IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

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| In re: | ) | |
| | ) | Chapter 11 |
| NETVERSANT SOLUTIONS, INC., a Delaware corporation, *et al.*,[1] | ) | Case No. 08-12973 ( ) |
| | ) | Joint Administration Proposed |
| Debtors. | ) | |
| | ) | |
| NETVERSANT SOLUTIONS, INC., a Delaware corporation, *et al.*, | ) | |
| | ) | Adv. Pro. No. _____ |
| Plaintiffs, | ) | |
| v. | ) | |
| A-1 BUSINESS SYSTEMS; ABSOLUTE NETWORKING SYSTEMS INC.; ADT SECURITY SERVICES; ADTECH GLOBAL SOLUTIONS; ADVANTIDGE INC.; ADVENT SYSTEMS, INC.; AES; ALIEN TECHNOLOGY, INC.; ALL GUARD SYSTEMS INC.; ANIXTER INC. APA CABLES & NETWORK INC.; APPLIED COMMUNICATIONS GROUP; ARK LA TEX; ASPEN RIDGE ELECTRIC; AUDIO VISUAL INNOVATIONS; AVAYA BP; AXIS TELESOLUTIONS INC.; BARTH | ) | |

[1] The Debtors in these chapter 11 cases, along with the last four (4) digits of each Debtor's federal tax identification number, are: NetVersant Solutions, Inc. (9180), NetVersant - Northern California, Inc. (9034), NetVersant - Southern California, Inc. (4376), NetVersant - California, Inc. (6428), NetVersant - Denver, Inc. (4456), NetVersant GP, Inc. (8796), NetVersant LP, Inc. (8794), NetVersant Management Co., L.P. (8797), NetVersant National, Inc. (4454), NV Resources, Inc. (1923), NetVersant, Inc. (2901), NetVersant - Oregon, Inc. (6433), NetVersant - Atlanta, Inc. (1924), NetVersant - Mid-Atlantic, Inc. (9630), NetVersant - New England, Inc. (5472), NetVersant - Minneapolis/St. Paul, Inc. (9243), NetVersant - Albuquerque, Inc. (0680), Intelligent Building Systems, Inc. (2836), NetVersant - Philadelphia, Inc. (5072), NetVersant - Texas, Inc. (1747), NetVersant - Cascades, Inc. (2092), NetVersant - Washington, Inc. (0839).

GROSS ELECTRIC CO INC.; )
BLACK BOX NETWORK SERVICES; )
BOARDWALK COMMUNICATIONS; )
BORDERS DOOR CONTROL, INC.; )
BRANTTEL NETWORKS; BRAYER )
ELECTRIC COMPANY; BRILOGY )
CORPORATION; BRISTOL CAPITAL )
INC.; CABLE COM INC.; CABLE )
FITTERS LLC; CABLING )
SOLUTIONS INC.; CABLING )
SPECIALISTS, INC.; CARLYLE )
INC.; CARROLL SYSTEMS; )
CHARLES H. MCDONALD ELECTRIC )
INC.; COMMONWEALTH ELECTRIC )
CO.; COMMUNICATION RESOURCES )
INC.; COMMUNICATIONS CENTER, )
INC.; COMNET COMMUNICATIONS; )
COMPUTER CABLING & )
TECHNOLOGY SERVICES; )
COMSTOR; COMTRAN GROUP INC.; )
CORNING CABLE SYSTEMS LLC; )
CORRECT ELECTRIC, INC..; )
CRITERIUM CONSULTING GROUP )
INC.; CSC - COMMUNICATIONS )
SUPPLY CORP.; CYBER SECURITY )
SOURCE INC.; CYGNAL )
TECHNOLOGIES CORPORATION; )
CYRUS ONE; DANE & )
ASSOCIATES; DASHER )
TECHNOLOGIES; DATA LINK )
COMMUNICATIONS; DATA LINK, )
INC.; DATA SERVICES & )
SOLUTIONS; DCS TELECOM, )
INC.; DIXIE ELECTRIC )
COMPANY; DOAN PYRAMID )
ELECTRIC; DYNALECTRIC OF )
MICHIGAN; EC COMMUNICATIONS; )
ENDEAVOR SECURITY SERVICES; )
ENTERPRISE SYSTEMS )
CORPORATION; EVANS ELECTRIC )
GROUP, INC.; EVERGREEN FIRE )
AND SECURITY; EVERGREEN )
POWER SYSTEMS INC.; FARRENS )
CONSTRUCTION; FRONTRUNNER )
NETWORK SYSTEMS; G3 )
TELECOMMUNICATIONS; )
GUARANTEE ELECTRICAL )

CONSTRUCTION COMPANY (GECO); )
HI TECH POWER SOLUTIONS, )
INC.; HIGH WIRE NETWORKS )
INC.; HOEFLER COMMUNICATIONS )
INC. ; ICF COMMUNICATION )
SOLUTIONS ; INTEGRIMAX INC.; )
INTERNATIONAL SERVICES, )
INC.; INTERSTATE FENCE CO.; )
INTRA-LINK COMMUNICATIONS )
INC.; JACOBS TELEPHONE; )
JACOBS TELEPHONE )
CONTRACTORS, INC.; JAY G )
HELFGOTT ELECTRIC; JAZ )
COMMUNICATION RESOURCES; )
JINHUA MATLOCK TELECOM )
(BEIJING) LTD.; JMG SECURITY )
SYSTEMS INC.; JSI )
COMMUNICATIONS; LD SYSTEMS )
LP; LEBARCO CORPORATION; )
LENEL SYSTEMS INTERNATIONAL )
INC.; LINEAR ELECTRIC CO. )
INC.; LOCKNET; MCBRIDE M- )
POWER NATIONWIDE; MCCARTER )
ELECTRIC; MCWILLIAMS )
ELECTRIC COMPANY INC.; METRO )
SERVICES; MILLER ELECTRIC )
COMPANY; MILLER INFORMATION )
SYSTEMS; MYCO-COM INC. ; NCT )
NETWORK COMMUNICATIONS )
TECHNOLOGIES, INC. ; NCT, )
INC. ; NET SERVICES; )
NETRANOM COMMUNICATIONS )
INC.; NORTEL NETWORKS INC.; )
O'BRYANT ELECTRIC INC.; )
O'CONNELL ELECTRIC CO, INC.; )
O'CONNELL ELECTRIC COMPANY; )
ONE SOURCE GROUP INC.; OPTUS )
TELEQUIP; PAN WESTERN )
TELECOM, INC.; PARLANCE )
CORPORATION; PHASE 3 )
COMMUNICATIONS INC.; POLLOCK )
SUMMIT ELECTRIC, LP; )
POWERWAVE TECH; PROSPECT )
COMMUNICATIONS; PYRAMID )
COMMUNICATIONS SERV, INC.; )
QUENTIN CONTROL SYSTEMS, )
INC.; RCT TECHNOLOGIES INC.; )

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| RED TOP ELECTRIC; REX ELECTRIC INC. & TECHNOLOGIES; RFP DEPOT LLC; ROBNETT ELECTRIC INC.; RONCO COMMUNICATIONS; SABIO LIMITED; SDC SOLUTIONS INC.; SECURITY 101; SECURITY ACCESS MANAGEMENT; SECURITY INTEGRATORS INC.; SER COMMUNICATIONS INC.; SHARED SYSTEMS TECHNOLOGY INC.; SID BALKMAN ELECTRICAL CONTRACTORS INC.; SOUNDSIDE GROUP; SOUTHERN AUTOMATION; SPINITAR; STANGE AND ASSOCIATES; SUPERIOR ALARM CO.; SUPERIOR COMMUNICATIONS; SY ELECTRIC; T3 STAFFING; TECHNOLOGY FOR EDUCATION LLC; TECHTELE COMMUNICATIONS, LLC; TELE-COMMUNICATION, INC. ; TELE-OPTICS, INC; TOTAL NETWORK CONSULTING; TOTAL NETWORK CONSULTING LLC; TRADESTAR, INC.; TRI CITY ELECTRIC; TRI-TEKS TELECOM; UNISTRUT CORPORATION; VANRAN COMMUNICATIONS CORP.; VAR RESOURCES INC.; VIABLE RESOURCES, INC.; VISION COMMUNICATIONS INC.; VODA ONE; WANG ELECTRIC INC.; WESTCON GROUP NORTH AMERICA INC.; WORLDSTONE GROUP LTD., JOHN DOES 1-100<br><br>Defendants. | ) |

**VERIFIED COMPLAINT OF DEBTORS AND DEBTORS IN POSSESSION FOR INJUNCTIVE RELIEF**

NetVersant Solutions, Inc. ("NetVersant") and its affiliated debtors and debtors in possession (collectively, the

"Debtors") and plaintiffs in this adversary proceeding hereby file this Verified Complaint, seeking expedited injunctive relief pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure and Rule 65 of the Federal Rules of Civil Procedure. The Debtors seek a temporary restraining order and preliminary injunction enjoining the Defendants, who are all subcontractors or suppliers on projects for the Debtors' customers from taking any action to file, assert, collect on or otherwise enforce any lien, trust fund or other rights against any of the Debtors' customers (the "Customers"), any property owned or leased by any Customer, any payment made or to be made by any Customer under or with respect to any contract between any Debtor and any Customer, or any cash or receivables of any Debtor (collectively, "Enforcement Actions") for 60 days. Such Enforcement Actions will destroy the value of the Debtors' business and its ability to continue as a going concern. The Debtors rely on the relationships with their Customers and their goodwill to maintain their position in the marketplace. Jeopardizing those relationships and that goodwill ultimately results in the shrinking of the Debtors' bottom line and the value of the estate.

Contemporaneously with this Verified Complaint, the Debtors are filing a Motion for Temporary Restraining Order and Preliminary Injunction under Section 105(a) of the Bankruptcy

Code to Restrain Actions by Creditors Against Nondebtor Customers (the "Motion"). In the Motion, the Debtors seek the relief requested in this Verified Complaint. The Debtors are also filing a Memorandum of Law in support of the Motion (the "Memorandum of Law").

## I. THE PARTIES

1. The Plaintiffs include all of the Debtors: (a) NetVersant Solutions, Inc., a Delaware corporation; (b) NetVersant, Inc., a Delaware corporation and a wholly owned subsidiary of NetVersant Solutions, Inc.; (c) Intelligent Building Systems, Inc., a New York corporation; (d) NV Resources, Inc., a Delaware corporation; (e) NetVersant - Atlanta, Inc., a Delaware corporation; (f) NetVersant - California, Inc., a California corporation; (g) NetVersant - Cascades, Inc., a Washington corporation; (h) NetVersant - Denver, Inc., a Delaware corporation; (i) NetVersant - Mid-Atlantic, Inc., a Maryland corporation; (j) NetVersant - Minneapolis/St.Paul, Inc., a Minnesota corporation; (k) NetVersant - New England, Inc., a Massachusetts corporation; (l) NetVersant - Northern California, Inc., a California corporation; (m) NetVersant - Oregon, Inc., a Delaware corporation; (n) NetVersant - Philadelphia, Inc., a Pennsylvania corporation; (o) NetVersant - Southern California, Inc., a California corporation; (p) NetVersant - Texas, Inc., a Texas

corporation; (q) NetVersant - Washington, Inc., a Washington corporation; (r) NetVersant GP, Inc., a Delaware corporation; (s) NetVersant LP, Inc., a Delaware corporation; (t) NetVersant National, Inc., a Delaware corporation; and (u) NetVersant - Albuquerque, Inc., a New Mexico corporation; and (v) NetVersant Management Co., L.P., a Delaware limited partnership.

2. The Defendants[2] are the following parties: A-1 Business Systems; Absolute Networking Systems Inc.; ADT Security Services; Adtech Global Solutions; Advantidge Inc.; Advent Systems, Inc.; AES; Alien Technology, Inc.; All Guard Systems Inc.; Anixter Inc. APA Cables & Network Inc.; Applied Communications Group; Ark La Tex; Aspen Ridge Electric; Audio Visual Innovations; Avaya Bp; Axis Telesolutions Inc.; Barth Gross Electric Co Inc.; Black Box Network Services; Boardwalk Communications; Borders Door Control, Inc.; Branttel Networks; Brayer Electric Company; Brilogy Corporation; Bristol Capital Inc.; Cable Com Inc.; Cable Fitters LLC; Cabling Solutions Inc.; Cabling Specialists, Inc.; Carlyle Inc.; Carroll Systems; Charles H. Mcdonald Electric Inc.; Commonwealth Electric Co.; Communication Resources Inc.; Communications Center, Inc.;

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[2] Due to the large number of Defendants, the name of each Defendant, along with contact information, including the address, is listed on the attached Exhibit A, which is incorporated herein by reference. In addition to the Defendants specifically identified on Exhibit A, the Defendants also include Defendants "John Does 1-100," which the Debtors (as such term is defined herein) were unable to identify at the time of the filing of this Verified Complaint.

Comnet Communications; Computer Cabling & Technology Services; Comstor; Comtran Group Inc.; Corning Cable Systems LLC; Correct Electric, Inc..; Criterium Consulting Group Inc.; CSC - Communications Supply Corp.; Cyber Security Source Inc.; Cygnal Technologies Corporation; Cyrus One; Dane & Associates; Dasher Technologies; Data Link Communications; Data Link, Inc.; Data Services & Solutions; DCS Telecom, Inc.; Dixie Electric Company; Doan Pyramid Electric; Dynalectric of Michigan; EC Communications; Endeavor Security Services; Enterprise Systems Corporation; Evans Electric Group, Inc.; Evergreen Fire And Security; Evergreen Power Systems Inc.; Farrens Construction; Frontrunner Network Systems; G3 Telecommunications; Guarantee Electrical Construction Company (Geco); Hi Tech Power Solutions, Inc.; High Wire Networks Inc.; Hoefler Communications Inc. ; ICF Communication Solutions ; Integrimax Inc.; International Services, Inc.; Interstate Fence Co.; Intra-Link Communications Inc.; Jacobs Telephone; Jacobs Telephone Contractors, Inc.; Jay G Helfgott Electric; Jaz Communication Resources; Jinhua Matlock Telecom (Beijing) Ltd.; JMG Security Systems Inc.; JSI Communications; Ld Systems LP; Lebarco Corporation; Lenel Systems International Inc.; Linear Electric Co. Inc.; Locknet; McBride M-Power Nationwide; McCarter Electric; McWilliams Electric Company Inc.; Metro Services; Miller Electric Company; Miller Information Systems; Myco-Com Inc. ; NCT Network

Communications Technologies, Inc. ; NCT, Inc. ; Net Services; Netranom Communications Inc.; Nortel Networks Inc.; O'Bryant Electric Inc.; O'Connell Electric Co, Inc.; O'Connell Electric Company; One Source Group Inc.; Optus Telequip; Pan Western Telecom, Inc.; Parlance Corporation; Phase 3 Communications Inc.; Pollock Summit Electric, LP; Powerwave Tech; Prospect Communications; Pyramid Communications Serv, Inc.; Quentin Control Systems, Inc.; RCT Technologies Inc.; Red Top Electric; Rex Electric Inc. & Technologies; RFP Depot LLC; Robnett Electric Inc.; Ronco Communications; Sabio Limited; SDC Solutions Inc.; Security 101; Security Access Management; Security Integrators Inc.; SER Communications Inc.; Shared Systems Technology Inc.; Sid Balkman Electrical Contractors Inc.; Soundside Group; Southern Automation; Spinitar; Stange and Associates; Superior Alarm Co.; Superior Communications; Sy Electric; T3 Staffing; Technology for Education LLC; Techtele Communications, LLC; Tele-Communication, Inc. ; Tele-Optics, Inc; Total Network Consulting; Total Network Consulting LLC; Tradestar, Inc.; Tri City Electric; Tri-Teks Telecom; Unistrut Corporation; Vanran Communications Corp.; Var Resources Inc.; Viable Resources, Inc.; Vision Communications Inc.; Voda One; Wang Electric Inc.; Westcon Group North America Inc.; Worldstone Group Ltd. Each Defendant is also listed together with its

corresponding address and claim amount (as to which all rights are reserved, on the attached Exhibit A.

3. Defendants "John Does 1-100" are persons or entities that may have rights to take Enforcement Actions under applicable state law against the Customers or their properties, as explained herein, which could adversely affect the Debtors' ability to consummate a sale of their assets as a going concern.

## II. JURISDICTION

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

## III. BASIS FOR RELIEF

5. The statutory predicates for the relief requested are section 105(a) of the Bankruptcy Code, 11 U.S.C. § 105(a), and the All Writs Act, 28 U.S.C. § 1651.

## IV. BACKGROUND

### A. THE BANKRUPTCY CASES

6. On November 19, 2008 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

7. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

8. No trustee or examiner has been appointed in the Debtors' bankruptcy cases and no official committee of unsecured creditors has been established.

B. THE DEBTORS' BUSINESSES

9. The Debtors currently have physical locations in 14 states, have operations throughout the continental United States and are industry leaders providing network infrastructure services to customers. The Debtors also have, from time to time, provided services overseas to domestically owned customers. The Debtors' core services include: local and wide area network infrastructure, wireless network installations, high-end telephony systems and applications, and electronic security and access control systems.

10. The Debtors service a wide-range of industries, including technology, finance, retailing, communications, education, and healthcare. The Debtors work with a network of vendors and subcontractors to provide services to their customers. The Debtors often jointly market products to potential customers with vendors.

11. As of September 30, 2008, the Debtors had approximately 1,100 employees, approximately 690 of whom were field technicians, 220 of whom were operational management and support personnel, and 170 of whom were sales and office administrative personnel. Approximately 404 of the Debtors'

employees are unionized, whose relationships with the Debtors are governed by various collective bargaining agreements.

12. The Debtors generated revenues of approximately $240 million and $161 million during the fiscal year ended December 31, 2007, and the nine months ended September 30, 2008, respectively.

C. EVENTS LEADING TO BANKRUPTCY

13. The Debtors' operating performance has been negatively affected by the combination of several large unprofitable projects in its Southern California and Phoenix operations and poor operating results from its Baltimore/Washington D.C. and New York locations. These issues consumed working capital totaling $20.4 million from January 1, 2006 to September 30, 2008, which was financed primarily through additional borrowings under the Debtors' long-term debt agreements and extended credit terms from key vendors. Because of the operating losses, the Debtors were out of compliance with certain financial covenants of that certain Credit Agreement (the "Pre-Petition Credit Agreement"), dated as of June 29, 2005, by and among the Borrowers, Wells Fargo Foothill, Inc., ("WFF"), as arranger and administrative agent (the "Pre-Petition Agent"), Patriarch Partners Agency Services, LLC ("Patriarch"), as syndication agent, and the Lenders party thereto (collectively, the "Pre-

Petition Lenders") related to operating performance during 2006, 2007 and 2008.

14. Debtors are also suffering losses on debt obligations. The Debtors' increasing long-term debt and related interest expense burdened the Debtors' ability to fund normal operations. The Debtors paid interest during 2006, 2007, and 2008 totaling $29.8 million.

15. The cumulative effect of the poor operating results and debt service costs impacted the Debtors' ability to deploy and generate revenue and cash flow to service their outstanding obligations. During the summer of 2008, the Debtors were unable to acquire inventory or to engage subcontractors on an efficient basis. This resulted in reduced production, which further reduced the Debtors' accounts receivable, thereby reducing the borrowing base under the Pre-Petition Credit Agreement and further constraining working capital. The Debtors' billings to customers fell from $20,494,000 in March 2008 to (i) $18,225,000 in June 2008 and (ii) $15,910,000 in September 2008, a 22% decrease over the six-month period.

E. THE DEBTORS' LIQUIDITY CRISIS AND NEED FOR AN EXPEDITED SALE

16. As described in the Hale Declaration, during the last two months, the Debtors have experienced a severe liquidity

crisis.[3] As the Debtors' financial performance continued to decline, the Debtors' suppliers began to reduce credit terms. At the same time, the Debtors had exhausted their capacity to borrow under the Revolver, and were in default under the Pre-Petition Credit Agreement. The lenders under the Pre-Petition Credit Agreement began to consider the exercise of potential remedies, including a foreclosure. Following discussions and negotiations among the Debtors and their lenders regarding possible alternatives; however, the Zohar Entities agreed to provide financing for a chapter 11 case provided that the Debtors pursue an expedited sale of substantially all their assets to the Zohar Entities, through an acquisition entity, or the highest bidder. The Debtors' management and board thereafter determined that pursuing that alternative was in the best interests of all of the Debtors' stakeholders and that it was the only alternative that would permit the business to continue as a going concern. The parties subsequently began negotiating the terms under which the Zohar Entities would provide postpetition financing and the terms of an asset purchase agreement pursuant to which the Zohar Entities, through an acquisition entity, would act as a stalking horse bidder.

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[3] The Hale Declaration is attached to the Motion of Debtors and Debtors in Possession for Temporary Restraining Order and Preliminary Injunction Under Section 105(A) of the Bankruptcy Code to Restrain Certain Actions by Creditors Against Nondebtor Customers as Exhibit "A."

17. Due to the Debtors' substantial cash needs to operate their business pending approval and consummation of the sale, it is critical at the outset of these cases that the Debtors obtain Court approval of a process to consummate the sale within a few weeks. In fact, the Debtors' believe that the approval of such an expedited process represents the only opportunity for the Debtors' business to continue as a going concern, saving the jobs of over 1,100 employees.

18. The Debtors' principal assets are (a) the relationships, goodwill and reputation that the Debtors have established over the years with their customers and key suppliers and (b) the receivables associated with the Debtors' numerous customer contracts, which are at various stages of completion. A high proportion of the Debtors' customers for project work are customers for which the Debtors do substantial repeat business. The value of the Debtors' business, and ability to continue as a going concern, is entirely dependent upon the Debtors' timely completion of the numerous customer projects currently in progress and the continuing confidence of the Debtors' customers.

19. The design and installation of many of the types of communications solutions that the Debtors provide can take months to complete, and the timely completion of these projects is dependent upon numerous subcontractors and suppliers timely

performing services and delivering materials. Because the Debtors cannot finance the entire cost of substantial projects from inception to completion, customers are billed periodically as work progresses. Generally, the Debtors pay the subcontractors and suppliers on a project on a "paid when paid" basis (*i.e.*, the subcontractors and suppliers are paid once the Debtors receive the related progress payment from the customer). If subcontractors and suppliers are not paid, many of them may have the right, under applicable state law, to assert a lien against the real property where the work is being performed. In addition, some state laws provide that payments received for work performed or materials supplied in connection with the improvement of real property constitute funds held in trust for the benefit of the laborers or suppliers that performed the work or supplied the materials relating to the payment received.

## V. RELIEF REQUESTED

### Count I—Request for Injunctive Relief

20. The Debtors hereby incorporate by reference Paragraphs 1 through 20 of this Verified Complaint.

21. To preserve the Debtors' business and ability to sell their assets at a going-concern value and thereby preserve over 1,100 jobs, the Debtors seek a temporary restraining order for up to 10 days and, after a hearing, a preliminary injunction to

enjoin the Defendants from taking any Enforcement Actions for 60 days after the Petition Date.

22. As more fully explained in the Motion and Memorandum of Law, which are being filed contemporaneously with this Verified Complaint and are incorporated herein by reference, the injunctive relief sought herein is critical for the sale of the business to be completed expeditiously, which is the only option to preserve the ability of the Debtors' business to remain viable. Without such relief, the Debtors face immediate substantial threats to the preservation of the Debtors' business and ability to sell their assets at a going-concern value.

23. If, as a result of the commencement of these chapter 11 cases, numerous subcontractors and suppliers were to assert liens or other rights against customers or customers' properties, those customers could cease making any further progress payments until the liens or other actions are withdrawn or resolved. Several of NetVersant's contracts with their customers contain specific provisions making it a material breach if any lien is asserted against the customer's property, giving the customer the right to terminate the contract. If customers were to terminate contracts as a result of the assertion of liens or other actions, the proposed sale of the Debtors' assets as a going concern could fail and the Debtors could be forced to liquidate. Moreover, because the ability to

maintain the confidence of the Debtors' customers and collect upon outstanding project receivables will be jeopardized if liens or other rights are asserted against customers or work on projects ceases for any substantial amount of time as a result of the bankruptcy filing, the Debtors believe that it is critical that the sale of the business be completed expeditiously and that subcontractors and suppliers be temporarily enjoined from taking Enforcement Actions.

24. The Debtors and the stalking horse bidder recognize, however, that subcontractors and suppliers with valid lien and trust fund rights will ultimately be permitted to assert those rights if they are not paid. Accordingly, the stalking horse bidder has agreed to assume, and the successful bidder (the "Buyer") will be required to assume, the liability to all subcontractors or suppliers determined to have valid lien or trust fund rights arising from the provision of services, materials or supplies in further performance of customer contracts assigned to the Buyer. To ensure the Defendants' state-law rights are preserved while the injunctive relief is in place, the Debtors have incorporated into their proposed temporary restraining order provisions that grant the Defendants relief to meet imminent state-law deadlines necessary to preserve their state-law rights, as long as they give the

Debtors advance notice.[4] To ensure that such subcontractors and suppliers with valid lien or trust fund rights are paid as promptly as possible after closing, the Debtors have also filed, concurrently with this motion, a motion in the Debtors' chapter 11 cases requesting that the Court approve certain procedures for subcontractors and suppliers to assert their lien or trust fund rights before the Court and, upon verification or Court determination of those rights and/or assumption of the related Customer contract at the closing of the sale, receive prompt payment on their prepetition claims from the successful bidder (the "Lien Procedures Motion"). Moreover, to provide further assurance to customers and to subcontractors and suppliers with potential trust fund rights pending the closing on the sale and assumption of the liabilities, the Debtors will segregate and hold in a separate account all progress payments received from Customers.

25. The Defendants, will not be harmed by the requested temporary injunction. As an initial matter, the Debtors seek only a temporary stay of Enforcement Actions so that the Debtors can complete a sale and implement a process by which the Defendants may prove their lien or trust fund rights and be paid by the Debtors or the successful bidder. Following expiration

[4] The Debtors similarly contemplate incorporating a procedure to obtain relief under the preliminary injunction.

of the 60-day period, the Defendants, unless their lien or trust fund claim will be satisfied pursuant to the procedures sought in the Lien Procedures Motion or by assumption of the related Customer contract by the Buyer and the cure of such claims, will be free to exercise their rights under state law against non-debtor third parties.

26. Therefore, the Court should protect and preserve the Debtors' estates by enjoining the Defendants from taking Enforcement Actions against the Debtors' Customers or their properties for 60 days. Granting the requested relief will facilitate the Debtors' ability to preserve over 1,000 jobs and the going-concern value of their business and maximize the value obtained through the proposed sale without violating either the policies of chapter 11 or the rules of this Court.

27. All prerequisites for injunctive relief are met.

## VI. REQUEST FOR HEARING

28. The Debtors request that a hearing be set within 10 days on Debtors' motion for a preliminary injunction.

## VII. NO BOND REQUIREMENT

29. The Debtors submit that, pursuant to Fed. R. Bankr. P. 7065, provision for a bond is not required under the circumstances.

## VIII. NO PRIOR REQUEST

30. Except for the relief requested in the Motion, which is being filed contemporaneously with this Verified Complaint, no previous request for the relief sought in this Verified Complaint has been made to this or any other court.

## IX. NOTICE

31. No trustee, examiner or creditors' committee has been appointed in these chapter 11 cases. Notice of this Verified Complaint has been provided to: (a) the United States trustee; (b) the Debtors' largest unsecured creditors on a consolidated basis, as identified in the Debtors' chapter 11 petitions; (c) counsel to the Debtors' proposed postpetition lenders; (d) counsel to the Debtors' prepetition secured lenders; and (e) the Defendants. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

WHEREFORE, for the reasons set forth in this Verified Complaint, the Debtors request that the Court (i) enter an order substantially in the form of the Order annexed to the accompanying Motion, and (ii) grant such other and further relief as is just and appropriate.

Dated: Wilmington, Delaware
November 19, 2008

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

*/s/ Daniel B. Butz*
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*Proposed Co-Counsel for the Debtors and Debtors in Possession*

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*Proposed Special Conflicts Counsel for the Debtors and Debtors in Possession*

**VERIFICATION**

STATE OF TEXAS §
§
COUNTY OFHARRIS §

Before me, the undersigned Notary Public, on this day personally appeared Ronald E. Hale, Jr., who, after being duly sworn, stated under oath that he is the duly authorized agent for the Plaintiffs in this action; that he has read the above Verified Complaint of Debtors and Debtors in Possession for Injunctive Relief (the "Complaint"); and that every statement contained in paragraphs 9 through 19 of the Complaint are true and correct and are within his personal knowledge, including knowledge derived from his review of the Debtors' books and records or other relevant documents, or are his opinion based upon his experience and knowledge of the Debtors' operations and financial condition.

Ronald E. Hale, Jr.
Senior Vice President and Chief Financial Officer of NetVersant Solutions, Inc. and Vice President for each of the other Debtors

SUBSCRIBED AND SWORN TO BEFORE ME on the 18th day of November, 2008.

Notary Public in and for
the State of Texas

My commission expires: March 19, 2011

JOSHUA WALTON WOLFSHOHL
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
MARCH 19, 2011