinstated.

29. The Chapter 11 Cases have therefore been instituted to enable the Debtors to effectively take these steps and otherwise maximize the value of their assets.

### **Relief Requested**

30. In connection with the operation of their business, the Debtors maintain a workers' compensation program (the "Workers' Compensation Program") and various liability, property, directors' and officers' ("D&O") liability, and other insurance programs (the "General Insurance Programs") and, together with the Workers' Compensation Program, the "Insurance

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<sup>2</sup> The Garden City Group is the Debtors' proposed Claims, Noticing and Balloting Agent.

Programs”) through several different insurance carriers (the “Insurance Carriers”), including, without limitation, those set forth on Exhibit B hereto.<sup>3</sup>

31. By this motion (the “Motion”), the Debtors request authority pursuant to sections 105(a), 362(d), 363(b), and 503(b) of the Bankruptcy Code to continue their Insurance Programs uninterrupted and to honor their undisputed prepetition obligations thereunder (the “Insurance Obligations”). To the Debtors’ knowledge, there are no outstanding prepetition amounts currently owed under the Insurance Programs. To the extent that there are prepetition amounts owed, however, the Debtors estimate that such current outstanding prepetition Insurance Obligations will aggregate to no more than approximately \$100,000.

32. As part of their cash management system, the Debtors maintain a disbursement account at JPMorgan Chase (the “Bank”). The Debtors draw upon funds in their account at the Bank to satisfy their obligations arising from the Insurance Programs. The Debtors request that the Court authorize the Bank (or such other bank or financial institution, as required) to receive, honor, process, and pay any and all checks drawn, or electronic fund transfers requested or to be requested, on the Debtors’ general disbursement account to the extent that such checks or electronic fund transfers relate to any of the foregoing.

### **The Debtors’ Insurance Programs and Related Obligations**

#### **A. Workers’ Compensation Program.**

33. Under the laws of the various states in which they operate, the Debtors are required to maintain for their employees workers’ compensation coverage for claims arising from or related to their employment with the Debtors.

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<sup>3</sup> In addition to the Insurance Programs listed on Exhibit B, the Debtors maintain numerous insurance programs with respect to, among other things, employee health, dental, disability, and life insurance benefits. These policies are addressed in a separate motion filed contemporaneously herewith pertaining to the Debtors’ employee wage policies and benefits programs.

34. The Workers' Compensation Program policy covers the period from June 1, 2009 to June 1, 2010. The Workers' Compensation Program policy covers \$1,000,000 per accident, per employee. Annual insurance premiums under the Workers' Compensation Program total approximately \$100,000.

35. As of the Petition Date, there are three (3) open workers' compensation claims (the "Workers' Compensation Claims") pending against one or more of the Debtors. The Debtors believe they may ultimately have certain obligations payable in the ordinary course of business over the next year on account of these Workers' Compensation Claims. Such claims are not expected to exceed the authority requested pursuant to this Motion.

B. General Insurance Programs.

36. The Debtors' General Insurance Programs include coverage for liabilities relating to, among other things, property and general liability, crime, D&O, umbrella, foreign liability, professional liability E&O, executive liability, auto liability and various other general liabilities. Continuation of these policies is essential to the ongoing operation of the Debtors' business.

37. The Debtors are required to pay premiums under the General Insurance Programs (the "Insurance Premiums") based upon a fixed rate established and billed by each Insurance Carrier. Annual Insurance Premiums for the General Insurance Programs are approximately \$100,000 in the aggregate (not including the annual premium paid in respect of the Workers' Compensation Program. In addition, the Debtors may have various deductible and co-insurance obligations (the "Insurance Deductibles") which are paid based on the amount of claims made against the General Insurance Programs, and which are calculated in accordance with the applicable insurance policies.

C. Insurance Brokers.

38. The Debtors obtain insurance from an insurance broker. The Debtors' property and general liability, automobile, umbrella, foreign liability, crime, professional liability E&O and executive liability policies are obtained through Willis HRH.

**Ample Cause Exists To Permit the Debtors to (i) Continue Their Insurance Programs and (ii) Pay All Obligations in Respect Thereof**

39. Section 362(a) of the Bankruptcy Code, commonly known as the "automatic stay," operates to stay

(1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title . . .

11 U.S.C. § 362(a). Section 362(d) of the Bankruptcy Code, however, permits a debtor or other parties in interest to request a modification or termination of the automatic stay for "cause."

40. To the extent any of the Debtors' employees hold valid claims under the Workers' Compensation Program, the Debtors seek authorization pursuant to section 362(d) of the Bankruptcy Code to permit these employees to proceed with their claims under the Workers' Compensation Program. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program. Any claims relating to any of the General Insurance Programs or otherwise will remain subject to the automatic stay. To effectuate the aforementioned modification of the automatic stay, the Debtors request that the Court modify the automatic stay and waive the corresponding notice requirements under Bankruptcy Rule 4001(d), solely as they relate to valid Workers' Compensation Claims.

41. Pursuant to section 503(b)(1) of the Bankruptcy Code, a debtor may incur, and the court, after notice and a hearing, shall allow as administrative expenses, among other things, "the

actual, necessary costs and expenses of preserving the estate.” In addition, pursuant to section 363(b) of the Bankruptcy Code, a debtor may, in the exercise of its sound business judgment and after notice and a hearing, use property of the estate outside of the ordinary course of business. The Debtors submit that the use of the estates’ funds for payment of the Insurance Obligations is permitted by sections 503(b)(1) and 363(b) as necessary costs of preserving the estates.

42. Furthermore, to supplement these explicit powers, section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” A bankruptcy court may use its equitable powers to authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor. See In re Just For Feet, Inc., 242 B.R. 821, 824 (D. Del. 1999) (acknowledging that “[c]ertain pre-petition claims . . . may need to be paid to facilitate a successful reorganization” and that “[s]ection 105(a) of the [Bankruptcy] Code provides a statutory basis for the payment of pre-petition claims”); In re Ionosphere Clubs, Inc., 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (holding that a bankruptcy court’s use of its equitable powers to “authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept”) (citing NLRB v. Bildisco & Bildisco, 465 U.S. 513, 528 (1984)).

43. Numerous courts in this District have granted similar relief in other large chapter 11 cases. See, e.g., In re SemCrude, L.P., et al., Case No. 08-11525 (BLS) (Bankr. D. Del. July 23, 2008); Vertis Holdings, Inc., et al., Case No. 08-11460 (CSS) (Bankr. D. Del. July 16, 2008); LandSource Communities Development, LLC, et al., Case No. 08-11111 (KJC) (Bankr. D. Del. July 9, 2008); In re Sharper Image Corp., Case No. 08-10322 (KG) (Bankr. D. Del. Feb. 20, 2008); In re Charys Holding Company, Inc. and Crochet & Borel Servs., Inc., Case No. 08-

10289 (BLS) (Bankr. D. Del. Feb. 15, 2008); In re Am. LaFrance, LLC, Case No. 08-10178 (BLS) (Bankr. D. Del. Jan. 29, 2008); In re World Health Alternatives, Inc., et. al., Case No. 06-10166 (PJW) (Bankr. D. Del. Mar. 14, 2006).

**Continuing Workers' Compensation and Other Insurance Programs and Paying All Obligations in Respect Thereof Is Necessary to Preserve the Value of the Debtors' Estates**

44. As set forth below, the nature of the Debtors' business and the extent of their operations make it essential for the Debtors to maintain their Insurance Programs on an ongoing and uninterrupted basis. The nonpayment of any premiums, deductibles, or related fees under one of the Insurance Programs could result in one or more of the Insurance Carriers terminating their existing policies, declining to renew their insurance policies or refusing to enter into new insurance agreements with the Debtors in the future. If certain of the workers' compensation and excess liability policies are allowed to lapse without renewal, the Debtors could be exposed to substantial liability for damages resulting to persons and property of the Debtors and others, which exposure could have an extremely negative impact on the Debtors' ability to successfully reorganize. Furthermore, the Debtors would then be required to obtain replacement policies on an expedited basis at what they expect to be a significantly higher cost to the estates. Accordingly, the Debtors must make all payments with respect to the Insurance Programs.

45. Moreover, the Insurance Programs are vital to the Debtors' continued operations. Applicable state law mandates that the Debtors maintain workers' compensation coverage for their employees. Failure by the Debtors to pay the premiums associated with their Workers' Compensation Program would jeopardize their coverage and expose the Debtors to substantial liability in fines by various state workers' compensation boards. The guidelines established by the United States Trustee for the District of Delaware (the "U.S. Trustee") also require the Debtors to remain current with respect to certain of their primary Insurance Programs.

46. In addition, the risk that eligible workers' compensation claimants will not receive timely payments for prepetition employment-related injuries could have a serious effect on the financial well-being and morale of the Debtors' current employees. Departures by employees at this critical time may result in the disruption of the Debtors' business with an adverse impact on the Debtors, the value of their assets and business, and their ability to reorganize. The retention of the Debtors' qualified and dedicated senior management is also linked to the continued effectiveness of the D&O liability insurance policies. Therefore, the continuation of the Insurance Programs, on an uninterrupted basis, and the payment of all prepetition and postpetition Insurance Obligations arising under the Insurance Programs, are essential to preserving the Debtors' business and the value of the Debtors' estate for all creditors.

47. To the extent any Insurance Program or related agreement is deemed to constitute an executory contract within the meaning of section 365 of the Bankruptcy Code, the Debtors do not, at this time, seek to assume any such contract. Accordingly, if the Court authorizes the payments described above, such payments should not be deemed to constitute a postpetition assumption or adoption of the programs, policies, or agreements as executory contracts pursuant to section 365 of the Bankruptcy Code. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code with respect thereto. Moreover, authorization to pay all amounts on account of Insurance Programs obligations shall not affect the Debtors' right to contest the amount or validity of these obligations.

48. To the extent any insurance policies with respect to the Insurance Programs expire during these Chapter 11 Cases, the Debtors seek Court authorization to renew such insurance policies in the ordinary course of business, without seeking a further order from the Court.

49. To ensure the continuance of the Insurance Programs on an uninterrupted basis, the Debtors also seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the stay of the order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

**The Debtors' Banks Should Be Authorized to Honor and Pay Checks Issued and Electronic Funds Transferred to Pay Insurance Obligations**

50. The Debtors further request that the Court authorize and direct all applicable banks and other financial institutions, including, without limitation, the Bank, to receive, process, honor and pay any and all checks drawn or electronic funds transferred to pay Insurance Obligations, whether such checks were presented prior to or after the Petition Date; provided, however, such checks or electronic transfers are identified by the Debtors as relating directly to the authorized payment of Insurance Obligations. The Debtors also seek authority to issue new postpetition checks, or effect new electronic fund transfers, on account of the Insurance Obligations to replace any prepetition checks or electronic fund transfer requests that may be dishonored or rejected as a result of the commencement of these chapter 11 cases.

51. The Debtors submit, with their proposed postpetition credit facility, that they have sufficient cash reserves to pay such amounts as they become due in the ordinary course of the Debtors' business.

52. Accordingly, the Debtors submit that the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

**Notice**

53. The Debtors shall provide notice of this Motion by facsimile and/or overnight mail to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the Debtors' largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; (iii) counsel to the Debtors' prepetition secured lenders; (iv) the Department of Justice; and (v) the Internal Revenue Service. As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be served on all parties required by Del. Bankr. L.R. 9013-1(m). Due to the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Previous Request**

54. No previous request for the relief sought herein has been made to this or any other Court.

Conclusion

WHEREFORE the Debtors respectfully request that the Court enter an order authorizing, but not directing, the Debtors (a) to continue their Insurance Programs, (b) pay all obligations in respect thereof, on an uninterrupted basis and (c) granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: August 3, 2009  
Wilmington, Delaware

Respectfully submitted,



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- and -

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*Proposed Co-Counsel for the  
Debtors and Debtors-in-Possession*

**Exhibit A**  
**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re:**

**COMMERCECONNECT MEDIA HOLDINGS,  
INC., et al.,<sup>1</sup>**

**Debtors.**

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**ORDER AUTHORIZING THE DEBTORS TO  
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AND THEIR LIABILITY, PROPERTY, AND OTHER INSURANCE  
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Upon the motion (the "Motion"), of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), pursuant to sections 105(a), 362(d), 363(b), and 503(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 4001(d) and 6004(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for authorization to (i) continue their workers' compensation program (the "Workers' Compensation Program") and their liability, property and other insurance programs, including, but not limited to, those insurance programs listed in Exhibit A annexed hereto (collectively, the "General Insurance Programs") and, together with the Workers' Compensation Program, the "Insurance Programs") and (ii) pay all obligations in respect thereof, on an uninterrupted basis, consistent with their practices in effect prior to the commencement of the Debtors' chapter 11 cases, including the payment of all premiums, claims, deductibles, excess, administrative expenses and all other charges incurred, whether relating to the period prior to or after the commencement of these

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<sup>1</sup> 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 each of the Debtors is: 1233 Janesville Avenue, Fort Atkinson, Wisconsin 53538.

chapter 11 cases, all as more fully set forth in the Motion; and upon the Affidavit of James Ogle in Support of First Day Pleadings; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and due and proper notice of this Motion having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefore

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized and empowered to maintain their Insurance Programs without interruption, on the same basis, and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors' Chapter 11 Cases;
3. The Debtors are authorized, but not required, to pay, in their sole discretion, in the ordinary course, all premiums, claims, deductibles, excess, retrospective adjustments, administrative and broker's fees, and all other obligations arising under the Insurance Programs (the "Insurance Obligations") including those Insurance Obligations that were due and payable or related to the period before the commencement of these Chapter 11 Cases in an amount not to exceed \$100,000, without further order of the Court.
4. Pursuant to section 362(d) of the Bankruptcy Code, to the extent any of the Debtors' employees hold valid claims under the Debtors' Workers' Compensation Program,

these employees are authorized, at the Debtors' direction, to proceed with their workers' compensation claims in the appropriate judicial or administrative forum under the Workers' Compensation Program.

5. All applicable banks and other financial institutions are authorized and directed to receive, process, honor and pay any and all checks drawn or electronic funds transferred to pay any Insurance Obligations, whether such checks were presented prior to or after the Petition Date; provided, however, such checks or electronic transfers are identified by the Debtors as relating directly to the authorized payment of Insurance Obligations.

6. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of or basis for any claims against the Debtors in connection with or relating to the Debtors' Insurance Programs.

7. The Debtors are authorized to renew insurance policies with respect to the Insurance Programs in the ordinary course of business.

8. To the extent any Insurance Program or related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Order nor any payments made in accordance with this Order shall constitute the postpetition assumption of those Insurance Programs or related agreements under section 365 of the Bankruptcy Code.

9. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) are hereby waived.

11. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

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UNITED STATES BANKRUPTCY JUDGE

**Exhibit B**

<b>Coverage</b>	<b>Carrier</b>	<b>Policy Number</b>	<b>Effective Dates</b>
Commercial Package (Property/General Liability/Auto/Worker Compensation/Umbrella/Foreign Package)	One Beacon Insurance Company	7100271390000	6-1-09 to 6-1-10
Crime	Zurich Insurance Company	FID9160199	10-1-08 to 7-1-10
Professional Liability E & O	Axis Insurance Company	MCN 639213	10-1-08/10-1-09
AIG Executive Liability	Lexington Insurance Company	6055918	7-1-08 to 7-1-10