

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

In re:)	
)	Chapter 11
COMMERCECONNECT MEDIA HOLDINGS, INC., <u>et al.</u> , ¹)	Case No. 09-12765 (BLS)
)	
Debtors.)	Jointly Administered
)	Re: Docket Nos. 10 and 11

**DECLARATION OF JAMES OGLE IN SUPPORT OF APPROVAL
OF THE DEBTORS' DISCLOSURE STATEMENT AND CONFIRMATION
OF THE DEBTORS' PREPACKAGED JOINT PLAN OF
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

JAMES OGLE makes this declaration (the "Declaration"), and says:

1. I am the Chief Financial Officer ("CFO") of Cygnus Business Media, Inc., Cygnus Interactive New Business Launches, Inc., Cygnus New Business Launches, Inc. (collectively, "Cygnus") and CommerceConnect Media Holdings, Inc., the parent company of the Cygnus entities ("Commerce", and together with "Cygnus", the "Company" or "Debtors"). In my capacity as CFO, I am generally familiar with the Debtors' day-to-day operations, business, financial affairs, books and records. I submit this Declaration in support of approval of the *Disclosure Statement with Respect to the Prepackaged Joint Plan of Reorganization of CommerceConnect Media Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code*, dated July 30, 2009 and filed with the Bankruptcy Court on August 3, 2009 (the "Disclosure Statement") [Dkt. No. 11] and in support of confirmation of the *Prepackaged Joint Plan of Reorganization of CommerceConnect Media Holdings, Inc. and Its Debtor*

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.

Affiliates Under Chapter 11 of the Bankruptcy Code, dated and filed with the Bankruptcy Court² on August 3, 2009 (the “Plan”) [Dkt. No. 10]. I am familiar with the terms and provisions of the Disclosure Statement and the Plan. I am familiar with the compilation of documents and forms of documents, schedules and exhibits to the Plan, dated and filed with the Bankruptcy Court on August 27, 2009 (the “Plan Supplement”) [Dkt. No. 72], along with various supporting documents and agreements thereto, and the transactions contemplated thereby. I have been advised by the Debtors’ counsel as to the requirements for confirmation of the Plan under section 1129 of the Bankruptcy Code. If called upon, I would testify to the facts set forth in this Declaration.

2. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents or my opinion based upon experience, knowledge, and information concerning the operations of the Debtors, and upon information supplied to me by the Debtors’ advisors.

3. Based upon my personal involvement in the Plan process in these Chapter 11 Cases and my discussions with the Debtors’ advisors, I believe that the Plan was developed and negotiated in good faith, complies with the applicable provisions of the Bankruptcy Code, is feasible, and is for the benefit and in the best interest, of the Debtors’ creditors, employees, customers, vendors and other parties in interest.

4. The Chapter 11 Cases were filed to effect a balance sheet restructuring of the Company’s secured debt, through a pre-packaged chapter 11 plan of reorganization that would eliminate approximately \$146 million (more than 70%) of the Debtor’s secured debt. The chapter 11 restructuring would also reinstate and leave unimpaired and pay in full in the ordinary

² Capitalized terms used but not otherwise defined herein, shall have the meanings ascribed to such terms in the Plan.

course of business all allowed general unsecured claims, including by providing for the payment in full and satisfaction of the claims of the Debtors' approximately 680 employees (approximately 430 salaried and hourly employees and approximately 250 independent contractors), all customers, all vendors, and all suppliers of the Debtors, and cancelling the equity interests in the Debtors.

A. The Solicitation Complies with Sections 1125(g) and 1126(b) of the Bankruptcy Code and Bankruptcy Rules 3017(d) and (e) and 3018 (b) and (c)

5. I have been advised by Debtors' counsel that to determine whether a prepetition solicitation of votes to accept or reject a plan should be approved, the Bankruptcy Court must determine whether the solicitation of votes to either accept or reject the Plan (the "Solicitation") performed by the Debtors complied with sections 1125(g) and 1126(b) of the Bankruptcy Code and Bankruptcy Rules 3017(d) and (e) and 3018(b) and (c). Based upon the record of these Chapter 11 Cases before the Bankruptcy Court and because the solicitation procedures and solicitation materials (the Plan, the Disclosure Statement and the ballots, as may be as amended, modified, revised, or supplemented from time to time) complied with applicable non-bankruptcy law, the Solicitation was conducted in a manner complying with applicable non-bankruptcy law and appropriate under the circumstances of these Chapter 11 Cases, including all applicable non-bankruptcy laws, rules and regulations governing the adequacy of disclosure. The Debtors have therefore satisfied sections 1125(g) and 1126(b) of the Bankruptcy Code.

6. Good Faith Solicitation (11 U.S.C. § 1125(e)). I have been advised by the Debtors' counsel as to the standards of section 1125(e) as they relate to "good faith" solicitation. Based on the record of these Chapter 11 Cases, the Released Parties, including but not limited to, the Plan Sponsor, to the extent applicable, (i) have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the

Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with all their respective activities relating to the Solicitation and their participation in the activities described in section 1125 of the Bankruptcy Code and (ii) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance and Solicitation, will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the Solicitation or the offer and issuance of the securities under the Plan, and are therefore entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and, to the extent such parties are listed therein, the exculpation provisions set forth in Article VII of the Plan.

B. The Disclosure Statement Complies with Sections 1125 and 1126 of the Bankruptcy Code

7. The Debtors, with the assistance of their counsel and advisors, spent a significant amount of time and effort preparing the Disclosure Statement. I have been advised that the Disclosure Statement contains all or substantially all of the information typically considered by bankruptcy courts to be material to the decision of holders of claims entitled to vote to accept or reject a chapter 11 plan. As such, the Disclosure Statement contains “adequate information” as such term is defined in Section 1125(a)(1) and used in section 1126(b)(2) of the Bankruptcy Code with respect to the Debtors and the Plan including the transactions contemplated therein; this information includes, among other things, an explanation of the recoveries for each Class of Claims or Interests, as applicable, a description of the Debtors’ capital structure, a description of the events leading to the commencement of these Chapter 11 Cases, financial projections based on forecasted consolidated financial results of the Debtors and

the Reorganized Debtors, attached as **Exhibit C** to the Disclosure Statement (the “**Financial Projections**”) and a liquidation analysis prepared in consultation with Zolfo Cooper Management, LLC, the Debtors’ financial advisor, attached as **Exhibit B** to the Disclosure Statement (the “**Liquidation Analysis**”). I have specifically reviewed the Financial Projections and Liquidation Analysis, and based on my experience in this industry sector as well as my role as CFO of the Debtors, I believe them to be true and complete. Additionally, the Disclosure Statement is accurate and contains sufficient information of a kind necessary to satisfy the disclosure requirements of all applicable non-bankruptcy law, including the Securities Act. Finally, I am not aware of any possible claims that might be asserted against the Plan Sponsor or any other party who would be released under the Plan. Indeed, the Plan Sponsor has not, to my knowledge, received any distributions on account of its substantial equity investment in the Debtors, an investment that has been wiped out entirely in this chapter 11 restructuring. Moreover, no potential claims of any kind have been brought to the Debtors’ attention. As such, an “investigation” into potential claims would be unwarranted and require an unjustifiable expenditure of the Debtors’ time and financial resources, and no additional disclosure is necessary or appropriate in this regards

C. The Prepackaged Plan Satisfies Section 1129 of the Bankruptcy Code

8. I have been advised by Debtors’ counsel that for the Debtors to obtain confirmation of the Plan, the Debtors must demonstrate that the Plan satisfies the applicable provisions of section 1129 of the Bankruptcy Code by a preponderance of the evidence. I have been advised by Debtors’ counsel that the Plan satisfies all of the applicable requirements of section 1129(a) of the Bankruptcy Code, other than section 1129(a)(8), but as described by the Debtors in supporting documentation to confirmation of the Plan, pursuant to section 1129(b) of

the Bankruptcy Code, the Plan may be confirmed notwithstanding the fact that not all classes of Claims or Interests, as applicable, have accepted the Plan.

9. The Plan Incorporates Certain Permissible Provisions. I have been advised by Debtors' counsel that section 1123(b)(6) of the Bankruptcy Code provides that a plan may "include any other appropriate provision not inconsistent with the applicable provisions of [the Bankruptcy Code]." I am aware that in accordance with section 1123(b)(6) of the Bankruptcy Code, the Plan contains certain release, exculpation, injunction and securities laws exemption provisions that are consistent with the applicable provisions of the Bankruptcy Code and conform to the requirements of Third Circuit case law. I believe the Court should approve them, because they are fair and reasonable, supported by consideration, and essential to the reorganization and the realization of substantial value for the benefit of the parties in interest in these Chapter 11 Cases. I understand that the Bankruptcy Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the release, exculpation, injunction and related provisions as set forth in Article VII of the Plan. I have been advised that section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the releases and exculpation set forth in Article VII of the Plan, if, as has been established pursuant to the record in the Chapter 11 Cases and the evidence that will be presented at the Confirmation Hearing, such provisions (i) were integral to the agreement among the various parties in interest and are essential to the formulation and implementation of the Plan, as provided in section 1123 of the Bankruptcy Code, (ii) confer substantial benefits on the Debtors' estates, (iii) are fair, equitable, and reasonable and (iv) are in the best interests of the Debtors, their estates and parties in interest. In particular, the releases, exculpation, injunction and setoff provisions set forth in the Plan as implemented by the Confirmation Order are fair, equitable, reasonable and in the best

interests of the Debtors, the Reorganized Debtors and their estates, creditors and equity holders. The releases of non-Debtors under the Plan are fair to Holders of Claims or Interests and are necessary to the proposed reorganization. Such releases are given in exchange for and are supported by fair, sufficient, valuable and adequate consideration provided by each and all of the parties providing such releases. Based on first hand knowledge, I believe that the Debtors' have satisfied each of the foregoing requirements of section 105(a) of the Bankruptcy Code and that the Bankruptcy Court should approve the issuance of the injunctions and approve the releases, exculpation and related provisions as set forth in Article VII of the Plan.

10. Insiders (11 U.S.C. § 1129(a)(5)). I have been informed by the Debtors' counsel that the identity of any insider of the Debtors that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation must be fully disclosed pursuant to section 1129(a)(5) of the Bankruptcy Code. To my knowledge, I am currently the only "insider" (as such term is defined in section 101 of the Bankruptcy Code), that is currently contractually employed or retained by the Debtors who will continue to be contractually employed or retained by the Reorganized Debtors. It is my understanding that I will be engaged by the Reorganized Debtors for a limited period of time following the Effective Date. The nature of my compensation for such limited engagement is still under negotiation

11. The Plan Satisfies the Best Interest Test in Section 1129(a)(7) of the Bankruptcy Code. I understand that, with respect to a plan under chapter 11, the Bankruptcy Code requires that each holder of a claim or interest in an impaired class must either (a) accept the plan or (b) receive or retain under the plan property of a value, as of the effective date, that is not less than the value such holder of a claim or interest would receive or retain if the debtors

were to be liquidated under chapter 7 of the Bankruptcy Code. For purposes of determining whether the Plan meets this requirement, I have specifically reviewed the Liquidation Analysis.

12. Cash Available for Distribution. As described in more detail in the Disclosure Statement, the cash available for distribution to creditors in a case under chapter 7 of the Bankruptcy Code, would consist of the proceeds from the sale of the Debtors' assets. The cash available would also be reduced by the costs and expenses of the liquidation and by such additional administrative and priority claims that may result from the termination of the Debtors' business and the use of chapter 7 for purposes of liquidation. The Liquidation Analysis demonstrates that in a chapter 7 liquidation, the value that creditors would recover would likely drop precipitously and would be less than the Distributions made available in these Chapter 11 Cases pursuant to the Plan. Based on the Liquidation Analysis, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

13. Specifically, the Impaired Classes of Claims under the Plan are Class 3 (First Lien Facility Claims), Class 4 (Second Lien Facility Claims), Class 6 (Intercompany Claims), Class 7 (Series A, B, C and D Preferred Equity Securities) and Class 8 (Other Equity Interests). The Plan meets the requirements of section 1129(a)(7) as to Classes 3 and 4 because Holders of Claims in such Classes voted overwhelmingly (and by the requisite number and amount pursuant to sections 1125(b) and (d) of the Bankruptcy Code) to accept the Plan. Moreover, Class 1 (Other Priority Claims), Class 2 (Other Secured Claims) and Class 5 (General Unsecured Claims), are deemed to have accepted the Plan, thereby satisfying the requirements of section 1129(a)(7) of the Bankruptcy Code. Finally, as to the remaining Classes of Claims or Interests which are deemed to reject the Plan and are not entitled to vote on the Plan, those being, Class 6 (Intercompany Claims), Class 7 (Series A, B, C and D Preferred Equity Securities) and

Class 8 (Other Equity Interests), such Classes of Claims or Interests will not receive any value either pursuant to a chapter 7 liquidation or in the current chapter 11 proceedings.

14. The Plan Satisfies the Feasibility Test in Section 1129(a)(11) of the Bankruptcy Code. I have been advised by Debtors' counsel that section 1129(a)(11) of the Bankruptcy Code permits a plan to be confirmed if it is feasible, meaning, it is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. The Financial Projections, as more fully described in the Disclosure Statement, indicate that the Debtors will have sufficient resources to meet their obligations under the Plan. The Plan not only achieves a dramatic reduction of the Debtors' secured debt, reducing the prepetition secured debt from approximately \$206 million to \$60 million, as noted it also provides for the reinstatement and payment in full in the ordinary course all of the Debtors' Allowed General Unsecured Claims, including claims of employees, customers, vendors and other parties in interest. The reduction in the Debtors' secured indebtedness is a key component of the Plan and such reduction is made possible by the conversion of a large portion of the prepetition senior secured debt, and all of the existing junior secured debt, to equity and warrants, respectively. Moreover, the exit facility called for in the Plan and contained in the Plan Supplement contributes to the feasibility of the Plan, as it provides a safety measure in the unlikely event that the Reorganized Debtors experience financial challenges.³

³ Section 1.5(a)(ii) of the Credit Agreement provides the Reorganized Debtors the option of reducing by 50% of the amount of interest that would otherwise be due and payable, if and to the extent that, after giving effect to payment in cash of 100% of the interest due on such date, Unrestricted Cash (as defined in the Credit Agreement) would be less than \$2,000,000.

15. The Financial Projections. The Financial Projections assume an Effective Date of September 30, 2009. I have specifically reviewed the Financial Projections. The Debtors believe that the Financial Projections and their underlying assumptions are reasonable and will be successfully achieved upon the exit from bankruptcy. As set forth in the Financial Projections, the 2010 EBITDA numbers, which exclude the costs of the Chapter 11 Cases and are therefore significantly higher than the 2009 EBITDAR numbers, speak to post-confirmation feasibility and are an appropriate measure of the Reorganized Debtors' projected financial performance. Whereas, the 2009 EBITDAR numbers are constrained by the costs of the reorganization itself. The Financial Projections reflect the Debtors' reasonable and best estimate of what can be achieved by way of the development of new business and they take fully into account the impact of market-based pressures on the Debtors. The Debtors continue to monitor their performance, and I believe, based on the Financial Projections and the Debtors' most recent results, that the Plan is feasible.

16. The Plan Satisfies 11 U.S.C. § 1129(d). As the CFO of the Debtors, I can assure the Bankruptcy Court that the principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act, and as the date of this Declaration, no Governmental Unit has objected to the Confirmation of the Plan on any such grounds.

17. As the CFO of the Company, I can also assure the Bankruptcy Court that to the best of my personal knowledge, the statements and representations set forth in the Solicitation Materials are true and do not omit any material facts pertinent to the Voting Classes determination to vote for or against the Plan.

18. Based upon the foregoing, I believe that the Plan has more than a reasonable likelihood of success and satisfies the feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

Conclusion

19. In light of the foregoing, I believe that confirmation of the Plan is appropriate, is in the best interest of all parties in interest and should be approved.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge and belief.

Dated: September 3, 2009

/s/ James Ogle

James Ogle
Chief Financial Officer