

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

In re:

**COMMERCECONNECT MEDIA HOLDINGS,
INC., et al.,¹**

Debtors.

)
) **Chapter 11**
)

) **Case No. 09-**

) **Joint Administration Pending**
)
)

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER
(I) AUTHORIZING PAYMENT OF CERTAIN PREPETITION TAXES AND
(II) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR
AND PROCESS RELATED ELECTRONIC TRANSFERS AND CHECKS**

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”), (a) authorizing, but not directing, the payment of certain prepetition federal and state income and/or franchise taxes, real and personal property taxes, and such other similar taxes and assessments as the Debtors deem necessary and (b) authorizing and directing certain financial institutions to honor and process related electronic transfers and requests. In support of this Motion, the Debtors rely on the Affidavit of James Ogle in Support of First Day Pleadings (the “Ogle Affidavit”) filed contemporaneously with this Motion, and respectfully state as follows:

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’

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 each of the Debtors is: 1233 Janesville Avenue, Fort Atkinson, Wisconsin 53538.

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), 507(a)(8) and 541 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 Group² 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.

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

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. By this Motion, the Debtors seek entry of an order pursuant to sections 105(a), 507(a)(8), and 541 of the Bankruptcy Code authorizing, but not directing, the Debtors to pay certain taxes to various state and local taxing authorities (collectively, the "Taxing Authorities"), listed in **Exhibit 1** to the Proposed Order, that arose prior to the Petition Date (the "Taxes"), including all taxes subsequently determined upon audit, or otherwise, to be owing for periods before the Petition Date, and including any penalties and interest thereon. Notwithstanding the foregoing, the Debtors reserve the right to contest the amount of any taxes on any grounds they deem appropriate.

Basis for Relief

A. The Prepetition Taxes.

31. The Debtors estimate that approximately \$87,207 in Taxes relating to the prepetition period will become due and owing to the Taxing Authorities in the ordinary course of business, with such payments due at various intervals throughout the year, through and including

the time within which the Debtors' proposed plan of reorganization should be confirmed. The Taxes include, but are not limited to, sales taxes and use taxes.

32. In the normal course of business, the Debtors are required to collect sales taxes (the "Sales Taxes") from purchasers of their products and parties to certain barter agreements on a per sale or trade basis and periodically remit the Sales Taxes to the applicable Taxing Authorities. Typically, Sales Taxes accrue as products are sold, and such taxes are calculated based on a statutory percentage of the sale price. The process by which the Debtors remit the Sales Taxes varies, depending on the nature of the tax at issue and the Taxing Authority which is to be paid. Sales Taxes are remitted to the relevant Taxing Authorities either on the basis of estimated sales tax collections for the coming period or on the basis of sales tax actually collected from customers during the prior period. Similarly, states differ with regard to the frequency of payments. With respect to those jurisdictions that require the Debtors to remit estimated Sales Taxes, the applicable Taxing Authority subsequently reconciles payments to determine any payment deficiency or surplus for the period and the applicable refund or payment is then made. The Debtors estimate that of the Taxes, approximately \$1,100 relates to Sales Taxes that will come due within the first three weeks of these Chapter 11 Cases, and approximately \$2,000 relates to the Sales Taxes that will come due thereafter.

33. The Debtors also incur use taxes (the "Use Taxes") in the ordinary course of business. Purchases without Sales Tax occur when property or services are purchased from vendors that have no nexus to the resident state of the purchaser, such vendors are not obligated to charge or remit Sales Taxes for sales to parties outside the state of the vendor's operations. Nevertheless, a purchaser is typically obligated to self-assess and pay the Use Taxes, when applicable, to the state in which the Debtor operates. Here, liability for Use Tax arises out of

activities such as purchases of equipment, purchases from Debtors' inventory for their own use and the trading of goods and services pursuant to certain barter agreements. The Debtors estimate that of the Taxes, approximately \$250 relates to Use Taxes that will come due within the first three weeks of the case, and approximately \$50 relates to the Use Taxes that will come due thereafter.

34. The Debtors also pay real and personal property taxes in the ordinary course of business as such taxes become due. The Debtors estimate that of the Taxes, approximately \$26,844 are due to various Taxing Authorities.

35. In addition, other Taxes may be entitled to priority status under section 507(a)(8) of the Bankruptcy Code or, if unpaid, may give rise to a lien. It is important that the Debtors be able to pay any Taxes where applicable law requires such payment and the failure to pay may give rise to a secured lien.

B. Cause Exists To Authorize the Debtors' Payment of Prepetition Taxes.

36. Ample cause exists to authorize the payment of the prepetition Taxes, which payment is critical to the Debtors' continued and uninterrupted operations. There are various bases for granting the relief requested in this Motion, including: (i) Sales Taxes and Use Taxes are not property of the estate; (ii) prepetition Taxes (other than Sales Taxes and Use Taxes) may be entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code; (iii) governmental entities may sue the Debtors' directors and officers for certain unpaid Taxes, thereby distracting them from the Debtors' reorganization efforts; and (iv) section 105 of the Bankruptcy Code and the Court's general equitable powers permit the Court to grant the relief sought.

37. Section 541(d) of the Bankruptcy Code provides as follows:

“Property in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest . . . becomes property of the estate . . . only to the extent of the debtor’s legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.”

11 U.S.C. § 541(d)

38. The Sales Taxes and the Use Taxes constitute “trust fund” taxes, in which the Debtors hold only legal title and not an equitable interest. Funds on account thereof must be held in trust by the Debtors for the benefit of the appropriate Taxing Authorities and, thus, do not constitute property of the Debtors’ estates. See, e.g., Begier v. IRS, 496 U.S. 53, 60-61 (1990) (noting that sales taxes are property held by a debtor in trust for another and, as such, are not property of the debtors’ estates); City of Farrell v. Sharon Steel Corp., 41 F.3d 92, 96-97 (3d Cir. 1994) (finding withheld taxes were subject to a trust); McDonough v. Iowa Dep’t of Revenue (In re McDonough), 346 B.R. 492, 496 (Bankr. S. D. Iowa 2006) (concluding that sales taxes are trust fund taxes); In re Am. Intl Airways, Inc., 70 B.R. 102, 103 (Bankr. E.D. Pa. 1987) (stating that excise and withholding taxes are “trust fund” taxes); see generally, In re Columbia Gas Sys. Inc., 997 F.2d 1039, 1060 (3d Cir. 1993) (indicating that even if a statute does not establish an express trust, a constructive trust may be found). Accordingly, the Debtors request authority to pay all prepetition Sales Taxes and Use Taxes to the appropriate Taxing Authorities, and to continue to remit such Sales Taxes and Use Taxes as they become due during the course of these Chapter 11 Cases.

39. Furthermore, certain unsecured claims for Taxes are afforded priority status under section 507(a)(8) of the Bankruptcy Code. These include unsecured claims of governmental units for property taxes incurred before the Petition Date and last payable without penalty after one year before the Petition Date and taxes required to be collected or withheld and for which the

debtor is liable in whatever capacity. Accordingly, as priority claims, the Taxes must be paid in full before any general unsecured obligations of any of the Debtors may be satisfied. It is therefore vital that the Debtors be able to pay any Taxes where, under applicable law, the failure to pay may give rise to a secured lien.

40. In addition, many federal and state statutes provide that officers and directors of collecting entities are personally liable for certain taxes owed by those entities. To the extent that certain Taxes remain unpaid by the Debtors, the Debtors' directors, officers, and executives may be subject to lawsuits or criminal prosecution during the pendency of these Chapter 11 Cases. Any such lawsuit or criminal prosecution (and the ensuing potential liability) would distract the Debtors and their officers, directors, and executives from the orderly administration of these Chapter 11 Cases, to the detriment of all parties in interest.

41. Similarly, pursuant to section 105(a) of the Bankruptcy Code, the "court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." The Debtors submit that the relief requested herein is necessary and appropriate to carry out the provisions of the Bankruptcy Code. In numerous chapter 11 cases, this Court has exercised its equitable powers under section 105 of the Bankruptcy Code to authorize debtors to pay prepetition tax obligations. See, e.g., In re The Fairchild Corporation, et al., Case No. 09-10899 (CSS) (Bankr. D. Del. Mar. 20, 2009); In re Sharper Image Corp., Case No. 08-10322 (KG) (Bankr. D. Del. Feb. 20, 2008); In re Buffets Holdings, Inc., Case No. 08-10141 (MFW) (Bankr. D. Del. Jan. 23, 2008); In re Tweeter Home Entm't Group, Inc., Case No. 07-10787 (PJW) (Bankr. D. Del. June 13, 2007); In re Global Home Prods. LLC, Case No. 06-10340 (KG) (Bankr. D. Del. Apr. 11, 2006); In re Nobex Corp., Case No. 05-20050 (PJW) (Bankr. D.

Del. Dec. 6, 2005); In re AstroPower, Inc., Case. No. 04-10322 (MFW) (Bankr. D. Del. Feb. 3, 2004). The Debtors submit that similar relief is warranted in these Chapter 11 Cases.

C. Payment of Transfers Made and Checks Issued in Respect of Prepetition Taxes.

42. As part of their cash management system, the Debtors maintain disbursement accounts (the “Disbursement Accounts”) at various banks (the “Banks”), as further described on Exhibit 2 to the Proposed Order. The Debtors draw upon funds in their Disbursement Accounts to satisfy obligations arising from the Taxes. The Debtors request that this Court authorize the Banks to receive, honor, process, and pay any and all checks drawn, or electronic fund transfers requested or to be requested, on the Disbursement Accounts to the extent that such checks or electronic fund transfers relate to any Taxes, including any checks sent prior to the Petition Date to certain of the Taxing Authorities in respect of each of the Taxes.

43. To the extent that any electronic transfer initiated by or check drawn upon the Banks on account of the Taxes has not cleared a particular Bank as of the Petition Date, the Debtors seek authorization for the Bank, when requested by the Debtors, to honor such transactions postpetition. The Debtors further seek authorization for the Banks, if necessary, to provide for other means of payment to the Taxing Authorities, including re-issuing electronic transfer payments and checks, to the extent necessary, to pay all outstanding Taxes due as of the Petition Date.

44. Based on the foregoing, the Debtors submit that the relief requested herein is necessary and appropriate, is in the best interest of their estates and creditors, and should be granted in all respects.

45. The Debtors further submit that because the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein, Bankruptcy Rule 6003 has been satisfied.

D. Waiver of the Stay is Appropriate.

46. To successfully implement the foregoing, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the ten-day stay under Bankruptcy Rule 6004(h).

E. Reservation of Rights.

47. Nothing in this Motion should be construed as impairing the Debtors' right to contest the amount of any Taxes that may be owed to any Taxing Authority, and the Debtors expressly reserve all of their rights with respect thereto.

Notice

48. 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; (v) the Internal Revenue Service; and (vi) the Taxing Authorities. 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 Prior Relief

49. No prior motion for the relief requested herein has been made to this or any other court.

Conclusion

WHEREFORE, for the reasons set forth herein and in the Ogle Declaration, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, (a) authorizing but not directing the payment of certain prepetition taxes, (b) authorizing and directing certain financial institutions to honor and process related electronic transfers and requests and (c) granting such other and further relief as is appropriate.

Dated: August 3, 2009
Wilmington, Delaware

Respectfully submitted,



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- and -

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Debtors and Debtors-in-Possession*

EXHIBIT A

Motion having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized, but not directed, to pay all prepetition Taxes, including all those Taxes subsequently determined upon audit to be owed for periods prior to the Petition Date, to the proper Taxing Authorities, including, but not limited to, those listed in **Exhibit 1** annexed hereto; *provided however*, that the amount of payments relating to prepetition Taxes shall not exceed \$1,350 in the first three weeks and \$87,207 in the aggregate absent further order of the Court.
3. All applicable banks, including the Debtors' Banks, shall be, and hereby are, authorized, when requested by the Debtors, to receive, process, honor and pay any electronic transfers and checks drawn on the Debtors' accounts to pay the Taxes, whether those transfers were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.
4. The Debtors are authorized, but not directed, to issue postpetition checks in replacement of any electronic transfers or checks issued in respect of prepetition Taxes that are dishonored or rejected.
5. The banks and financial institutions, including all of Debtors' Banks, shall not have any liability in connection with honoring any prepetition checks or electronic payment requests contemplated by this Order and/or designated by the Debtors pursuant to this Order.
6. Nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity or amount of any Taxes.

7. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

8. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), 7062, the terms and conditions of this Order shall be effective immediately and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

10. To the extent this Order is inconsistent with any prior order or pleading with respect to the Motion in these cases, the terms of this Order shall govern.

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

Dated: _____, 2009
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

List of Taxing Authorities

Taxing Authority	Address	City	State	Zip
Comptroller of Maryland	P.O. Box 17405	Baltimore	MD	21297
New Jersey Use Tax, Division of Taxation	Revenue Processing Ctr P.O. Box 999	Trenton	NJ	08695
Georgia Department of Revenue	P.O. Box 105296	Atlanta	GA	30348
Illinois Department of Revenue	P.O. Box 5600	Chicago	IL	60680
Manager of Revenue/Finance – Denver	144 West Colfax Avenue P.O. Box 17430	Denver	CO	80217
Minnesota Department of Revenue	P.O. Box 64622	St. Paul	MN	55164
South Dakota Department of Revenue	P.O. Box 5055	Sioux Falls	SD	57117
State of California State Board of Equalization	P.O. Box 942879	Sacramento	CA	94279
NY State Sales Tax	NYS Sales Tax Processing JAF Building P.O. Box 1206	New York	NY	10116
Wisconsin Department of Revenue	P.O. Box 930389	Milwaukee	WI	53293
Davidson County Treasurer	200 E 4 th Avenue	Mitchell	SD	57301
San Diego Co., Treasurer Tax Collector	1600 Pacific Hwy Rm 162	San Diego	CA	92101
Nevada Department of Tax	1550 College Pkwy STE 115	Carson City	NV	89706
Pottawatomie County Treasurer	325 N Broadway	Shawnee	OK	74801
City of Alpharetta, Business Occupation Tax	P.O. Box 349	Alpharetta	GA	30009
City of Fort Atkinson	101 N Main	Fort Atkinson	WI	53538
Jefferson County Treasurer	320 South Main Street	Jefferson	WI	53549
Delaware Secretary of State	2711 Centerville Rd STE 400	Wilmington	DE	19808
Town of Westport, Tax Collector	P.O. Box 350	Westport	CT	06881
Shelby County Taxing Official	P.O. Box 1269	Columbiana	AL	35051
Tax Collector, Town of Berlin	240 Kensington Rd	Berlin	CT	06037
St. Lucie Tax Collector	P.O. Box 308	Fort Pierce	FL	34954
Prince Georges County	P.O. Box 17578	Baltimore	MD	21297
Orange County Tax Collector	P.O. Box 1438	Santa Ana	CA	92702
Santa Clara County	70 W Hedding St	San Jose	CA	95110

EXHIBIT 2

List of Bank Accounts

Bank	Account Name	Account Number	Address
Bank of America	Cygnus Business Media, Inc	003931690816	Regional Center, VA2-125-04-01 PO Box 27025 Richmond, VA 23261
Bremer Bank	Cygnus Business Media	651356	101 East Fourth St Redwood Falls, MN 56283
JPMorgan Chase (Main Account)	Cygnus Business Media Inc	20569075	111 East Wisconsin Avenue Milwaukee, WI 53202
JPMorgan Chase (Disbursements Account)	Cygnus Business Media Inc	30010899	111 East Wisconsin Avenue Milwaukee, WI 53202
JPMorgan Chase (E Commerce Credit Cards)	Cygnus Business Media Inc	623470119	111 East Wisconsin Avenue Milwaukee, WI 53202
JPMorgan Chase (E Commerce Account)	Firehouse.Com Credit Card Account	623472081	111 East Wisconsin Avenue Milwaukee, WI 53202
JPMorgan Chase - Flexben Account	Cygnus Business Media - Flexben	698569969	111 East Wisconsin Avenue Milwaukee, WI 53202
Johnson Bank	Cygnus Business Media Inc NY Division	11379400	200 Sherman Ave, West Fort Atkinson, WI 53538
Johnson Bank (Credit Card Deposits)	Cygnus Business Media Inc Credit Card Account	1000297977	200 Sherman Ave, West Fort Atkinson, WI 53538
Wells Fargo Bank	Johnson Hill Press Inc dba Cygnus Expositions	275812485	Burnsville Parkway Office PO Box B 514 Minneapolis, MN 55479