UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE: THOMPSON PUBLISHING HOLDING CO., INC., [1] Debtor.	Chapter 11 Case No. 10-13070 ( ) **Joint Administration Requested**

DECLARATION OF JAMES J. LOUGHLIN, JR.
IN SUPPORT OF CHAPTER 11 PETITION
AND FIRST DAY MOTIONS

James J. Loughlin, Jr. declares as follows:

1. I am the Chief Restructuring Officer of each of Thompson Publishing Holding Co., Inc., a Delaware corporation (the "Parent"), TPG AES Holdings, Inc., a Delaware corporation ("TPG"), Thompson Publishing Group, Inc., a Delaware corporation ("Thompson"), AHC Media LLC, a Delaware limited liability company ("AHC"), Alex eSolutions, Inc. (d/b/a Sheshunoff Information Services and/or A.S. Pratt), a Delaware corporation ("SIS") and The Performance Institute, Inc., a Virginia corporation ("PI," and collectively with the Parent, TPG, Thompson, AHC, SIS, PI and Thompson Publishing Development, LLC, a Delaware limited liability company ("Thompson Development"), the "Debtors"). I have served in this capacity since June 16, 2010,[2] and, in such capacity, I am familiar with the day-to-day operations and financial condition of the Debtors.

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1 The Debtors are the following entities (followed by the last four digits of their tax identification numbers): Thompson Publishing Holding Co. Inc. (5470), AHC Media LLC (2136), Alex eSolutions, Inc. (5725), Thompson Publishing Group, Inc. (2093), The Performance Institute, Inc. (8059), TPG AES Holding Co., Inc. (1658) and Thompson Publishing Development, LLC (2093).

2 Prior to such date, my firm, Loughlin Meghji & Company ("LM"), and I served as consultants to the Debtors.

2. I submit this Declaration in support of the Debtors' voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and the "first day" motions and applications (described further below) (collectively, the "First Day Motions") of the Debtors.[3]

3. Except as otherwise indicated, all statements in this Declaration are based upon my personal knowledge, my review of the Debtors' books and records, relevant documents and other information prepared or collected by the Debtors' employees and senior management, or my opinion based on my experience with the Debtors' operations and financial condition. In making statements based on my review of the Debtors' books and records, relevant documents and other information prepared or collected by the Debtors' employees, other LM employees and the Debtors' senior management, I have relied upon such persons' accurately recording, preparing or collecting any such documentation and other information. If I were called to testify as a witness in this matter, I could and would competently testify to each of the facts set forth herein based upon my personal knowledge, review of documents, or opinion. I am authorized to submit this Declaration on behalf of each of the Debtors.

4. Based on my personal knowledge, and through my review of the Debtors' books, records and other information, I believe that the relief sought by the Debtors in the First Day Motions is necessary to enable the Debtors to continue to operate effectively as debtors-in-possession following the filing of their chapter 11 bankruptcy petitions, and that the failure to grant such relief would have a materially negative effect upon the Debtors' operations and assets and their estates. In fact, I believe that the Debtors' estates would suffer immediate and irreparable harm absent the ability to use cash on hand to make certain essential payments and

[3] Capitalized terms not otherwise defined herein shall have the same meanings ascribed to such terms in the First Day Motions.

otherwise continue the Debtors' business operations as requested in the First Day Motions. The approval of the First Day Motions, in my opinion, will minimize disruption and preserve the value of the Debtors' assets and estates.

BACKGROUND

A. The Debtors' Business.

5. The Debtors are a leading business-to-business media enterprise providing factual, "need-to-have," timely information to their customers and subscribers that simplifies and explains complex regulations. The Debtors enjoy a strong reputation for supplying trustworthy and high-value information to professionals in the fields of healthcare, financial services, human resources policy, pensions and benefits, grants and education, food and drug, law, environmental, and energy. With their broad portfolio of market-leading services, the Debtors provide value to their customers by recommending strategies for compliance, and interpreting industry-specific trends.

6. The Debtors offer over 300 products and services consisting of specialty newsletters, loose-leaf services, book series, web subscriptions and email advisory alerts. The Debtors rely exclusively upon third-party authors, each an expert in his or her field, to supply the content for their publications. The Debtors' services are offered in a wide variety of print and electronic formats to over 70,000 subscribers, which include financial institutions, law firms, corporations, accounting firms, hospitals, and medical-related companies. In addition, the Debtors provide executive-level conferences, interactive training programs and in-house training services for private- and public-sector employees. Approximately 74% of the Debtors' revenue is generated by subscription fees from products, which realize a renewal rate of approximately 72% on average.

7. TPG is a wholly-owned subsidiary of the Parent. Each of Thompson, AHC, SIS, and PI are wholly-owned subsidiaries of TPG. Thompson Development is a wholly-owned subsidiary of Thompson.

8. Although the Debtors are organized into separate business divisions, their back office operations are thoroughly integrated. By consolidating their support functions, the Debtors have been able to reduce their costs, both in terms of personnel and overhead. For example, all billing and collection functions are performed at the Debtors' operations center located in Tampa, Florida, and all of the Debtors' warehousing and distribution are done in Austin, Texas. In addition, all of the Debtors' executive and financial management functions are centralized.

9. Thompson, which is headquartered in Washington, D.C., publishes subscription-based regulatory and compliance information, primarily for human resource and education professionals. Thompson publishes more than 50 products, with a renewal subscriber base of approximately 30,000 subscribers. Its customers include small and medium businesses, law firms, government, academic institutions and financial institutions.

10. The SIS business is headquartered in Austin, Texas. SIS specializes in publishing critical, need-to-know information for regulatory, compliance issues and legal analysis for the financial services industry. SIS publishes under the Sheshunoff®, A.S. Pratt®, and Alex Information® brands. SIS's end customers include small and mid-sized banks, credit unions, law firms and libraries. In all, SIS publishes more than 140 titles and has a renewable subscriber base of approximately 19,000 subscribers.

11. AHC is headquartered in Atlanta, Georgia. AHC publishes subscription-based healthcare products, with a focus on clinical medicine, health care management, biotechnology, and medical technology. AHC is also a leading provider of accredited continuing education for

physicians, nurses and pharmacists. AHC's customers rely on information to stay current on up-to-date industry practices.

12. AHC's business is organized as two operating segments: the healthcare group, with 40 publications covering clinical information and professional education, and the bio group, with approximately 12 print and online newsletters. AHC's end customers include medical institutions, physicians and professionals within biotech, medical-tech, and pharmaceutical industries as well as the businesses that serve each of the foregoing. In total, AHC publishes more than 50 product titles, and has a renewable subscriber base of 24,000 subscribers.

13. PI is headquartered in Washington, D.C. PI is an independent provider of executive-level conferences, interactive training programs, strategic consulting and in-house training services. It specializes in performance measurement and management, process improvement, project management, human capital and financial management.

14. PI's business operates two divisions: Performance Institute, which focuses on the disciplines related to performance improvement and management within the government market at the federal, state and local levels, and The American Strategic Management Institute, which focuses on the disciplines related to performance improvement, process improvement and financial management within the private sector. In the aggregate, PI holds more than 70 conferences and open-enrollment training courses each year, attracting approximately 2,000 executives.

15. The Debtors' collective gross revenues in fiscal year 2009 were approximately $56,700,000. The Debtors anticipate that their collective gross revenues in fiscal year 2010 will be approximately $49,000,000. The Debtors no longer have the ability to borrow funds under

the First Lien Credit Agreement (as defined below). While the Debtors have been able to continue to operate by using their cash resources, such cash is dissipating rapidly.

B. The Debtors' Financing.

16. On or about July 6, 2007, TPG entered into the Amended and Restated Credit Agreement (the "First Lien Credit Agreement") with PNC Bank, N.A., as successor to National City Bank, as Administrative Agent (in such respective capacity, the "First Lien Agent") and the other lenders party thereto (collectively, with the First Lien Agent, the "First Lien Lenders"). Pursuant to the First Lien Credit Agreement, and subject to the terms and conditions set forth therein, the First Lien Lenders agreed to make certain loans to TPG, including (a) a $15,000,000 revolving credit facility, and (b) a $100,000,000 term loan. Also on July 6, 2007, TPG and the First Lien Agent entered into the Second Amended and Restated Security Agreement (the "First Lien Security Agreement"), pursuant to which TPG granted to the First Lien Agent, for the benefit of the First Lien Lenders and as security for TPG's obligations to the First Lien Lenders (the "First Lien Obligations"), a first-priority security interest in all of TPG's assets. As of the Petition Date, the Debtors believe that the aggregate amount of the First Lien Obligations (including all amounts owed under the ISDA Agreement, as such term is defined below) is approximately $122,618,531.00.

17. The First Lien Obligations were guaranteed by each of the Parent, Thompson, SIS, AHC and PI and are secured by a first-priority lien on all of the assets of TPG, Thompson, SIS, AHC and PI. In addition, the stock or equity interests in each of TPG, AHC, Thompson, SIS and PI have been pledged to the First Lien Agent as security for the First Lien Obligations.

18. TPG and PNC Bank, N.A., as successor to National City Bank, in its capacity as the "swap provider" (the "Swap Party") were party to that certain ISDA Master Agreement,

dated as of September 12, 2007 (the "ISDA Agreement"). Pursuant to the ISDA Agreement, TPG is indebted to the Swap Party on account of certain contingent interest rate hedging agreements. TPG's obligations under the ISDA Agreement are secured by the liens and security interests granted to the First Lien Agent. On June 15, 2010, the First Lien Agent terminated the ISDA Agreement.

19. On or about July 17, 2007, TPG entered into the Amended and Restated Second Lien Credit Agreement (the "Second Lien Credit Agreement") with Ableco Finance LLC (as successor to National City Bank), as Administrative Agent (in such respective capacity, the "Second Lien Agent") and the other lenders party thereto (collectively, with the Second Lien Agent, the "Second Lien Lenders"). Pursuant to the Second Lien Credit Agreement, and subject to the terms and conditions set forth therein, the Second Lien Lenders agreed to make a $40,000,000 term loan to TPG. Also on July 6, 2007, TPG and the Second Lien Agent entered into the Second Amended and Restated Security Agreement (the "Second Lien Security Agreement"), pursuant to which TPG granted to the Second Lien Agent, for the benefit of the Second Lien Lenders and as security for TPG's obligations to the Second Lien Lenders (the "Second Lien Obligations"), a second-priority security interest in all of TPG's assets. As of the Petition Date, the Debtors believe that the aggregate amount of the Second Lien Obligations is approximately $43,500,000.

20. The Second Lien Obligations were guaranteed by each of the Parent, Thompson, SIS, AHC and PI and are secured by a second-priority lien on all of the assets of TPG, Thompson, SIS, AHC and PI. In addition, the stock or equity interests in each of TPG, AHC, Thompson, SIS and PI have been pledged to the Second Lien Agent as security for the Second Lien Obligations (subject to the pledge of such shares to the First Lien Agent).

21. On or about July 17, 2007, the First Lien Agent and the Second Lien Agent entered into that certain Amended and Restated Intercreditor Agreement (the "Intercreditor Agreement"), pursuant to which, among other things, the parties agreed that the liens and security interests granted by the Debtors to the Second Lien Agent are subordinated to those granted to the First Lien Agent.

C. Events Leading to the Debtors' Chapter 11 Petitions.

22. Over the past several years, and in the midst of a global economic downturn that has proved particularly difficult for the publishing industry, the Debtors have experienced a significant decline in revenue and profitability. In addition to the generally poor economic conditions faced by all businesses in recent years, the Debtors have faced certain other unique challenges to their businesses, including (a) the near-implosion of the financial services industry, the source of many of the Debtors' customers and subscribers, (b) a relative lack of new regulations in recent years, leading to a decreased interest in certain of the Debtors' publications, (c) the rapid proliferation of free online content that addresses certain of the topics covered by the Debtors' publications, and (d) a significant decrease in the conference business.

23. In response to these challenges, the Debtors' management aggressively cut costs, eliminating numerous unprofitable or low volume products and publications. As a result of these and other actions, the Debtors' management was able to reduce the Debtors' costs by approximately $9 million between 2009 and 2010. However, in light of the Debtors' recent performance and the continued deterioration of the Debtors' cash flow, the Debtors' current capital structure is unsustainable.

24. As a result of economic conditions and the challenges faced by the Debtors, they defaulted on their obligations under the First Lien Credit Agreement due to (a) their failure to

comply with certain financial covenants set forth therein for the fiscal quarters ending on and after October 31, 2009 and (b) their failure to make certain payments due thereunder and under the ISDA Agreement. In addition, the Debtors defaulted on their obligations under the Second Lien Credit Agreement due to (a) their failure to comply with certain financial covenants set forth therein for the fiscal quarters ending on and after October 31, 2009 and (b) their failure to make certain interest payments due thereunder.

25. The Debtors have engaged in extensive discussions with the First and Second Lien Lenders concerning the possible restructuring of the Debtors' secured debt obligations. However, the Debtors and the Lenders were unable to reach an agreement on the restructuring of their debt obligations acceptable to all parties.

26. On February 9, 2010, pursuant to a written notice (the "Acceleration Notice"), the Second Lien Lenders accelerated the Second Lien Obligations. Pursuant to the terms of the Intercreditor Agreement, the Second Lien Lenders were prohibited from taking any further action to enforce their rights and remedies until the passage of a standstill period of at least 120 days, provided that such standstill period lasts indefinitely so long as the First Lien Lenders have commenced and are diligently pursuing the exercise of their rights and remedies with respect to the Debtors' assets.

27. On March 1, 2010, the Debtors retained LM to advise them in connection with their restructuring efforts. LM is a nationally-recognized consulting firm which advises debtors, creditors and investors on complex operational and financial restructuring matters. On June 16, 2010, LM and the Debtors entered into a new letter agreement, pursuant to which the terms of LM's engagement were modified. In particular, I was appointed to serve as the Vice President and Chief Restructuring Officer of each of Parent, TPG, Thompson, AHC, SIS and PI and each

of Kevin Shea and Adam Levy of LM were appointed to serve as a Vice President and Assistant Restructuring Officer of each of Parent, TPG, Thompson, AHC, SIS and PI.

28. Given the Debtors' need to reduce their debt load and interest expense, their increasing concerns about the potential deterioration of their business and concomitant degradation in value, and their inability to reach an agreement with their secured creditors on a consensual, out-of-court restructuring of their debt, the Debtors ultimately determined that their value would be maximized and best preserved through the sale of their operations.

29. Accordingly, on June 16, 2010, the Debtors retained SSG Capital Advisors, LLC ("SSG") to provide investment banking services to the Debtors and to commence a sale process with respect to the Debtors' business.

30. On July 1, 2010, the Debtors and the First Lien Agent, on behalf of the First Lien Lenders, entered into the Enforcement of Rights and Remedies Agreement (the "Enforcement Agreement"), pursuant to which the Debtors and the First Lien Lender agreed to certain specific action to be undertaken in connection with the exercise of rights and remedies by the First Lien Agent. In particular, pursuant to the Enforcement Agreement, the Debtors and the First Lien Agent agreed, in relevant part, that:

A. the Debtors would continue to retain LM pursuant to the terms and conditions of the June 16 letter agreement;

B. the Debtors would continue to retain SSG pursuant to the terms and conditions of the June 16 letter agreement;

C. the Debtors and SSG would commence a sale process with respect to the Debtor's business, culminating in the receipt of letters of intent from potential bidders by August 6, 2010 (which date was later extended, by mutual agreement of the Debtors, SSG and the First Lien Agent, to August 13, 2010);

D. absent the occurrence of certain events, including an event of default under the Enforcement Agreement or an event of default (other than existing defaults specified in the Enforcement Agreement) under the First Lien Loan Agreement,

the First Lien Agent would not take any additional action to exercise its rights or remedies against the Debtors until October 1, 2010.

D. The Sale Process

31. Following their retention by the Debtors, SSG began to aggressively market the Debtors' business, both as a stand-alone business and as separate business units.

32. SSG contacted 152 potential buyers, including strategic buyers, financial buyers with interest and/or experience in the publishing industry, and financial buyers with interest in distressed assets. Of the 152 potential buyers contacted, 64 negotiated and signed confidentiality agreements with the Debtors. Those parties received a Confidential Information Memorandum (a "CIM") concerning the Debtors, as well as a letter that outlined the information that should be addressed in any indication of interest (an "IOI"), including valuation, structure, financial wherewithal, and bid timing. Interested bidders were instructed to submit an IOI on or before August 6, 2010 (which date was later extended to August 13, 2010).

33. Of the 64 parties that received a CIM, 23 requested and received access to an on-line "data room" established by SSG. The data room included information concerning the Debtors' operations, finances and obligations. SSG encouraged all parties who received access to the data room to conduct extensive initial due diligence. In addition, certain of those parties requested and received access to the Debtors' senior management to discuss the Debtors' businesses.

34. By mid-August, SSG had received seven (7) IOIs with respect to the Debtors, including five (5) bids to purchase the Debtors in their entirety, and two (2) bids to purchase certain of the Debtors' operating divisions. Generally, the values reflected in the IOIs were lower than what the Debtors and the First Lien Lenders believe constitutes fair value for the Debtors' business. In addition, many of the parties submitting IOIs had performed limited due

diligence, and indicated that they would require 45 – 60 days to complete due diligence before they would be in a position to sign a binding asset purchase agreement.

35. After reviewing the IOIs and consulting with the First Lien Lenders, the First Lien Lenders decided to submit a "credit bid" for the Debtors' business, which bid is described in greater detail below (the "Credit Bid"). In light of several factors, including, without limitation, the First Lien Agent's first priority security interest on the Debtors' assets and the ability of the First Lien Lenders to negotiate a binding asset purchase agreement and consummate a sale on a relatively short timetable, the Debtors determined that the Credit Bid presented a viable opportunity and commenced these chapter 11 cases to implement the proposed transaction with the First Lien Lenders pursuant to section 363 of the Bankruptcy Code, subject to a competitive sale process and the solicitation of higher and/or otherwise better offers (a "Sale").

FACTS IN SUPPORT OF DEBTORS' FIRST DAY MOTIONS

A. Motion of Debtors for Interim and Final Orders (A) Authorizing Debtors (I) To Obtain Post-Petition Financing and Grant Security Interests and Superpriority Administrative Expense Status Pursuant to 11 U.S.C. § 364; (II) To Use Cash Collateral Pursuant to 11 U.S.C. § 363; (III) To Provide Adequate Protection Pursuant to 11 U.S.C. § 361; and (B) Scheduling a Final Hearing and Establishing Related Notice Requirements (the "Financing Motion")

36. The Debtors seek pursuant to the Financing Motion the entry of interim and final orders authorizing the use of Cash Collateral and approving the DIP Facility. In order to operate during these chapter 11 proceedings, the Debtors need additional financing immediately. The Cash Collateral and loans made under the DIP Facility will be used for the Debtors' working capital needs, current interest and fees under the DIP Facility and the allowed administrative expenses incurred during the Debtors' bankruptcy cases, all as set forth in the Approved Budget attached to the proposed Interim Order submitted with the Financing Motion.

37. Post-petition credit was unavailable on terms other than those set forth in the DIP Agreement –i.e, on a priming, senior secured and superpriority basis. The DIP Lenders made clear that they were not willing to provide the DIP Facility unless all loans made thereunder were secured by priming liens and superpriority claims. Prior to the commencement of these cases, the Debtors contacted seven (7) other lending institutions in search of alternative financing sources. These institutions indicated that they were unwilling to provide the Debtors with any type of post-petition financing, primarily because of the existing liens on the Debtors' assets, the relatively small size of the facility requested by the Debtors, the lack of tangible assets available to secure financing, and the Debtors' financial condition. In addition, the First Lien Agent and Lenders indicated that they would object vigorously to any post-petition financing provided by an entity other than the DIP Lenders (each of whom is also a First Lien Lender).

38. After substantial negotiations, the Debtors and the DIP Lenders reached an agreement pursuant to which the DIP Lenders shall extend the DIP Facility, and the First Lien Agent agreed to the Debtors' use of Cash Collateral, which in turn will allow the Debtors to maximize the value of their estates through the Proposed Sale and Auction. The DIP Facility consists of a commitment in the maximum amount of up to $3,000,000, in accordance with the terms and conditions set forth in the definitive loan documents (the "DIP Documents"). Of such amount, the Debtors' shall be permitted to borrow no more than $750,000 upon entry of the Interim Financing Order and prior to the entry of a Final Order approving the Financing Motion, and the balance upon entry of the Final Financing Order. The liens and security interests granted to the DIP Lenders to secure the DIP Facility will constitute priming, first priority liens upon and security interests in (subject to the Carve-Out, as set forth in the Interim Order) all or substantially all of the Debtors' assets and will not be subject to any claims, set-offs, or defenses

by the Debtors. The DIP Agreement requires that the Debtors pay to the DIP Lenders a closing fee of $150,000 (the "DIP Fee"). I have reviewed each of the DIP Documents and the terms and conditions of the DIP Facility, as negotiated and agreed to by the Debtors.

39. The Debtors seek to obtain the DIP Facility from PNC Bank, National Association, in its capacity as Lender and as Administrative Agent and Collateral Agent for the DIP Lenders (in such capacity, the "DIP Agent"). As noted above, PNC Bank also serves as the Debtors' First Lien Agent under the Debtors' pre-petition First Lien Credit Agreement. In addition to PNC Bank, National Association, each of General Electric Capital Corporation and NewStar Loan Funding LLC shall be a DIP Lender and is also one of the First Lien Lenders. Subject to the approval of the Financing Motion on interim and final bases, the First Lien Agent also has consented to the use of Cash Collateral in accordance with the Approved Budget.

40. Advances under the DIP Facility shall be available to the Debtors only if the book balance of the Debtors' cash on hand is less than $1,000,000, and the Interim Order or Final Order, as applicable, is in full force and effect. Certain other conditions to borrowing under the DIP Facility are contained in the DIP Agreement. The DIP Agreement further requires that, in the event the book balance of the Debtors' cash on hand exceeds $2,500,000, the Debtors must apply such excess cash to loans then outstanding under the DIP Facility, if any. The DIP Agreement and Interim Order also require that the Debtors satisfy certain Sale Process Covenants and a Variance Covenant, and various other obligation and covenants. Any failure by the Debtors to satisfy those covenants and obligations would constitute an Event of Default, following which the DIP Agent could terminate the DIP Facility and the First Lien Agent could terminate the Debtors' use of Cash Collateral, subject in each instance to the terms of the Interim Order.

41. Absent the use of Cash Collateral and access to the DIP Facility, the Debtors will not be able to meet their operating expenses, including the payments owed to their employees and Authors, and will face a likely shut down of their businesses.

42. Without prejudice to the rights of other parties and in exchange for obtaining the use of Cash Collateral and the DIP Financing, the Debtors have stipulated and acknowledged (i) the amount, validity, priority and enforceability of the First Lien Obligations, (ii) that the First Lien Agent has a valid, enforceable and fully perfected first priority lien on all or substantially all of the Debtors' assets, and (iii) that the value of such assets is declining. In addition, and again without prejudice to the rights of other parties, the Debtors have agreed to waive and release any and all causes of action and claims against the DIP Agent and DIP Lenders and the First Lien Agent and First Lien Lenders, and their agents, representatives, assigns and successors.

43. Pursuant to the Interim Order, the Debtors have proposed to grant certain forms of adequate protection to the First Lien Agent, for the benefit of the First Lien Lenders, and to the Second Lien Agent, for the benefit of the Second Lien Lenders. Such adequate protection shall be granted solely to the extent of any diminution in the value of the Cash Collateral or other collateral resulting from (i) the Debtors' use thereof, (ii) the grant of priming liens to secure the DIP Facility, or (iii) the imposition of the automatic stay.

44. The Debtors and the Secured Lender have negotiated at arms'-length and in good faith regarding the Debtors' use of Cash Collateral and the DIP Facility, and the terms of the Interim Order, to fund the administration of the Debtors' estates and continued operation of their businesses. I believe that, under the circumstances, the terms and conditions of the DIP Facility

(including the rates of interest and the fees payable under the DIP Facility) are reasonable and fair to the Debtors and their estates.

45. The Debtors have requested immediate entry of the Interim Order pursuant to Bankruptcy Rule 4001(c)(2). The permission granted in the Interim DIP Order to use Cash Collateral, enter into the DIP Facility and obtain funds thereunder is necessary to avoid immediate and irreparable harm to the Debtors. The entry of the Interim DIP Order is in the best interests of the Debtors' estates and creditors as its implementation will, among other things, allow for the flow of supplies and services to the Debtors necessary to sustain the operation of the Debtors' existing businesses, and allow the Debtors to pursue the Proposed Sale that will maximize the value of the Debtors' estates. Absent the immediate entry of the Interim DIP Order, the Debtors' ability to sustain the operation of their existing businesses and to pursue the Proposed Sale, in order to maximize the value of the Debtors' estates, will be jeopardized.

46. The Debtors believe that the relief requested in the Financing Motion is in the best interests of the Debtors' estates, their creditors and all other parties in interest, and will enable the Debtors to continue to operate their businesses in Chapter 11 with minimal disruption.

47. For purposes of interim approval, the Debtors are seeking authority to use Cash Collateral and to borrow up to $750,000 under the DIP Facility. The provisions associated with the following shall not be effective until the entry of a Final Order: (i) the approval of the $150,000 DIP Fee, (ii) granting of liens in favor of the DIP Agent on Avoidance Actions, (iii) the attachment of any adequate protection liens or superpriority claims to Avoidance Actions, and (iv) waiver of costs, expenses, charge, lien, assessment or claim under section 506(c) of the Bankruptcy Code.

B. Motion For Order Pursuant to 11 U.S.C. § 105(a) And § 366 (A) Prohibiting Utility Providers From Altering, Refusing Or Discontinuing Services, (B) Deeming Utilities Adequately Assured Of Future Payment, (C) Establishing Procedures For Determining Adequate Assurance Of Payment, And (D) Scheduling a Final Hearing Thereon (the "Utility Motion").

48. In the normal course of business, the Debtors have relationships with approximately twenty-four (24) utility companies and other providers (each a "Utility Provider", and collectively, the "Utility Providers") for the provision of natural gas, electricity, water, sanitation services, cable television and internet, and telephone (the "Utility Services"). The Utility Providers include, without limitation, the entities set forth on the list attached to the Utility Motion as Exhibit A.[4] Prior to the Petition Date, the Debtors' average monthly payments to their Utility Providers aggregated approximately $35,000 per month.

49. Uninterrupted utility services are essential to the Debtors' ongoing operations and ability to serve their customers and subscribers. Should one or more of the Utility Providers refuse or discontinue service, even for a brief period, it would severely disrupt the Debtors' ability to operate, resulting in severe damage to the Business to the detriment of their estates, creditors, and employees. It is critical that the Debtors' Utility Services continue uninterrupted.

50. I therefore believe that the relief requested in the Utility Motion is necessary and appropriate and is in the best interests of the Debtors' estates, creditors and other parties-in-interest.

[4] The listing of any entity on Exhibit A of the Utility Motion is not an admission that such entity is a utility within the meaning of Section 366 of the Bankruptcy Code. The Debtors reserve the right to assert at any time that any entity listed on Exhibit A of the Utility Motion is not entitled to adequate assurance pursuant to Section 366 of the Bankruptcy Code. The Debtors further reserve the right to terminate the services of any Utility Provider at any time and to seek an immediate refund of any Utility Deposit without giving effect to any right of setoff or claim asserted by a Utility Provider against the Debtors.

C. Motion For The Authority To: (I) Pay Prepetition And Post-Petition Employee Wages, Salaries And Other Compensation; (II) Reimburse Prepetition And Post-Petition Employee Business Expenses; (III) Make Payments For Which Prepetition Payroll Deductions Were Made; (IV) Contribute To Prepetition Employee Benefits Programs And Continue Such Programs In The Ordinary Course of Business; (V) Pay Workers' Compensation Obligations; And (VI) Pay All Costs And Expenses Incident To The Foregoing Payments And Contributions (the "Wage Motion").

51. As of the Petition Date, the Debtors employ approximately 281 non-unionized employees. As discussed below, to minimize the personal hardship these workers will suffer if prepetition obligations are not paid when due, and to maintain morale at this critical time, the Debtors, through the Wage Motion, respectfully request the entry of an order authorizing, but not directing, the Debtors to: (i) pay all prepetition and post-petition wages, salaries, and other accrued compensation to employees; (ii) reimburse all prepetition and postpetition employee business-related expenses; (iii) make all payments for which prepetition payroll deductions and withholdings were made; (iv) make all contributions to prepetition employee benefit programs and continue such programs in the ordinary course of business; (v) honor workers' compensation program obligations; and (vi) pay all processing costs and administrative expenses relating to the foregoing payments and contributions, including any payments to third-party administrators or other administrative service providers.[5]

52. To assist in the implementation of the relief requested in the Wage Motion, the Debtors further request that their payroll service provider, ADP, Inc. ("ADP") be authorized to honor: (i) prepetition payroll checks or wires and (ii) all other checks or wires issued for payments approved by the Wage Motion, regardless of whether such checks or wires were drawn prior to or after the Petition Date. The Debtors also seek authorization to reissue prepetition

[5] Most or all of these processing costs and administrative expenses have been included in the itemized estimates of individual benefits and employee programs described in the Wage Motion.

checks or wires for payments approved by the order approving the Wage Motion that are dishonored notwithstanding the foregoing authorizations.

53. Of the Debtors' approximately 282 Employees, approximately 263 are full-time salaried Employees and approximately 19 are part-time hourly Employees.

54. The Debtors' average aggregate semi-monthly compensation to Employees for wages, salaries and commissions is approximately $500,000, exclusive of the deductions and exclusions detailed below. The Debtors' payroll is funded via semi-monthly wire transfers to ADP, Inc. The Debtors' Employees are paid on the 15th and the last day of each month for the previous period payroll (*i.e.*, an employee working May 1st to May 15th will be paid for such period on May 31st).

55. The Employees were most recently paid on September 15, 2010, for the period ending August 31, 2010. Employees have not yet been paid for services performed subsequent to August 31, 2010 but prior to the Petition Date. The Debtors seek authority to pay any wages or salaries due and unpaid as of the Petition Date (the "Unpaid Wages"). The Debtors expect that no more than four (4) Employees will have Unpaid Wages in excess of $11,725, and the Debtor project that such excess, in the aggregate, will not exceed $20,000.

56. In the ordinary course of business, the Debtors reimburse Employees for certain expenses incurred in the scope of their employment on the Debtors' behalf (the "Reimbursable Expenses"). The Debtors do not consider the Reimbursable Expenses to be compensation. The Debtors generally reimburse the Reimbursable Expenses within one week of the submission of a proper expense report. Reimbursable Expenses include expenses for travel (including for meals, tickets, lodging, and automobile mileage), business supplies, leased vehicles, and other business-related expenses. In the aggregate, the Debtors spend approximately $20,000 per month on

Reimbursable Expenses and estimate that, as of the Petition Date, approximately $20,000 in Reimbursable Expenses will be unpaid.[6]

57. During each applicable pay period, the Debtors routinely deduct certain amounts from paychecks prior to remitting the net aggregate amount of such paychecks to ADP (collectively, the "Deductions"), including, without limitation: (i) garnishments for child support and similar deductions; (ii) voluntary charitable contributions; (iii) pre-tax contributions to health and dependent care flexible spending accounts; and (iv) other pre-tax and after-tax deductions payable pursuant to certain of the Employee benefit plans discussed below and other miscellaneous deductions. The Debtors deduct approximately $132,000 per month in the aggregate in Deductions from Employees' paychecks.

58. The Debtors also are required by law to direct ADP (i) to withhold from an Employee's wages amounts related to, among other things, federal, state, and local income taxes, social security, and Medicare taxes (collectively, the "Withheld Amounts") for remittance to the appropriate federal, state, or local taxing authorities and (ii) to make matching payments for social security and Medicare taxes and pay additional amounts, based upon a percentage of gross payroll, for state and federal unemployment insurance (the "Employer Payroll Taxes," and together with the Withheld Amounts, the "Payroll Taxes," and together with the Deductions, the Reimbursable Expenses, and the Unpaid Wages, the "Unpaid Compensation"). ADP, at the Debtors' direction withholds approximately $385,000 in the aggregate on a monthly basis from Employees' paychecks on account of Payroll Taxes and Deductions.

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[6] Although the monthly average Reimbursable Expense amount provides guidance as to the amount that may be outstanding as of the Petition Date, there is no practical way for the Debtors to determine the actual amount of prepetition Reimbursable Expenses. A Reimbursable Expense is paid by the Debtors only after an Employee submits appropriate paperwork for reimbursement. Although, as noted, the Debtors generally process requests within one week of submission, the Debtors do not require Employees to submit requests within a specific time period after the expenses are incurred.

59. The Debtors also offer or provide Employees (and their dependents) with a variety of benefits. These employee benefits include, but are not limited to: (i) healthcare, dental, and other related coverage; (ii) certain leave benefits; (iii) a 401(k) plan in which Employees can participate; and (iv) other miscellaneous benefits described in greater detail below. The Debtors believe that as of the Petition Date, excluding accrued but unused vacation time, sick days and personal days, the Debtors do not owe any amount in connection with the Employee Benefits Programs (as defined below).

60. The Debtors offer coverage to Employees (and their dependents) for medical care and prescription drugs and certain other related benefits and, in certain instances, the Debtors have healthcare-related funding obligations relating to employees collecting severance benefits (collectively, the "Medical Benefits").[7] The Medical Benefits are provided on a partially-insured basis,[8] with the Debtors providing a fixed contribution percentage to each plan and the Employees paying the balance of the premium through payroll Deductions. The Debtors estimate that, as of the Petition Date, they will owe approximately $200,000 to Cigna Healthcare on account of Medical Benefits for September 2010. However, historical claims figures may not perfectly predict future costs and there is no practical way for the Debtors to determine the precise amount that will be owed on account of prepetition claims with respect to the Medical

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[7] The benefits provided for employees collecting severance benefits are provided in accordance with the Debtors' statutory obligations pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and the Health Insurance Portability and Accountability Act of 1996. Former employees are expected to make payments for the coverage provided pursuant to COBRA, although these COBRA payments may be made on behalf of certain individuals pursuant to a severance agreement. Further, certain Employees with individualized employment contracts are entitled to health care benefits as part of their severance benefits.

[8] The Medical Benefits provided by the Debtors also include partly-insured benefit options for Employees, such as the Dental Plan which is funded in part through Deductions from Employees.

Benefits. Thus, the Debtors may have due and unpaid obligations for Medical Benefits as of the Petition Date.

61. United Healthcare administers the Debtors' dental plan (the "Dental Plan"), which provides partial coverage for various preventive and restorative dental care procedures on behalf of approximately 215 participating Employees (plus an additional 25 former employees covered pursuant to COBRA). As of the Petition Date, the Debtors owe United Healthcare approximately $25,000 in connection with their prepetition obligations under the Dental Plan. As with the Medical Benefits, historical claims figures may not perfectly predict future costs and there is no practical way for the Debtors to determine the precise amount that will be owed on account of prepetition claims under the Dental Plan.

62. The Debtors maintain a health reimbursement arrangement (the "HRA") pursuant to which the Debtors reimburse medical expenses (not otherwise covered by insurance) incurred participating employees. Pursuant to the HRA, the Company funds medical expenses up to $150 per year for each participating Employee with single coverage and $300 per year for each participating Employee with family coverage. The funds provided by the Debtors are maintained by Connecticut General Life Insurance Company ("CGLIC"), the administrator of the Debtors' HRA, in an account at Citibank, N.A. This account is then used to reimburse healthcare providers for eligible medical expenses as determined by CGLIC. These funds are disbursed directly to healthcare providers by CGLIC by way of check. As of the date of the petition, the account has approximately $5,000.00 deposited for the participating Employees.

63. The Debtors also have established a health savings account ("HSA") for those Employees enrolled in high-deductible health plans. An HSA is a tax-advantaged medical savings account maintained by an Employee. Participating Employees elect to have funds

deducted from their paychecks and deposited into their HSAs on a pre-tax basis. An Employee's HSA funds may currently be used to pay for qualified medical expenses at any time without federal tax liability or penalty. The HSAs of participating Employees are maintained at JP Morgan Chase, N.A.

64. The Debtors provide most Employees with paid time-off benefits, depending upon the Employee's classification and length of employment. The Debtors provide an all-purpose time-off policy for paid leave in connection with vacation time, personal time, and sick leave (the "PTO Policy"). The maximum number of accumulative PTO Policy hours for any Employee depends on length of service and number of hours worked per week. Additionally, the Debtors provide paid leave for holidays, bereavement, exempt sick leave, jury duty, and witness duty (collectively, with the PTO Policy, the "Leave Policies"), which are obligations ultimately satisfied in the ordinary course of business through salary and payroll continuation.

65. The Debtors' 401(k) plan (the "401(k) Plan") is maintained for the benefit of certain eligible hourly and salaried Employees. The 401(k) Plan generally allows participants to make automatic pre-tax salary Deductions of eligible compensation up to the limits set by the Internal Revenue Code. As of the Petition Date, approximately 120 Employees participate in the 401(k) Plan.

66. The Debtors provide basic life insurance and accidental death and dismemberment coverage ("Life and AD&D Insurance Coverage") and short- and long-term disability insurance coverage ("Disability Coverage") to all full-time Employees, directors, and officers of the Debtors through Lincoln National Life. The Life and AD&D Insurance Coverage and the Disability Coverage are paid in full by Debtors. The premiums paid by the Debtors to

Lincoln National Life for the Life and AD&D Insurance Coverage are approximately $8,000 per month.

67. The Debtors offer certain flexible spending benefits (the "Flexible Spending Benefits") to the Employees, which allow the Employees to set aside pre-tax wages for certain permissible medical and dependent care costs. An Employee who elects to participate in the Flexible Spending Benefits chooses to have a certain amount of money deducted from each paycheck before taxes are withheld. The funds are held by ADP in an account and used to pay for or reimburse participating Employees for allowed expenses.

68. The laws of each of the states in which they operate require the Debtors to maintain workers' compensation policies and programs to provide their Employees with compensation for injuries arising from or related to its employment with the Debtors (such programs, and the financing thereof, the "Workers' Compensation Program," and together with the Medical Benefits, the Dental Plan, the Leave Policies, the Flexible Spending Benefits, the 401(k) Plan, the Life and AD&D Insurance Coverage, and the Disability Coverage, the "Employee Benefits Programs"). The Debtors provide the Workers' Compensation Programs on a fully insured basis through agreements with the Chubb Insurance Company ("Chubb"). In fiscal 2010, the Workers' Compensation Programs cost the Debtors approximately $41,000. The Debtors finance their obligations for the Workers' Compensation Programs in full through Associated Insurance Management, Inc. and seek authority to continue such financing activities by the Wage Motion.

69. As is customary for many companies, in the ordinary course of business the Debtors utilize the services of ADP and other third-party administrators to whom the Debtors outsource tasks associated with the payment of compensation and benefits to Employees,

including, without limitation, payroll processing (the costs associated therewith, the "Third-Party Administrative Costs," and together with the Unpaid Compensation and the Employee Benefits Programs, the "Employee Wages and Benefits"). The ordinary course services provided by these third-parties ensure that the Debtors' obligations with respect to Employees continue to be administered in the most cost-efficient manner and comply with all applicable laws.

70. It is essential that the Debtors continue to honor their Employee Wages and Benefits obligations to ensure the continued operation of the Business and to maintain the morale of the Employees. Absent the requested relief, many of the Employees may be unable to meet personal obligations, may be left without medical insurance, or may seek alternative employment opportunities.

71. I therefore believe that the relief requested in the Wage Motion is necessary and appropriate and is in the best interests of the Debtors' estates, creditors, and other parties-in-interest.

D. Motion Of The Debtors For An Order Pursuant To Sections 105(a), 345, 363, 364(c)(1), 1107(a), and 1108 of the Bankruptcy Code Authorizing (I) Continued Use Of The Debtors' Centralized Cash Management System And Procedures; (II) Maintenance Of Existing Bank Accounts And Continued Use of Existing Business Forms; (III) A Waiver Of Certain Operating Guidelines Related To Bank Accounts; And (IV) Limited Waiver of 11 U.S.C. §345(b) Deposit and Investment Requirements (the "Cash Management Motion")

72. Through the Cash Management Motion, the Debtors seek authority to maintain their existing cash management system and all existing bank accounts, including payroll and related accounts, and to continue using their existing business forms and investment practices.

73. The Debtors maintain seven (7) accounts at Bank of America and one (1) account at Comerica Bank. First, the Debtors maintain three (3) depository accounts (the "Depository Accounts"). All funds received by the Debtors are deposited in the Depository Accounts.

Second, the Debtors maintain four (4) operating accounts (the "Operating Accounts"). These Operating Accounts are "zero-balance accounts" that sweep to and from the Depository Accounts on a periodic basis as needed. The Debtors' accounts payable are paid out of the Operating Accounts. Wages and other amounts due to employees of AHC and SIS are charged by ADP and insurance carriers to the Operating Accounts. Wages and other amounts due to employees of TPG and PI posted to one of the Operating Accounts (the "Payroll Account"). Finally, the Debtors maintain a restricted account at Comerica Bank that serves as a security deposit for the Austin facility lease (together with the Depositary Accounts and the Operating Accounts, the "Bank Accounts").

74. Invoices for goods or services purchased by the Debtors are received directly by the employee who initiates such purchase. The invoice is reviewed for propriety, then passed on to the employee's supervisor for review and approval. Once approved, invoices are sent to the Debtors' Accounts Payable Specialist, who enters them into the Solomon Accounting System ("Solomon") used by the Debtors.

75. A report is generated from Solomon for each batch of invoices. The report is then submitted to one of three site accounting representatives. Each accounting representative verifies the accuracy and completeness of the report and invoices. Once a particular batch of invoices has been approved pursuant to the foregoing process, payment is processed. Payments typically are processed twice each week, on Monday and Thursday afternoons. All outgoing payments, whether they are to be made by ACH, check or wire transfer, are approved by the Debtors' controller before being finalized.

76. The Debtors use a third-party administrator, ADP, to process payroll checks and direct deposits. Twice each month, the hours and salaries for all Employees are entered into the

ADP system, then reviewed and approved by the Debtors' Vice President of Human Resources and the Payroll Supervisor. Once the information is approved, the Payroll Supervisor transmits to ADP the approval to process the payroll. One day before the checks and direct deposits are issued to the Employees, ADP debits the Debtors' payroll account for the net payroll and tax amount due. ADP then processes all direct deposits and checks from their own bank accounts, and pays the relevant taxing authorities on behalf of the Debtor.

77. The Debtors maintain current and accurate accounting records of daily cash transactions and submit that the maintenance of the Debtors' cash management system will prevent undue disruption to the Debtors' business and operations, while protecting the Debtors' cash for the benefit of its estate.

78. I therefore believe that the relief requested in the Cash Management Motion is necessary and appropriate and is in the best interests of the Debtors' estate, creditors, and other parties-in-interest.

E. Motion for an Order Authorizing (I) Continuation of All Insurance Policies and Agreements Relating Thereto and (II) The Debtors to Honor Certain Obligations in Respect Thereof (the "Insurance Motion").

79. By the Insurance Motion, the Debtors seek authority to (i) maintain and continue to make all post-petition payments (including post-petition fees and premiums) with respect to the Insurance Policies on an uninterrupted basis; (ii) maintain and continue on an uninterrupted basis the Debtors' prepetition practices with respect to each policy or contract; (iii) pay any prepetition premiums related to the Insurance Policies to the extent that the Debtors determine, in their discretion, that such payment is necessary to avoid cancellation, default, alteration, assignment, attachment, lapse or any form of impairment to the coverage, benefits or proceeds

provided under the Insurance Policies; and (iv) enter into new policies or renew existing policies in the ordinary course of business.

80. In connection with the operation of the Business, the Debtors maintain various insurance policies through third-party insurance carriers (the "Insurance Carriers") that provide coverage for, *inter alia*, general liability, umbrella liability, property, business automobile, directors and officers liability, workers' compensation, and ERISA and employee theft and crime (individually, an "Insurance Policy", and, collectively, the "Insurance Policies"). A list of Insurance Policies and Insurance Carriers is attached to the Insurance Motion as Exhibit A. Each of the Debtors' Insurance Policies will expire by their terms on May 1, 2011, other than the Debtors' Directors & Officers Liability, Crime/Kidnap, Employment Practices, and Fiduciary Liability policies, which will expire by their terms on May 31, 2011. The Debtors obtained the existing Insurance Policies through Associated Insurance Management, Inc. ("AIM").

81. The Debtor finances its insurance program though its broker, AIM. The term of the Debtors' premium financing agreement (the "PFA") is 10 months, such that the agreement terminates two months prior to the renewal dates of the policies. Pursuant to the PFA, AIM pays the Debtors' insurance premiums (all of which are payable in full, in advance) to the relevant insurers over the course of the 10-month term of the PFA, in ten monthly installments. The Debtors then reimburse AIM for such premium payments. For the 2010 policy year, the Debtors will pay an aggregate of $193,024 on account of insurance premiums, of which $91,451 is financed through AIM.

82. These Insurance Policies are essential to the preservation of the Business and the Debtors' assets. Because the Insurance Policies are essential to the Business, the Debtors believe it is in the best interests of their estates to permit the Debtors to honor their obligations under the

current Insurance Policies. Any other alternative would likely require considerable additional cash expenditures and would be detrimental to the Debtors and their estates.

83. The relief requested in the Insurance Motion is appropriate in light of the critical need to keep the Insurance Policies in effect and because the time delay during which the Debtors would otherwise need to seek and obtain Court authority for such maintenance and/or renewal would have irreversible adverse consequences for the Debtors.

84. The Debtors believe that in the instant cases they must continue their Insurance Policies in full force and effect. Moreover, these Insurance Policies provide a comprehensive range of coverage for the Debtors' employees, businesses, and property. If the Insurance Policies were allowed to lapse, the Debtors would be exposed to substantial liability for any damage resulting to persons or property of the Debtors. Failure to maintain any of the Insurance Policies, therefore, would be detrimental to the Debtors' reorganization efforts and adversely affect the value of its estate. If the Debtors are forced to obtain replacement insurance on an expedited basis, it would likely come at a tremendous cost to their estates.

85. I therefore believe that the relief requested in the Insurance Motion is necessary and appropriate and is in the best interests of the Debtors' estates, creditors, and other parties-in-interest.

F. Motion for an Order Authorizing the Debtors to Honor Certain Prepetition Customer Programs and Obligations (the "Customer Program Motion")

86. It is crucial to the Debtors' ongoing viability that they are able to retain the loyalty, confidence and goodwill of their customers. Indeed, the Debtors believe it will be impossible to maintain the ongoing viability of their business unless they are authorized to continue to honor their obligations to their customers in the ordinary course of business, regardless of whether such obligations were incurred prior to the Petition Date. Accordingly, by

this Motion, the Debtors are seeking to assure their customers that, despite commencing these chapter 11 cases, the Debtors will nevertheless honor their customer obligations and continue to operate their business consistent with past practice and with the same level of reliability and integrity for which they are well-known.

87. Each of Thompson, SIS and AHC sells multi-issue subscriptions to their respective customers. The majority of these subscriptions are for a twelve-month term. Pursuant to the Debtors' subscription policies, typically a customer pays the full amount of the subscription in advance. The Debtors then provide monthly content and updates to the customer. At any time, the Debtors typically will owe 1 to 12 months of updates to a particular customer (occasionally the Debtors enter into a subscription agreement with a term in excess of 12 months).

88. The Debtors receive payments in advance from their customers for such subscriptions (the "Prepaid Subscriptions"). The Debtors do not incur actual cash liability on account of the Prepaid Subscriptions, but instead incur the obligation to deliver the prepaid goods or services (the "Subscription Obligations"). The Debtors treat those portions of Prepaid Subscriptions that relate to as-yet performed Subscription Obligations as deferred revenue. As of the Petition Date, the Debtors' deferred revenue on account of such Subscription Obligations is approximately $22,600,000. In the event that the Debtors were unable to honor all of their prepetition Subscription Obligations, they believe that the claims arising from such Subscription Obligations could approximate the amount of the deferred revenue.

89. The Performance Institute provides conferences, training and consulting services, specializing in the areas of performance measurement and management, process improvement, project management, human capital and financial management. The majority of conference

attendees pay, in full, in advance. In addition, consulting or exhibiting services, at times, are paid in advance. The Debtors request authority to honor all obligations relating to pre-paid conferences or consulting/exhibit services, regardless of whether such conferences or services were paid for prior to the Petition Date (the "Conference Obligations"). The current aggregate amount of amounts already received by the Debtors on account of prepetition Conference Obligations is approximately $320,000.

90. In addition to the Debtors' Subscription Obligations and Conference Obligations, the Debtors have certain prepetition obligations to provide refunds to customers (the "Refund Obligations," and collectively with the Subscription Obligations and the Conference Obligations, the "Customer Programs"). Pursuant to the Debtors' standard form of subscription agreements, customers generally have a thirty (30) day trial period after receiving the first publication pursuant to a subscription during which they may return the product and/or cancel such subscription if payment has already been made. In addition, certain subscription agreements provide that the customer can request a *pro rata* refund for the remaining subscription period at any time. Further, the Debtors occasionally will also offer refunds to certain customers if, in their business judgment, it makes economic sense to do so. Pursuant to PI's policies, a customer may cancel attendance at a future conference at least 28 days prior to such conference.

91. The Debtors' prepetition refund obligations are typically between $10,000 and $20,000 per week. As of the Petition Date, the Debtors estimate that they owe approximately $30,000 to customers on account of prepetition refund obligations. As many of the Debtors' customers subscribe to more than one publication or attend more than one conference, the Debtors believe that it is in their best interests to honor such prepetition refund obligations in the ordinary course of business.

92. Pursuant to the Customer Program Motion, the Debtors seek authority to maintain and continue the Customer Programs and to honor their undisputed prepetition obligations thereunder in the ordinary course of business in accordance with their prepetition practices.

93. The continuity, viability, and revitalization of the Debtors' business is dependent on the development and maintenance of a robust subscriber base and customer loyalty. If the Debtors are unable to continue the Customer Programs and honor their prepetition obligations thereunder, their operations will be irreparably harmed.

94. Most, if not all, of the Debtors' Subscription Programs are standard practice in the publishing industry. The Debtors believe that their inability to continue such programs would place them at a significant competitive disadvantage and could prove fatal to the Debtors' efforts to reorganize or sell the Business.

95. I believe that continuation of the Customer Programs is necessary to reassure the Debtors' customers, preserve goodwill and maintain critical business relationships. I also believe that the benefit of continuing their Customer Programs and honoring their prepetition obligations thereunder will far exceed the cost of such programs.

96. Based on the potential for loss of competitiveness absent the requested relief, I submit that the relief requested pursuant to the Customer Programs Motion is in the best interest of the Debtors, their estates, and their creditors, and should be approved in all respects.

G. Motion for Order Authorizing the Debtors to Honor Prepetition Obligations With Authors and Certain Other Parties (the "Author Motion")

97. In order to edit and provide content for the publications of Thompson, AHC and SIS, the Debtors retain third-party authors, each an expert in his or her field (collectively, the "Authors"). While the vast majority of the Authors are individuals, a handful are organizations.

98. Typically, the relevant Debtor and an Author will enter into an agreement that spells out the nature and terms of the materials to be written or edited, including the amount to be paid to each Author in connection therewith (each, an "Author Agreement," and collectively, the "Author Agreements"). Most of the Author Agreements may be terminated by either party upon thirty (30) days' written notice (or some other period agreed upon by the parties). A schedule of the Author Agreements is attached hereto as Exhibit A.

99. Pursuant to the Author Agreements, most Authors are paid by the Debtors in arrears, on a quarterly basis. As of the Petition Date, many or most of the Authors will have unpaid claims against the Debtors for services performed and content provided to the Debtors. The Debtors believe that the aggregate amount of such claims will total approximately $925,000.

100. Without the services and materials provided by the Authors pursuant to the Author Agreements, Thompson, AHC and SIS would have no content for their publications. Their businesses, therefore, would suffer dramatically.

101. SIS also is party to an agreement (the "TRC Agreement") with TRC Interactive, Inc. ("TRC"). Pursuant to the TRC Agreement, TRC provides to SIS content for certain "e-learning modules," or on-line training classes. Upon the sale of an e-learning module, SIS pays 35% of the gross purchase price received to TRC and retains the remaining 65%. As of the Petition Date, the Debtors will owe TRC no more than $3,000 on account of prepetition obligations under the TRC Agreement.

102. Pursuant to this Motion, the Debtors request authority to pay all amounts owed to the Authors pursuant to the Author Agreements and to TRC pursuant to the TRC Agreement, regardless of whether such amounts arose prior to or after the Petition Date. Without the services and content provided by the Authors and TRC, the businesses of each of Thompson,

AHC and SIS would be significantly and negatively impacted. The relief requested herein is necessary in order to ensure that the Debtors are able to continue to provide a high-quality product to their customers and subscribers and to minimize the disruption to the Debtors' businesses as a result of the commencement of these cases.

103. Additionally, the Debtors seek an order authorizing all banks and other financial institutions to receive, process, honor and pay any and all checks presented for payment and electronic transfers with respect to payments authorized by this Motion, whether presented before or after the Petition Date, upon receipt by each bank and financial institution of notice of such authorization, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

104. In order to ensure that the Debtors are able to continue to provide a high-quality product to their customers and subscribers and to minimize the disruption to the Debtors' businesses as a result of the commencement of these cases, I believe that the relief requested pursuant to the Author Motion is necessary and appropriate, is in the best interests of the Debtors, their estates and creditors, and should be granted in all respects.

H. Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105(a), 363(b), 363(c), 1107(a), and 1108 and Fed. R. Bankr. P. 6003 and 6004 Authorizing the Debtors to Honor Prepetition Obligations to and Continue Prepetition Practices with Certain Service Providers (the "Vendor Motion")

105. In addition to the Authors, the Debtors rely heavily upon certain outside service providers in order to produce and deliver their products to their customers and to market their products to new customers.

106. The Debtors do not print any of their own publications, but rather, rely on an outside printer. Ginny's Printing ("Ginny's") is the Debtors' sole printing company. While the Debtors do not have a contract with Ginny's, Ginny's provides the Debtors with very

competitive pricing that the Debtors do not believe they could obtain from another printer. Moreover, were Ginny's to refuse to provide services to the Debtors on account of their outstanding prepetition claim, the transition to a new printer would be extremely disruptive to the Debtors' operations and could jeopardize their ability to deliver their publications to their customers.

107. The Debtors are a major customer of Ginny's, representing a significant portion of their business. The Debtors fear that, unless their prepetition obligations to Ginny's are paid in a timely manner, Ginny's operations may be materially disrupted.

108. In addition to outsourcing their printing needs, the Debtors outsource their direct marketing efforts. The Debtors use the services of DialAmerica, Inc., Advanced Business Teleservices, Inc. and Greene & Associates Inc. (collectively, the "Telemarketing Firms") to provide telemarketing services with respect to TPG, SIS and AHC's publications. Those employees of the Telemarketing Firms who provide services to the Debtors have the institutional knowledge, honed over many years, necessary to sell the Debtors' very specialized and technical publications. The services provided by the Telemarketing Firms generate significant revenue for the Debtors. The Debtors do not have contracts with the Telemarketing Firms. Were one or more of the Telemarketing Firms to stop providing services to the Debtors postpetition, it would be extremely difficult for the Debtors to transition to a new telemarketing firm without significant disruption to their business and loss of revenue. The Debtors do not have the resources to service their own telemarketing needs in-house.

109. Over the past six months, the average aggregate monthly amount of the Vendor Obligations to each of Ginny's and the Telemarketing Firms were approximately $150,000 and

$160,000, respectively. As of the Petition Date, the Debtors estimate that the aggregate outstanding amount of Vendor Obligations are approximately $375,000.

110. Each of Ginny's and the Telemarketing Firms is critical to the Debtors' business. Without their services, it would be very difficult for the Debtors to maintain the value of their businesses as a going concern. Moreover and it is more than likely that a buyer would insist on assuming the pre-petition liabilities to mitigate against business disruption. In order to ensure that the Debtors are able to continue to provide a high-quality product to their customers and subscribers and to minimize the disruption to the Debtors' businesses as a result of the commencement of these cases, I believe that the relief requested pursuant to the Vendor Motion is necessary and appropriate, is in the best interests of the Debtors, their estates and creditors, and should be granted in all respects.

I. **Debtors' Motion For Entry of Order Pursuant to 11 U.S.C. §§ 105(a), 363(b), 363(c), 541(d), 1107(a) and 1108 and Fed. R. Bankr. P. 6003 and 6004 (I) Authorizing the Debtors to Pay Certain Prepetition Taxes (II) Authorizing and Directing Banks and Other Financial Institutions to Honor all Related Checks and Electronic Payment Requests for Payment of Such Amounts and (III) Granting Related Relief (the "Tax Motion")**

111. The Debtors collect and remit to certain taxing authorities (collectively, the "Taxing Authorities") a variety of sales, local gross receipts and other similar taxes in connection with the sale of product to their customers (collectively, the "Sales Taxes"). On a monthly basis, the Debtors remit on average between approximately $30,000 and $40,000 in Sales Taxes to the Taxing Authorities, although the amount remitted in any given month may vary beyond the aforementioned range.

112. In addition, the Debtors are required to pay use taxes (collectively, the "Use Taxes" and, together with the Sales Taxes, the "Sales and Use Taxes") when they make certain purchases of tangible personal property from an out-of-state vendor. If the vendor has

no business operations within the state, it has no legal obligation to charge or remit sales taxes for sales to parties within such state. Nevertheless, under these circumstances, governing law requires the Debtors to self-assess the amount of sales taxes that would have been owed on purchases from out-of-state vendors and pay these amounts as Use Taxes to the applicable Taxing Authorities. In most jurisdictions, the Debtors remit the Use Taxes, together with the Sales Taxes, to the Taxing Authorities on a monthly basis. Typically, the amount of Use Taxes remitted by the Debtors to Taxing Authorities is *de minimis*.

113. As of the Petition Date, the Debtors estimate that the aggregate amount of Sales and Use Taxes owing to the Taxing Authorities is approximately $35,000.

114. The Debtors pay franchise, business, capital stock and similar taxes (collectively, the "Franchise Taxes") to certain of the Taxing Authorities to maintain the right to operate their business in the applicable taxing jurisdictions. Some states assess a flat Franchise Tax on all businesses, and other states assess a Franchise Tax based upon net operating income. Certain states will refuse to qualify a debtor to do business in a state if Franchise Taxes have not been paid. Most jurisdictions assess Franchise Taxes on an annual basis, in arrears. In conjunction with the Franchise Taxes, certain of the Taxing Authorities also assess various licensing fees.

115. For fiscal year 2009, the Debtors remitted approximately $53,000 in Franchise Taxes to Taxing Authorities. As of the Petition Date, the Debtors believe that they are current on payment of all Franchise Taxes. The Debtors anticipate, however, that certain Franchise Taxes will come due during the course of these chapter 11 cases.

116. The Debtors pay personal property or similar taxes (collectively, the "Personal Property Taxes") to certain of the Taxing Authorities within those jurisdictions where the

Debtors own personal property (the "Personal Property"). For fiscal year 2009, the Debtors incurred approximately $11,000 in Personal Property Taxes and have remitted all Personal Property Taxes for the fiscal year 2009. As of the Petition Date, the Debtors believe they are current on payment of all Property Taxes. The Debtors anticipate, however, that certain Property Taxes, including Property Taxes related to the prepetition period, will come due during the course of these chapter 11 cases.

117. Many federal, state and local Taxing Authorities impose personal liability on directors and/or responsible officers of entities responsible for collecting or paying certain Sales and Use Taxes, Franchise Taxes, and Personal Property Taxes (collectively, the "Prepetition Taxes") to the extent that such taxes are not remitted. Thus, if any of the Prepetition Taxes remain unpaid, the Debtors' directors and responsible officers may be subject to lawsuits or even criminal prosecution on account of such nonpayment during the pendency of these chapter 11 cases. Such lawsuits or proceedings would create a significant distraction for the Debtors' directors and responsible officers at a time when they should be focused on the Debtors' efforts to implement a successful sale process and maximize the value of their business and assets.

118. Although the Debtors believe that all Prepetition Taxes for which the Debtors' directors and/or responsible officers may be personally liable are described herein, it is possible that other prepetition obligations similar in nature (and in threat of personal liability) to such Prepetition Taxes may be uncovered by the Debtors subsequent to the filing of this Motion. To the extent that such prepetition obligations exist, the Debtors will consider such obligations "Prepetition Taxes" as that term is defined and used herein and request the authority to pay such Prepetition Taxes as they may arise in the ordinary course of their businesses.

119. In light of the foregoing, I believe that the relief requested pursuant to the Tax Motion is necessary and appropriate, is in the best interests of the Debtors, their estates and creditors, and should be granted in all respects.

J. Motion for Joint Administration of Chapter 11 Cases Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 1015-1 (the "Joint Administration Motion")

120. By the Joint Administration Motion, the Debtors seek the entry of an order directing the joint administration of the above-captioned chapter 11 cases.

121. Entry of an order directing joint administration of these cases will obviate the need for duplicative notices, motions, applications, and orders, thereby saving the Debtors considerable time and expense. It is the intention of the Debtors to consolidate their cases solely for the purpose of administration at this time. Accordingly, the rights of the creditors will not be adversely affected as the Motion requests only administrative, and not substantive, consolidation of the estates. In fact, the rights of all creditors will be enhanced by the reduced costs that will result from the joint administration of these cases. The Court also will be relieved of the burden of entering duplicative orders and maintaining duplicative files. Furthermore, supervision of the administrative aspects of these chapter 11 cases by the United States Trustee for the District of Delaware (the "U.S. Trustee") will be simplified.

122. Based on the foregoing, the Debtors submit that the relief requested in the Joint Administration Motion is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

K. Debtors' Motion For Orders: (A)(I) Approving Bid Proceduers in Connection with Sale of Substantially all of Their Assets; (II) Scheduling Hearing to Consider Sale of Assets; and (III) Approving Form and Manner of Notice Thereof; and (B)(I) Authorizing and Approving Sale of Assets Free and Clear of Liens, Claims, Encumbrances, and Interests; and (II) Approving Assumption and Assignment of Designated Executory Contracts; and (C) Granting Related Relief (The "Sale Motion")[9]

123. I believe that, unless a Sale is expeditiously consummated, whether to the First Lien Lenders or to a purchaser submitting a higher or otherwise better offer, there will be significant deterioration in the value of the Debtors estate. I also believe that the Debtors' business is not of a type that can endure a prolonged stay in chapter 11 without significant risk to its survival. Among other reasons, the Debtors' business is particularly dependent upon the talent and contributions of its authors (none of whom is a party to a long-term contract with the Debtors) and employees and the loyalty of its subscribers. If this case becomes prolonged and the outcome appears uncertain, I believe that the stability of the Debtors' business will suffer materially. Accordingly, the prompt pursuit and consummation of a Sale is essential to maximization of the value of the Debtors' assets.

124. In furtherance of this objective, the Debtors negotiated extensively with the First Lien Lenders on the terms and conditions of the Asset Purchase Agreement (the "Stalking Horse Purchase Agreement"),[10] which was executed prior to the Petition Date. The Stalking Horse Purchase Agreement contemplates the sale of substantially all of the Debtors' assets (as more specifically identified in the Stalking Horse Purchase Agreement, the "Purchased Assets") to the First Lien Lenders, free and clear of all liens, claims, encumbrances and other interests (as more particularly defined in the Sale order, collectively, "Interests") other than those expressly

[9] The Debtors are not seeking any of the relief requested in the Sale Motion on an immediate basis.

[10] A copy of the Stalking Horse Purchase Agreement, in substantially final form but excluding schedules and exhibits, is attached to the Sale Motion as Exhibit A.

assumed by the First Lien Lenders. Any such non-assumed Interests against or in the Purchased Assets will attach to the net proceeds of a sale, in the order of priority and with the same validity, force and effect that such Interests may now have against such assets.

125. Pursuant to the Stalking Horse Purchase Agreement, the First Lien Agent (or its permitted successors and assigns) (the "Potential Purchaser") has agreed to purchase the Purchased Assets in exchange for a credit bid in the amount of $42,000,000. In addition, the Potential Purchaser has agreed to assume many of the Debtors' obligations, including, without limitation, obligations to the Debtors' subscribers and substantially all of the Debtors' obligations to their Employees.

126. To obtain the maximum value for the Purchased Assets, the Debtors propose to subject the sale of the Purchased Assets to an auction process with the Stalking Horse Purchase Agreement serving as a basis for any competing bids. If no other qualified bids are received for the Purchased Assets that are higher or otherwise better than the transaction set forth in the Stalking Horse Purchase Agreement, the Debtors intend to sell the Purchased Assets to the Potential Purchaser pursuant to the terms of the Stalking Horse Purchase Agreement.

127. The Debtors have filed, with their chapter 11 petitions, a motion seeking this Court's approval of: (i) assumption of the Stalking Horse Purchase Agreement, and the Sale of the Purchased Assets pursuant thereto, free and clear of Interests, or the right to consummate a higher or otherwise better offer or transaction with an alternative buyer; (ii) the institution of certain bidding, auction and notice procedures for the solicitation and consideration of competing offers for the Purchased Assets (collectively, the "Bidding Procedures"); and (iii) the assumption, assignment and/or transfer of certain executory contracts and unexpired leases to the First Lien Lenders or, alternatively, to such other bidder that submits the highest and best offer

for the Purchased Assets. While the Debtors are not seeking relief pursuant to the Sale Motion at the hearing to consider the First Day Motions, they do intend to request that this Court schedule a hearing to consider approval of the Bidding Procedures. I believe that the Sale of the Purchased Assets will maximize the value of the Debtors' estates for the benefit of their creditors and other interested parties.

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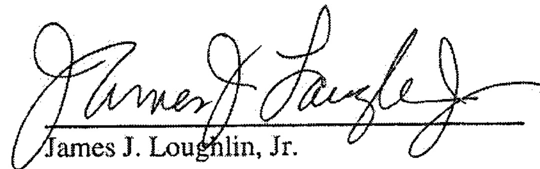
For all of the foregoing reasons, I respectfully request that the Court grant the relief requested in each of the First Day Motions filed concurrently herewith.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of September, 2010.



James J. Loughlin, Jr.