

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

In re:)	
	)	Chapter 11
MES INTERNATIONAL, INC., ¹)	
	)	Case No. 09-14109
Debtor.)	
In re:	)	Chapter 11
)	
GSI GROUP INC.,	)	Case No. 09-14110
)	
Debtor.)	
In re:	)	Chapter 11
)	
GSI GROUP CORPORATION,	)	Case No. 09-14111
)	
Debtor.	)	Joint Administration Requested
)	

MOTION OF DEBTORS FOR AN INTERIM AND FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105 AND 366 OF THE BANKRUPTCY CODE (I) FINDING UTILITIES ADEQUATELY ASSURED OF FUTURE PERFORMANCE, (II) ENJOINING UTILITIES FROM ALTERING, REFUSING, DISCONTINUING, OR INTERFERING WITH UTILITY SERVICE, AND (III) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCE

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby move (the “Motion”), by and through their proposed undersigned counsel, pursuant to sections 105 and 366 of title 11 of the United States Code (the “Bankruptcy Code”), for entry of interim and final orders: (a) finding that the Debtors’ utility providers (each a “Utility” and collectively, the “Utilities”) are adequately assured of future performance by the procedures set forth herein; (b) enjoining Utilities from altering, refusing, discontinuing, or interfering with

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: MES International, Inc. (1964); GSI Group Inc. (0412); and GSI Group Corporation (9358). The Debtors’ headquarters is located at 125 Middlesex Turnpike, Bedford, MA 01730.

service to the Debtors; and (c) establishing procedures for determining requests for additional adequate assurance. In support of this Motion, the Debtors rely on the Declaration of Sergio Edelstein, the Debtors' President and Chief Executive Officer (the "Edelstein Declaration"), which is being filed contemporaneously herewith, and respectfully state as follows:

Jurisdiction and Venue

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 105(a) and 366 of the Bankruptcy Code.

Background

A. Company Overview

3. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief with the Court under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases (the "Chapter 11 Cases") and, as of the date of the filing of this Motion, no official committees have been appointed or designated. Concurrently with the filing of this Motion, the Debtors have sought procedural consolidation and joint administration of the Chapter 11 Cases.

4. As more particularly described in the Edelstein Declaration, the Debtors in these cases are comprised of three entities within a corporate family led by parent company GSI Group Inc. ("Holdings"). The Debtors consist of Holdings, its wholly owned subsidiary GSI Group

Corporation (“GSI”), and MES International, Inc. (“MES”), itself an indirect wholly owned subsidiary of GSI. Holdings has ten other U.S. and nineteen foreign subsidiaries and one joint venture which have not filed for chapter 11 protection and are not debtors in the Chapter 11 Cases.

5. Holdings, together with its debtor and non-debtor subsidiaries (collectively, the “Company”) designs, develops, manufactures and sells photonics-based solutions (consisting of lasers, laser systems and electro-optical components), precision motion devices, associated precision motion control technology and systems. The Company’s customers incorporate its technology into their products or manufacturing processes for a wide range of applications across multiple markets, including: industrial, scientific, electronics, semiconductor, medical and aerospace. The Company's products enable customers to implement advanced manufacturing processes, to make advances in materials and processing technology, and to meet extremely precise manufacturing specifications, including device complexity and miniaturization.

6. The Company, headquartered in Bedford, Massachusetts, sells worldwide with a direct sales force and through distributors and sales agents. The Company has manufacturing, research and development sites in several states in North America, as well as in the United Kingdom, China and Germany. Additional sales, service and applications sites are located in multiple locations throughout Asia and around the world. The Company employs approximately 1,300 full and part-time employees.

7. In August 2008, the Company acquired Excel Technology, Inc. (“Excel”), a designer, manufacturer and marketer of photonics-based solutions. Prior to the acquisition, Excel, which is not a debtor in the Chapter 11 Cases, was headquartered in East Setauket, New York. Excel manufactures its products in plants located in the United States and Germany, and

sells its products to customers worldwide, both directly and indirectly through resellers and distributors.

B. Prepetition Financing

8. The Debtors have no material secured debt. In August 2008, in order to finance a portion of the Excel acquisition, GSI issued and sold to various investors \$210.0 million of unsecured senior notes at a fixed interest rate of 11% per annum due 2013 (the “Senior Notes”), which are guaranteed by Holdings and certain of Holdings’ U.S. subsidiaries.

C. Events Leading to the Commencement of the Chapter 11 Cases

9. As detailed in the Edelstein Declaration, delays in the integration of the financial accounting systems of Holdings and Excel immediately following the acquisition of Excel in 2008 initially led to a delay of several weeks in the preparation of Holdings’ Quarterly Report on Form 10-Q for the quarterly period ended September 26, 2008 (the “2008 Q3 Report”). Shortly thereafter and prior to filing the 2008 Q3 Report, on December 4, 2008, Holdings announced that it had identified potential errors in the recognition of revenue related to sales to a customer in the first and second fiscal quarters of 2008 in Holdings’ Semiconductor Systems Segment, which were brought to the attention of the Audit Committee of Holdings’ Board of Directors (the “Audit Committee”) by Holdings’ management. Following an initial review, the Audit Committee, in consultation with Holdings’ outside legal counsel and its independent auditors, Ernst & Young, determined that it was appropriate to undertake an independent review of the potential revenue recognition issues brought to its attention. In connection therewith, the Audit Committee subsequently voluntarily expanded its review of sales transactions in the Company’s Semiconductor Systems Segment, along with other sales transactions that contained arrangements with multiple deliverables for fiscal years 2006, 2007 and 2008. Between

December 4, 2008 and March 30, 2009, Holdings announced that it had identified errors relating to the timing of revenue recognition relating to certain sales to customers in the Semiconductor Systems Segment during fiscal years 2006, 2007 and 2008 and that, as a result, the previously issued interim and annual financial statements for these years should not be relied upon.

10. In December of 2008, certain holders of the Senior Notes alleged that Holdings had failed to comply with the covenant in Section 4.02 of the indenture for the Senior Notes (the “Indenture”) as a result of Holdings’ failure to timely file its 2008 Q3 Report with the U.S. Securities and Exchange Commission. These holders further alleged that, if such failure continued for 60 days from the date that Holdings received notices of failure from Holders comprising at least 25% of the aggregate amount of Senior Notes then outstanding, then such failure would constitute an event of default.

11. As a result of these events, Holdings began engaging in ongoing discussions with certain holders of the Senior Notes. On February 11, 2009, Holdings announced that it entered into a forbearance agreement with certain entities holding greater than 75% of the outstanding aggregate principal amount of the Senior Notes (the “Senior Noteholders”). Thereafter, the Company continued to engage in negotiations that ultimately led in June 2009 to an agreement on a non-binding term sheet with the Senior Noteholders to consensually restructure the Company’s outstanding obligations under the Senior Notes. Since that time, Holdings has conducted an extensive process to identify possible alternatives to the transactions described in the Plan (as hereinafter defined), and has concluded that the transactions described in the Plan provide the highest and best treatment for all creditors of the Debtors’ estates, Holdings’ shareholders and the Company’s customers, vendors and employees.

12. On November 19, 2009, the Debtors and the Senior Noteholders entered into a Plan Support Agreement. Pursuant to the Plan Support Agreement, holders of 88.1% of the outstanding principal amount of the Senior Notes have agreed to support the Joint Chapter 11 Plan of Reorganization for MES International, Inc., GSI Group Inc. and GSI Group Corporation (the “Plan”) which was filed in the Chapter 11 Cases on the Petition Date, to the extent the Debtors continue to comply with the terms and conditions of the Plan Support Agreement. Pursuant to the Plan, the Senior Notes, together with an additional unsecured note payable by GSI to a foreign subsidiary of Holdings (the “GSI UK Note”), will be converted to (a) a payment in cash for certain accrued and unpaid interest (at the non-default rate), fees, expenses (including, without limitation, all amounts payable to the trustee under the Indenture) and all other amounts (other than principal) due to the extent such amounts are unpaid as of the Effective Date; (b) new common shares equal to 81.4% of the outstanding capital stock of reorganized Holdings²; and (c) new secured notes in the approximate amount of \$104,100,000³, resulting in the reduction of the Debtors’ funded indebtedness by more than \$125,000,000 and leaving the Debtors’ remaining debt, including all vendor payables and all or substantially all other claims, unimpaired under the Plan. The Debtors filed the Chapter 11 Cases to implement the Plan.

13. The Debtors have met their obligations as they have come due. The Debtors have had sufficient cash from operations to meet their obligations arising prior to their filing of the Plan and believe that they will continue to have sufficient cash to readily pay when due all ordinary course obligations arising after the commencement of the Chapter 11 Cases.

² Specifically, the holders of Senior Notes will receive approximately 74.3% of the outstanding capital stock of reorganized Holdings, and the holder of the GSI UK Note will receive approximately 7.1% of the outstanding capital stock of reorganized Holdings.

³ Specifically, holders of the Senior Notes will receive new secured notes in the approximate aggregate amount of \$95 million, and the holder of the GSI UK Note will receive new secured notes in the approximate aggregate amount of \$9.1 million.

14. The Debtors are making every effort to commence and implement these cases with as little disruption as possible to their highly valued customers, employees and vendors. Additional information regarding the Debtors and the Company, and the background to the Debtors' bankruptcy filing, is set forth in the Edelstein Declaration filed contemporaneously herewith and incorporated by reference herein.

Relief Requested

15. To the extent possible, the Debtors have compiled a complete list of the utility companies servicing the Debtors' facilities. The list of Utilities is attached hereto as **Exhibit A**.⁴

16. By this Motion, the Debtors seeks entry of (i) an Interim Order and (ii) a Final Order: (a) finding that the Utilities identified on **Exhibit A** have adequate assurance of future payment within the meaning of section 366 of the Bankruptcy Code based, *inter alia*, on the Debtors' establishment of a security deposit in a segregated account equal to 50% of the average monthly bill for each Utility, which amount may be adjusted by the Debtors for reasons specified herein following the final hearing on this Motion and which is without prejudice to the Utilities' right to request additional adequate assurance according to the procedures set forth below, (b) enjoining the Utilities from altering, refusing, discontinuing, or interfering with services to the Debtors on account of any unpaid invoice for pre-petition services, including the making of demands for security deposits or accelerated payment terms, or while a request for adequate assurance of payment in accordance with the procedures set forth herein is pending, and

⁴ While the Debtors have exercised their best efforts to list all of their Utilities and account numbers on **Exhibit A**, it is possible that certain Utilities and/or account numbers may have been omitted. The Debtors reserve the right to amend **Exhibit A** to add any Utilities and/or account numbers that were omitted therefrom and to request that the relief requested herein apply equally to all such entities and accounts. Furthermore, the relief requested herein shall apply to all of the Debtors' accounts with every Utility listed on **Exhibit A** regardless of whether or not such accounts are contained therein or not. In addition, the Debtors reserve the right to argue that any of the entities now or hereafter listed in **Exhibit A** are not "utilities" within the meaning of section 366(a) of the Bankruptcy Code.

(c) establishing procedures for determining requests for additional adequate assurance and authorizing the Debtors to provide such adequate assurance to the Utilities.

17. Utility service is essential to the Debtors' ongoing operations and the success of the Debtors' reorganization efforts. Any disruption in utility service at any of the Debtors' facilities would be costly to the Debtors and harmful to their businesses and would force the Debtors to focus on finding replacement providers and services rather than focusing on operation and restructuring of their businesses, critical tasks at the outset of the Chapter 11 Cases. Further, any disruption would likely damage customer relationships, adversely affect revenues and profits, and significantly impair the Debtors' restructuring efforts, all to the detriment of the Debtors' estates, creditors, and other parties in interest. As further discussed below, it is therefore critical that the Utilities continue to provide uninterrupted service to the Debtors.

A. Utilities

18. In connection with the operation of their businesses and management of their properties, the Debtors incur utility expenses in the ordinary course of business for, among other things, water, electricity, gas, local and long-distance telecom services, data services, waste disposal, and other similar services (collectively, the "Utility Services"). On a monthly basis, the Debtors spend approximately \$130,000 per month for the various Utility Services. These Utility Services are provided by more than twenty-one (21) Utilities worldwide, with which one or more of the Debtors may have multiple utility accounts. A non-exhaustive list of the Utilities is attached hereto as Exhibit A.

B. Proposed Adequate Assurance

19. Section 366 of the Bankruptcy Code prohibits utilities from altering, refusing, discontinuing, or interfering with services to a debtor for the first twenty (20) days of a

bankruptcy case. However, in a chapter 11 case, pursuant to section 366(c)(2), a utility may refuse or discontinue service to a debtor after the first thirty (30) days if the debtor has not furnished the utility with adequate assurance of future payment.

20. The Debtors intend to pay all post-petition obligations owed to the Utilities in a timely manner, consistent with the ordinary course of their businesses. However, to provide adequate assurance of payment for future services as required by section 366(c) of the Bankruptcy Code, the Debtors propose to deposit (within twenty (20) days of the Petition Date) an amount into an interest-bearing, newly-created, segregated account (the “Adequate Assurance Account”) equal in the aggregate to 50% of the average monthly bill for each Utility over the course of the last twelve months prior to the Petition Date (the “Adequate Assurance Deposit”) pending further order of the Court. Because the Debtors’ approximate monthly spending on all Utility Services is approximately \$130,000, the initial Adequate Assurance Deposit will be approximately one half of that amount, or \$65,000.

21. The Debtors further propose to maintain the Adequate Assurance Account with a minimum balance in the aggregate equal to 50% of the Debtors’ average monthly cost of Utility Services through the final hearing on the Motion. Thereafter, the Debtors propose to adjust the amount in the Adequate Assurance Account to reflect several factors such as (i) the termination of Utility Services by the Debtors regardless of any Utility’s Request (as defined below); (ii) an agreement with any Utility pursuant to the procedures below; and (iii) the amount spent on Utility Services with a Utility that already holds a deposit or other security from the Debtors. These adjustments will permit the Debtors to maintain the Adequate Assurance Account in an amount that consistently provides the Utilities that do not otherwise hold deposits or other security with a half-month’s deposit on account of such services.

22. The Debtors submit that the Adequate Assurance Deposit taken together with the facts and circumstances of the Debtors' Chapter 11 Cases, (together, the "Proposed Adequate Assurance") constitutes sufficient adequate assurance to the Utilities. These protections ensure that all Utilities will have adequate assurance of payment throughout these cases, and the Debtors believe that no other or further assurance is necessary. As such, each Utility Provider will be unconditionally paid in full on account of services provided post-petition. However, if any Utility believes additional adequate assurance beyond that described herein is required, it must request such assurance pursuant to the procedures set forth below.

C. Proposed Procedures

23. The Debtors request entry of an order approving and adopting the following procedures for resolving requests by any Utility seeking additional adequate assurance from the Debtors:

- (a) The Debtors will serve a copy of this Motion, together with the proposed Final Order, which includes these proposed procedures, on each Utility within three (3) business days after entry of the Interim Order by the Court.⁵
- (b) If a Utility is not satisfied with the Adequate Assurance Deposit provided by the Debtors and seeks additional adequate assurance in the form of an additional deposit or other security, the Utility shall serve such a request in writing (the "Request") so that it is received by the Debtors and their counsel at the following addresses: (i) GSI Group Inc., Sergio Edelstein, Ph.D, President and CEO, 125 Middlesex Turnpike, Bedford, MA 01730; (ii) Brown Rudnick LLP, One Financial Center, Boston, MA 02111, Attn: William R. Baldiga, Esq.; and (iii) Saul Ewing LLP, 222 Delaware Avenue, Suite 1200, P.O. Box 1266, Wilmington, DE 19899 Attn: Mark Minuti, Esq., within thirty (30) days of the date of service of the Interim Order upon such Utility.

⁵ In addition, the Debtors seek authority, without further order of the Court, to supplement the list of Utilities on Exhibit A if any Utility has been inadvertently omitted. If the Debtors supplement the list subsequent to the filing of this Motion, the Debtors will serve a copy of this Motion and the proposed Final Order on any Utility that is added to the list by such supplement.

- (c) The Request shall (i) be in writing; (ii) set forth the location(s) for which Utility Services are provided; (iii) provide the associated account number; (iv) include a summary of the Debtors' payment history relevant to the affected account, including any security deposits; (v) explain the reasons why the Utility believes that the Proposed Adequate Assurance is not sufficient to assure future payment; and (vi) the amount and nature of any assurance of future payment that would be satisfactory to the Utility.
- (d) Without further order of the Court, the Debtors may enter into an agreement granting additional adequate assurance to any Utility who served a Request upon the Debtors, if the Debtors, in their sole discretion, determine that the Request is reasonable.
- (e) If a consensual resolution of the Request is not reached within thirty (30) days after service of the Request upon the Debtors and their counsel, the Debtors shall request a hearing before this Court for determination of adequate assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code (the "Determination Hearing") with respect to such Utility and the Determination Hearing shall be scheduled for the next omnibus hearing date established by this Court. Such hearing will be without prejudice to the right of any Utility to seek relief separately under section 366(c)(3) of the Bankruptcy Code (also, a "Determination Hearing").
- (f) Pending resolution of such dispute at the Determination Hearing, the relevant Utility (i) shall be restrained from altering, refusing, discontinuing, or interfering with service to the Debtors on account of any unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance and (ii) shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code in the form of the Adequate Assurance Deposit furnished by the Debtors until and unless this Court enters a final order finding otherwise.
- (g) Any Utility that does not timely file and serve a Request shall be deemed to have received adequate assurance under section 366 of the Bankruptcy Code in the form of the portion of the Adequate Assurance Deposit equal to 50% of the average monthly bill for such Utility over the course of the last twelve months prior to the Petition Date.

24. The Debtors request a final hearing on this Motion to be held within twenty-five (25) days of the Petition Date to ensure that, if a Utility argues that it can unilaterally

refuse service to any of the Debtors on the thirty-first (31) day after the Petition Date, they will have the opportunity, to the extent necessary, to request that the Court make such modifications to these procedures in time to avoid any potential termination of Utility Services.

Applicable Authority

25. Section 366 of the Bankruptcy Code provides in relevant part that:

- (a) Except as provided in subsections (b) and (c) of this section, a utility may not alter, refuse, or discontinue service to, or discriminate against, the trustee or the debtor solely on the basis of the commencement of a case under this title or that a debt owed by the debtor to such utility for service rendered before the order for relief was not paid when due.
- (b) Such utility may alter, refuse, or discontinue service if neither the trustee nor the debtor, within 20 days after the date of the order for relief, furnishes adequate assurance of payment, in the form of a deposit or other security, for service after such date. On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.

26. Thus, section 366 of the Bankruptcy Code protects a debtor from termination of its utility services upon the filing of a bankruptcy petition while also providing utility companies with adequate assurance of payment for post-petition utility services. See H.R. Rep. No. 595, 95th Cong., 1st Sess. 350.

27. Section 366(c)(1)(A) provides that “assurance of payment” may be in the form of cash deposit, letter of credit, certificate of deposit, surety bond, prepayment of utility consumption, or another form of security that is mutually agreed on between the utility and the debtor. 11 U.S.C. § 366(c)(1)(A). While the form of adequate assurance of payment may be

limited to the types of security enumerated in subsection 366(c)(1)(A), the amount of the deposit or other form of security remains within the reasonable discretion of the Court.

28. It is well established that the requirement that a utility receive adequate assurance of payment does not require a guarantee of payment. See, e.g., In re Caldor, Inc., 199 B.R. 1, 3 (S.D.N.Y. 1996) (“Section 366(b) requires [a] Bankruptcy Court to determine whether the circumstances are sufficient to provide a utility with ‘adequate assurance’ of payment. The statute does not require an ‘absolute guarantee of payment.’” (citation omitted)); In re Penn Jersey Corp., 72 B.R. 981, 982 (Bankr. E.D. Pa. 1987) (stating that section 366(b) “contemplates that a utility receive only such assurance of payment as is sufficient to protect its interests given the facts of the debtor’s financial circumstances”). Instead, the protection granted to a utility is intended to avoid exposing the utility to an unreasonable risk of nonpayment. See, e.g., Mass. Elec. Co. v. Keydata Corp. (In re Keydata Corp.), 12 B.R. 156, 158 (1st Cir. B.A.P. 1981). Further, courts have recognized that, in determining what constitutes “adequate” assurance, a bankruptcy court must “focus upon the need of the utility for assurance, and ... require that the debtor supply no more than that, since the debtor almost perforce has a conflicting need to conserve scarce financial resources.” Virginia Elec. & Power Co. v. Caldor, Inc., 117 F.3d 646, 650 (2d Cir. 1997) (quoting Penn Jersey Corp., 72 B.R. at 985). In addition, adequate assurance must be measured by the debtor’s financial situation. Penn Jersey Corp., 72 B.R. at 982.

29. The mechanisms proposed in this Motion strike a reasonable, common-sense balance between providing “adequate assurance of payment for utility service that is satisfactory” as set forth in section 366(c)(2) of the Bankruptcy Code, on the one hand, and the Debtors’ well-recognized need to conserve cash for use in their business on the other. The need to strike this balance has been acknowledged by courts and commentators since the 2005

amendments to section 366. See, e.g., In re Syroco, Inc., 374 B.R. 60, 61-62 (Bankr. D.P.R. 2007) (holding that a court may order assurance of payment to a utility provider to be adequate absent objection from the utility provider); In re Beach House Property, LLC, 2008 WL 961498 (Bankr. S.D. Fla. 2008) (holding that a court may determine the form of adequate assurance to be provided to a utility provider absent agreement of the parties on the issue). In light of the need to strike that balance, section 366 should “be read to require a utility to bargain in good faith with the trustee or debtor in possession before electing to discontinue service thereafter.” See Bertrand Pan & Jennifer Taylor, Sustaining Power: Applying 11 U.S.C. § 366 in Chapter 11 Post-BAPCPA, 22 Bankr. Dev. J. 371, 382, 389 (2006) (stating that Congress’ intent could not have been to allow a utility unfettered discretion in determining what constitutes a satisfactory assurance of payment, because such an interpretation would be “completely inconsistent with the purpose of 366,” and that “reading 366(c) to require a utility to negotiate in good faith ... would enable courts to give utilities deference in the negotiating process, but also prevent utilities from refusing to negotiate or making unreasonable demands in the negotiation process”), and to have such requests adjudicated at a Determination Hearing absent an agreement with the Debtors.

30. In addition to its powers to grant the relief sought in this Motion under section 366, this Court also has the authority to grant the relief requested herein pursuant to section 105(a) of the Bankruptcy Code, which provides that the Court “may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). The purpose of section 105(a) is “to assure the bankruptcy courts [sic] power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.” 2 Collier on Bankruptcy, ¶ 105.01 (15th rev. ed. 2008). For all of the reasons described herein, the proposed procedures protect the Debtors without materially prejudicing the Utilities. Therefore,

the proposed procedures implement section 366 in a manner fully consistent therewith and are an appropriate exercise of this Court's authority under section 105(a) of the Bankruptcy Code.

31. This Court has granted relief similar to that requested herein—that is, establishment of an adequate assurance deposit equal to 50% of monthly expenditures on utilities and comparable adequate assurance procedures—in other chapter 11 cases pursuant to its powers under sections 105(a) and 366 of the Bankruptcy Code. See, e.g., In re Linens Holdings Co., Case No. 08-10832 (CSS) (Bankr. D. Del. May 2, 2008 (interim order), May 27, 2008 (final order)); In re Hilex Poly Co. LLC, Case No. 08-10890 (KJC) (Bankr. D. Del. May 7, 2008 (interim order), May 22, 2008 (final order)); In re Buffets Holdings, Inc., Case No. 08-10141 (MFW) (Bankr. D. Del. Jan. 23, 2008 (interim order), Feb. 28, 2008 (final order)); In re American Home Mortgage Holdings, Inc., Case No. 07-11047 (CSS) (Bankr. D. Del. Aug. 7, 2007 (interim order), Sept. 4, 2007 (final order)); In re New Century TRS Holdings, Inc., Case No. 07-10416 (KJC) (Bankr. D. Del. April 3, 2007 (interim order), April 25, 2007 (final order)); In re Medifacts Int'l, Inc., Case No. 07-10110 (PJW) (Bankr. D. Del. Jan. 30, 2007 (interim order), Feb. 20, 2007 (final order)); In re Dura Auto. Sys., Inc., Case No. 06-11202 (KJC) (Bankr. D. Del. Oct. 31, 2007 (interim order), Nov. 21, 2006 (final order)); and In re Neilson Nutraceutical, Inc., Case No. 06-10072 (PJW) (Bankr. D. Del. Jan. 31, 2006 (interim order), Feb. 23, 2006 (final order)). The relief sought in this Motion thus represents a well-precedented and reasonable means of adequately assuring payment for the Utility Services while ensuring that the Debtors' businesses are permitted to operate without the prospect of disruptions that would result from the interruption of those services.

Reasons for the Relief Requested

32. The facts and circumstances of the case demonstrate that the Utilities are not subject to an unreasonable risk of nonpayment by the Debtors. As reflected on **Exhibit A**, utility services are provided to the Debtors in numerous locations. The Debtors maintain approximately fifty-five (55) accounts with Utility companies. Should the Utilities refuse to provide or discontinue providing services to the Debtors for even a brief period, the Debtors' operations would be severely disrupted, jeopardizing the Debtors' reorganization efforts. Therefore, it is critical that utility services continue without interruption.

33. The Debtors submit that they will have the resources to meet their postpetition obligations to the Utilities. Accordingly, the Debtors will have sufficient liquidity to meet timely all post-petition Utility obligations and the Utilities will not be prejudiced if they continue to furnish and render to the Debtors the services provided in the past.

34. The adequate assurance proposed to be provided by the Debtors in this Motion gives the Utilities ample assurance of payment in a well-precedented manner. To bolster the Utilities' assurance of payment even further, the Debtors propose to make the Adequate Assurance Deposit, the initial amount of which will equal fifty percent (50%) of their average monthly expenditures over the course of the last twelve months prior to the Petition Date for all Utility Services (subject to adjustment as described herein after the date of the final hearing on the Motion), into an interest-bearing, newly-created, segregated account for the express purposes of providing adequate assurance to the Utilities. This segregated fund provides concrete assurance of the Debtors' payment of their future obligations to the Utilities. That assurance alone satisfies section 366 of the Bankruptcy Code's requirement for adequate assurance of payment.

35. The Debtors propose to protect the Utilities further by establishing the procedures provided herein, under which any Utility can request additional adequate assurance in the event that it can demonstrate facts and circumstances that it will provide post-petition services to the Debtors that would merit greater protection. Establishing a single set of procedures is necessary in the Debtors' cases given the large number of Utilities (over twenty-one (21)), the nature of the Debtors' businesses, and the number of the Debtors' facilities that use the Utility Services. Although the Debtors do not believe that any Utility should require assurance of payment beyond that afforded by the Proposed Adequate Assurance, the centralized procedures ensure that any requests therefor can be addressed in a timely fashion by the Debtors and their counsel without the submission of piecemeal, varied requests to the Court over time.

36. The Debtors propose the procedures as a mechanism to facilitate good faith bargaining between the Debtors and the Utilities and as a means to ensure that the determination of whether adequate assurance is satisfactory to the Utilities is balanced and reasonable in the event that any of the Utilities believe they are entitled to protection beyond that afforded by the proposed Adequate Assurance Deposit. The procedures also ensure that the Utilities are not prejudiced by the continuation of the Utility Services, given that they have a full and fair opportunity on notice to make any requests for additional assurance of payment to the Bankruptcy Court.

37. Moreover, as further explained in the Edelstein Declaration and in the Disclosure Statement relating to the Plan, the Debtors have no secured debt of any significance that would trump administrative claims. Further, the Plan provides that, with the exception of the claims of the holders of the Senior Notes, substantially all other claims will be unimpaired. Consequently,

the relief requested herein will affect only the timing of payments and not the amounts that would ultimately be payable to Utilities for the provision of services.

38. In sum, the Debtors respectfully submit that the Debtors' Proposed Adequate Assurance to Utilities complies with section 366 of the Bankruptcy Code. Nonetheless, under the proposed procedures, each Utility may seek additional adequate assurance. Because uninterrupted utility service is crucial to the continued operation of the Debtors' businesses, and because the proposed procedures afford protections to the Utilities, it is respectfully submitted that the relief sought herein is in the best interests of the Debtors' estates and their creditors.

Notice

39. Notice of this Motion has been given to: (i) the Office of the United States Trustee; (ii) those creditors listed on the Debtors' Consolidated List of Creditors Holding the 30 Largest Unsecured Claims; (iii) the Office of the United States Attorney for the District of Delaware; (iv) the Internal Revenue Service; (v) the U.S. Securities and Exchange Commission; (vi) counsel to the Senior Noteholders; and (vii) the Indenture Trustee on behalf of the holders of the Senior Notes and its counsel.

No Prior Request

40. No previous motion for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court enter the proposed order, in substantially the form attached hereto, and grant the Debtors the relief requested herein along with such other relief as this Court deems just and appropriate.

Dated: November 20, 2009

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Exhibit A

List of Utilities

UTILITY PROVIDERS

United States Utility Providers			
<u>Utility Provider</u>	<u>Account Numbers</u>	<u>Address</u>	<u>Type Service</u>
A T & T	Master acct 18000028672	1100 Walnut, Floor 18 South Kansas City, MO 84108	Phone/Data
A T & T	0516671709001	P.O. Box 2969 Omaha, NB 68103-2969	Phone/Data
A T & T	GSIG-GSIB03	P.O Box 13146 Newark, NJ 07101-5646	Phone/Data
A T & T	GSIG-GSIB02	P.O Box 13146 Newark, NJ 07101-5646	Phone/Data
A T & T	1310602730302	P.O. Box 2969 Omaha, NB 68103-2969	Phone/Data
A T & T	0534628617001	P.O. Box 2969 Omaha, NB 68103-2969	Phone/Data
A T & T	0504014379001	P.O. Box 2969 Omaha, NB 68103-2969	Phone/Data
A T & T	0534627201001	P.O. Box 2969 Omaha, NB 68103-2969	Phone/Data
A T & T	8310000769012	P.O. Box 16740 Mesa, AZ 85201	Phone/Data
A T & T	74661	P.O. Box 13128 Newark, NJ 07101-5628	Phone/Data
Amerigas	5299074259	6435 Highland Road Waterford, MI 48327-1605	Gas
Cisco Webex	105718	P.O. Box 49216, San Jose, CA 95161-9216	Teleconferencing
Constellation New Energy	29015-04007	P.O. Box 25225, Leigh Valley, PA 18002-5225	Electric
Constellation New Energy	77635-34002	P.O. Box 25225, Leigh Valley, PA 18002-5225	Electric
Constellation New Energy	59730-24006	P.O. Box 25225, Leigh Valley, PA 18002-5225	Electric
Consumer Energy	100005707060	40220 Grand River Avenue, Novi, MI 48375-2116	Gas
E.L. Harvey & Sons, Inc.	17362	68 Hopkinton Road Westboro, MA 01581-2126	Waste Removal
E.L. Harvey & Sons, Inc.	27003	68 Hopkinton Road Westboro, MA 01581-2126	Waste Removal
Global Crossing	22624	1499 West 121 st Avenue Westminister, CO 80234-3429	Teleconferencing
Global Crossing	204804419	P.O. Box 790407	Teleconferencing
National Grid	45646-16841	P.O. Box 1005 Woburn, MA 01807-0005	Electric
National Grid	49326-19242	P.O. Box 1005 Woburn, MA 01807-0005	Electric
National Grid	75982-34011	P.O. Box 960 Northborough, MA 10532-0960	Electric
National Grid	01221-96016	P.O. Box 960 Northborough, MA 10532-0960	Electric
National Grid	01223-16018	P.O. Box 960 Northborough, MA 10532-0960	Electric
NSTAR	28305710015	P.O. Box 4508, Woburn, MA 01888-4508	Electric
NSTAR	28291890011	P.O. Box 4508, Woburn, MA 01888-	Electric

		4508	
Town of Bedford	61-0000164-0	10 Mudge Way, Bedford MA 01730	Water
Town of Bedford	57-0040013-0	10 Mudge Way, Bedford MA 01730	Water
Town of Bedford	57-0040042-0	10 Mudge Way, Bedford MA 01730	Water
Xcel Energy	53-2200505-6	P.O. Box 840, Denver, CO 80201	Gas & Electric
Verizon	02129083044343353	P.O. Box 12045 Trenton, NJ 08650-2045	Phone
Verizon	0062212301075	P.O. Box 12045 Trenton, NJ 08650-2045	Phone
Verizon	78127103044343353	P.O. Box 110 Albany, NY 12250-0001	Phone
Verizon	617 M16-8788 788	P.O. Box 4832 Trenton, NJ 08650-4832	Phone
Verizon	685265695	P.O. Box 4003 Acworth, GA 30101	Phone
Verizon	617 815 4017 268 008 3	P.O. Box 110 Albany, NY 12250-0001	Phone
Watertown DATA Ctr	71428	P.O. Box 13128 Newark, NJ 07101-5628	Data

Korea Office Utility Providers

<u>Utility Provider</u>	<u>Account Numbers</u>	<u>Address</u>	<u>Type Service</u>
City Water		94 Seosomun-Ro, Seodaemun-Gu, Seoul, 120-030, Korea	Water
Daehan City Gas	11520580000	27-1 Daechi 3-dong, Gangnam-gu, Seoul, 135 834, Korea	Gas
GS Gangnam	00607203	Yukyung Bldg. 239-1 Nonhyun-Dong, Gangnam-Gu, Seoul, 135-830, Korea	Internet
KEPCO	014-668793	167, Samsong 1-dong, Kangnam-gu Seoul 135-791, Korea	Electric
KT Telecom Services	20067937	106-6 Guro 5-Dong, Guro-Gu,, Seoul, 152-704, Korea	Office Security
KT	220-84-0020	206 Jeongja-Dong, Bundang-Gu, Seongnam City, Gyeonggi-do, 463-711, Korea	Internet
KT	00013102281	206 Jeongja-Dong, Bundang-Gu, Seongnam City, Gyeonggi-do, 463-711, Korea	Telephone
KT	10032215511	206 Jeongja-Dong, Bundang-Gu, Seongnam City, Gyeonggi-do, 463-711, Korea	Telephone
LG Dacom	220-84-00206	706-1 Yeoksam 2-Dong, Gangnam-Gu, Seoul, 135-918, Korea	Telephone
SK Telecop	220-84-00206	SK T-Tower, ulziro #2Ga,#11,Joong-Gu, Seoul, 100-999, Korea	Telephone

Taiwan Office Utility Providers

<u>Utility Provider</u>	<u>Account Numbers</u>	<u>Address</u>	<u>Type Service</u>
Chunghwa Telecom Company	A28426013001001	No.21-3, Sec. 1, Xinyi Rd., Zhongzheng Dist., Taipei City 10048, Taiwan (R.O.C.)	Telephone/ Internet
Chunghwa Telecom Company	A28426013001002	No.21-3, Sec. 1, Xinyi Rd., Zhongzheng Dist., Taipei City 10048, Taiwan (R.O.C.)	Telephone/ Internet
Chunghwa Telecom Company	GA00428	No.21-3, Sec. 1, Xinyi Rd., Zhongzheng Dist., Taipei City 10048, Taiwan (R.O.C.)	Conference Calls
Taiwan Power Company	04-22-3068-65-5	No.400, Sec. 2, Jhonghua Rd., East	Electric

		Dist., Hsinchu City 30060, Taiwan (R.O.C.)	
Taiwan Power Company	06-16-1959-40-3	No.400, Sec. 2, Jhonghua Rd., East Dist., Hsinchu City 30060, Taiwan (R.O.C.)	Electric
Taiwan Water Corporation	22-62686985-4	No.2-1, Sec. 2, Shuangshi Rd., North Dist., Taichung City 404, Taiwan (R.O.C.)	Water
Taiwan Water Corporation	31-10178211-6	No.2-1, Sec. 2, Shuangshi Rd., North Dist., Taichung City 404, Taiwan (R.O.C.)	Water

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

In re:)	
MES INTERNATIONAL, INC., ¹	)	Chapter 11
Debtor.	)	Case No. 09-14109
)	
In re:	)	Chapter 11
GSI GROUP INC.,	)	Case No. 09-14110
Debtor.)	
)	
In re:	)	Chapter 11
GSI GROUP CORPORATION,	)	Case No. 09-14111
Debtor.	)	Joint Administration Requested
	)	Related to Docket No. _____

**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105 AND 366 OF THE
BANKRUPTCY CODE (I) FINDING UTILITIES ADEQUATELY ASSURED OF
FUTURE PERFORMANCE, (II) ENJOINING UTILITIES FROM ALTERING,
REFUSING, DISCONTINUING, OR INTERFERING WITH UTILITY SERVICE, AND
(III) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR
ADDITIONAL ADEQUATE ASSURANCE**

Upon the motion (the “Motion”)² of the Debtors in the above captioned chapter 11 cases seeking entry of an order, pursuant to sections 105 and 366 of title 11 of the United States Code (the “Bankruptcy Code”) (a) finding utility providers (each a “Utility” and collectively, the “Utilities”) adequately assured of future performance; (b) enjoining Utilities from altering, refusing, discontinuing, or interfering with service to the Debtors; and (c) establishing

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: MES International, Inc. (1964); GSI Group Inc. (0412); and GSI Group Corporation (9358). The Debtors’ headquarters is located at 125 Middlesex Turnpike, Bedford, MA 01730.

² Capitalized terms utilized herein without definition shall have the meanings ascribed to them in the Motion.

procedures for determining requests for additional adequate assurance; and upon consideration of the Motion and the Declaration of Sergio Edelstein, Ph.D. in Support of First Day Pleadings; and it appearing that the notice of the Motion was good and sufficient under the circumstances and that no other or further notice need be given, and this Court finding good cause for the relief requested thereby, it is hereby

ORDERED that the Motion is granted on an interim basis; and it is further

ORDERED that the Debtors are authorized, but not directed, to pay on a timely basis and in accordance with their pre-petition practices, all undisputed invoices for post-petition Utility Services provided by the Utilities; and it is further

ORDERED that the Debtors shall, on or before twenty (20) days after the Petition Date, deposit \$65,000, representing a sum equal to 50% of the Debtors' estimated average monthly cost of Utility Services over the course of the last twelve (12) months prior to the Petition Date (the "Adequate Assurance Deposit"), into an interest-bearing, newly-created, segregated account (the "Adequate Assurance Account") pending further order of the Court, for the purpose of providing the Utilities identified on Exhibit A to the Motion adequate assurance of future payment of their post-petition Utility Services to the Debtors without prejudice to each Utility's right to request additional adequate assurance in accordance with the procedures set forth in this Order; and it is further

ORDERED that, except in accordance with the procedures set forth herein and absent further order from this Court, all Utilities are hereby (i) enjoined from altering, refusing, interfering with, disturbing, or discontinuing Utility Services to the Debtors on account of commencement of these chapter 11 cases or any unpaid invoice for pre-petition services or while a request for adequate assurance or payment in accordance with the procedures set forth in the

Motion is pending; and (ii) deemed to have received adequate assurance of payment in compliance with section 366 of the Bankruptcy Code; and it is further

ORDERED that any Utility seeking additional adequate assurance from the Debtors in the form of an additional deposit or other security be required to make a request in accordance with the procedures set forth below; and it is further

ORDERED that the Debtors shall serve a copy of the Motion, together with the proposed Final Order, upon the Utilities listed on Exhibit A, within three (3) days after the date of entry of this Interim Order; and it is further

ORDERED that if a Utility is not satisfied with the Adequate Assurance Deposit provided by the Debtors and seeks additional adequate assurance in the form of an additional deposit or other security, the Utility shall serve such a request in writing (the "Request") so that it is received by the Debtors and their counsel at the following addresses: (i) GSI Group Inc., Sergio Edelstein, Ph.D, President and CEO, 125 Middlesex Turnpike, Bedford, MA 01730; (ii) Brown Rudnick LLP, One Financial Center, Boston, MA 02111, Attn: William R. Baldiga, Esq.; and (iii) Saul Ewing LLP, 222 Delaware Avenue, Suite 1200, P.O. Box 1266, Wilmington, DE 19899, Attn: Mark Minuti, Esq., within thirty (30) days of the date of service of the Interim Order upon such Utility; and it is further

ORDERED that the Request shall (i) be in writing; (ii) set forth the location(s) for which Utility Services are provided; (iii) provide the associated account number; (iv) include a summary of the Debtors' payment history relevant to the affected account, including any security deposits; (v) explain the reasons why the Utility believes that the Proposed Adequate Assurance is not sufficient to assure future payment; and (vi) the amount and nature of any assurance of future payment that would be satisfactory to the Utility; and it is further

ORDERED that without further order of the Court, the Debtors may enter into an agreement granting additional adequate assurance to any Utility who served a Request upon the Debtors, if the Debtors, in their sole discretion, determine that the Request is reasonable; and it is further

ORDERED that if a consensual resolution of the Request is not reached within thirty (30) days after service of the Request upon the Debtors and their counsel, the Debtors shall request a hearing before this Court for determination of adequate assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code (the “Determination Hearing”) with respect to such Utility and the Determination Hearing shall be scheduled for the next omnibus hearing date established by this Court. Such hearing will be without prejudice to the right of any Utility to seek relief separately under section 366(c)(3) of the Bankruptcy Code (also, a “Determination Hearing”); and it is further

ORDERED that pending resolution of such dispute at the Determination Hearing, the relevant Utility (i) shall be restrained from altering, refusing, discontinuing, or interfering with service to the Debtors on account of commencement of these chapter 11 cases or any unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance and (ii) shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code in the form of the Adequate Assurance Deposit furnished by the Debtors until and unless this Court enters a final order finding otherwise; and it is further

ORDERED that any Utility that does not timely file and serve a Request shall be deemed to have received adequate assurance under section 366 of the Bankruptcy Code in the form of the portion of the Adequate Assurance Deposit equal to 50% of the average monthly bill for such Utility over the course of the last twelve months prior to the Petition Date; and it is further

ORDERED that nothing in this Interim Order or the Motion shall be deemed to constitute post-petition assumption of any agreement pursuant to section 365 of the Bankruptcy Code or to create an administrative expense liability; and it is further

ORDERED that a final hearing, if required, on the Motion will be held on _____, 2009 at _____ (EST). The deadline by which any objection to the Motion must be filed and served on counsel to the Debtors is _____, 2009 at _____ (EST). If no objections are filed to the Motion, this Court may enter a Final Order on the Motion without further notice or hearing; and it is further

ORDERED that the terms and conditions of this Interim Order shall be effective and enforceable immediately upon its entry; and it is further

ORDERED that the Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: _____, 2009

United States Bankruptcy Judge

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

In re:	)	Chapter 11
)	
MES INTERNATIONAL, INC., ¹	)	Case No. 09-14109
)	
Debtor.	)	Jointly Administered
)	
	)	Related to Docket No. _____

**FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105 and 366 OF THE BANKRUPTCY
CODE (I) FINDING UTILITIES ADEQUATELY ASSURED OF FUTURE
PERFORMANCE, (II) ENJOINING UTILITIES FROM ALTERING, REFUSING,
DISCONTINUING, OR INTERFERING WITH UTILITY SERVICE, AND (III)
ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR
ADDITIONAL ADEQUATE ASSURANCE**

Upon the motion (the “Motion”)² of the Debtors in the above captioned chapter 11 cases seeking entry of an order, pursuant to sections 105 and 366 of title 11 of the United States Code (the “Bankruptcy Code”) (a) finding utility providers (each a “Utility” and collectively, the “Utilities”) adequately assured of future performance; (b) enjoining Utilities from altering, refusing, discontinuing, or interfering with service to the Debtors; and (c) establishing procedures for determining requests for additional adequate assurance; and upon consideration of the Motion and the Declaration of Sergio Edelstein, Ph.D. in Support of First Day Pleadings; and it appearing that the notice of the Motion was good and sufficient under the circumstances and that no other or further notice need be given, and an Interim Order on this matter having been entered on _____, 2009; and after due deliberation thereon, this Court finding good cause for the relief requested thereby, it is hereby

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: MES International, Inc. (1964); GSI Group Inc. (0412); and GSI Group Corporation (9358). The Debtors’ headquarters is located at 125 Middlesex Turnpike, Bedford, MA 01730.

² Capitalized terms utilized herein without definition shall have the meanings ascribed to them in the Motion.

ORDERED that the Motion is granted on a final basis; and it is further

ORDERED that the Debtors are authorized, but not directed, to pay on a timely basis and in accordance with their pre-petition practices, all undisputed invoices for post-petition Utility Services provided by the Utilities; and it is further

ORDERED that the Debtors shall maintain the Adequate Assurance account, as provided in the Interim Order, for the purpose of providing each Utility adequate assurance of payment of its post-petition Utility Services to the Debtors. The Adequate Assurance Account shall be maintained with a minimum balance equal to 50% of the Debtors' estimated average monthly cost of Utility Services over the course of the last twelve (12) months prior to the Petition Date, which may be adjusted by the Debtors to account for: (i) the termination of Utility Services by the Debtors regardless of any Utility's Request; (ii) an agreement with any Utility pursuant to the procedures below; and (iii) the amount spent on Utility Services with a Utility that already holds a deposit or other security from the Debtors; and it is further

ORDERED that, except in accordance with the procedures set forth herein and absent further order from this Court, all Utilities are hereby (i) enjoined from altering, refusing, interfering with, disturbing, or discontinuing Utility Services to the Debtors on account of commencement of these chapter 11 cases or any unpaid invoice for pre-petition services or while a request for adequate assurance or payment in accordance with the procedures set forth in the Motion is pending; and (ii) deemed to have received adequate assurance of payment in compliance with section 366 of the Bankruptcy Code; and it is further

ORDERED that any Utility seeking additional adequate assurance from the Debtors in the form of an additional deposit or other security be required to make a request in accordance with the procedures set forth below; and it is further

ORDERED that the Debtors shall serve a copy of the Motion and this Final Order, upon the Utilities listed on Exhibit A, within three (3) days after the date of entry of this Final Order; and it is further

ORDERED that if a Utility is not satisfied with the Adequate Assurance Deposit provided by the Debtors and seeks additional adequate assurance in the form of an additional deposit or other security, the Utility shall serve such a request in writing (the "Request") so that it is received by the Debtors and their counsel at the following addresses: (i) GSI Group Inc., Sergio Edelstein, Ph.D, President and CEO, 125 Middlesex Turnpike, Bedford, MA 01730; (ii) Brown Rudnick LLP, One Financial Center, Boston, MA 02111, Attn: William R. Baldiga, Esq.; and (iii) Saul Ewing LLP, 222 Delaware Avenue, Suite 1200, P.O. Box 1266, Wilmington, DE 19899, Attn: Mark Minuti, Esq., within thirty (30) days of the date of service of the Final Order upon such Utility; and it is further

ORDERED that the Request shall (i) be in writing; (ii) set forth the location(s) for which Utility Services are provided; (iii) provide the associated account number; (iv) include a summary of the Debtors' payment history relevant to the affected account, including any security deposits; (v) explain the reasons why the Utility believes that the Proposed Adequate Assurance is not sufficient to assure future payment; and (vi) the amount and nature of any assurance of future payment that would be satisfactory to the Utility; and it is further

ORDERED that without further order of the Court, the Debtors may enter into an agreement granting additional adequate assurance to any Utility who served a Request upon the Debtors, if the Debtors, in their sole discretion, determine that the Request is reasonable; and it is further

ORDERED that if a consensual resolution of the Request is not reached within thirty (30) days after service of the Request upon the Debtors and their counsel, the Debtors shall request a hearing before this Court for determination of adequate assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code (the “Determination Hearing”) with respect to such Utility and the Determination Hearing shall be scheduled for the next omnibus hearing date established by this Court. Such hearing will be without prejudice to the right of any Utility to seek relief separately under section 366(c)(3) of the Bankruptcy Code (also, a “Determination Hearing”); and it is further

ORDERED that pending resolution of such dispute at the Determination Hearing, the relevant Utility (i) shall be restrained from altering, refusing, discontinuing, or interfering with service to the Debtors on account of commencement of these chapter 11 cases or any unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance and (ii) shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code in the form of the Adequate Assurance Deposit furnished by the Debtors until and unless this Court enters a final order finding otherwise; and it is further

ORDERED that any Utility that does not timely file and serve a Request shall be deemed to have received adequate assurance under section 366 of the Bankruptcy Code in the form of the portion of the Adequate Assurance Deposit equal to 50% of the average monthly bill for such Utility over the course of the last twelve months prior to the Petition Date; and it is further

ORDERED that nothing in this Final Order or the Motion shall be deemed to constitute post-petition assumption of any agreement pursuant to section 365 of the Bankruptcy Code or to create an administrative expense liability; and it is further

ORDERED that the terms and conditions of this Final Order shall be effective and enforceable immediately upon its entry; and it is further

ORDERED that the Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Final Order; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: _____, 2009

United States Bankruptcy Judge