

Emergency Motion for Entry of an Order (A) Establishing Notification and Hearing Procedures for Transfers of, or Claims of Worthlessness With Respect to, Certain Common Stock, and (B) Granting Related Relief (the “Stock Transfer Motion”).

By the Stock Transfer Motion, the Debtors seek entry of an order instituting procedures governing transfers of equity interests in the Debtors. The Debtors assert that the requested relief will provide the Debtors with advance notice of certain stock transfers that may jeopardize their net operating losses (the “NOLs”) and will enable the Debtors, if necessary, to obtain substantive relief from the Bankruptcy Court to protect their NOLs.

The Debtors have recently suffered significant operating losses. As a result, the Debtors have incurred substantial NOLs. The Debtors assert that the NOLs are extremely valuable assets of the Debtors’ estates because, under the Internal Revenue Code (the “IRC”), the Debtors can carry forward their NOLs to offset future taxable income and, thereby, reduce their future aggregate tax obligations, or carry back their NOLs and receive a refund for taxes paid in the past two years (the “Tax Credits”). The NOLs are currently estimated to aggregate between \$600 million and \$800 million, which, if carried back to the prior two years, could result in a refund of more than \$200 million. The Debtors assert that these tax savings—and the accompanying increase in the Debtors’ cash flow—will greatly facilitate the Debtors’ successful reorganization.

To the extent that transfers of the Debtors’ stock by current owners result in a change of ownership, as defined by the IRC, the Debtors could lose the ability to use the NOLs and other tax attributes. In order to preserve the Debtors’ ability to utilize the NOLs, the Debtors propose to implement certain trading-related notice and hearing procedures and restrictions, each of which the Debtors assert has been very narrowly tailored to preserve the NOLs. Specifically, the procedures and restrictions will apply only to those persons who own (or would own as a result of the proposed transfer) equity interests in the Debtors of 4.5% or more of the total shares outstanding. Thus, the Debtors only seek to impose the notice and hearing procedures on transfers of equity interests by or to a relatively small group of entities. The proposed notice and hearing procedures provide that shareholders holding more than 2.7 million shares (“Significant Shareholders”) (including entities that would become significant equity holders after a proposed purchase transaction) must give the Debtors thirty-days notice of a proposed transfer of such equity interests before such holders may seek relief from the automatic stay in the event the Debtors object to such transaction.

The Debtors propose to notify all beneficial owners of common stock through notice procedures set forth in the order. Among other measures, the Debtors will notify transfer agents, who in turn will notify registered holders. Brokers selling over 750,000 shares will be required to serve notice on buyers. The notice will be published in the *Wall Street Journal* and the *Bloomberg Professional Service* and submitted to the Depository Trust Company.

The Debtors maintain that the relief sought is necessary to avoid an irrevocable loss of the NOLs and the irreparable harm that would be caused by unrestricted trading in the Debtors’ equity securities and the Debtors’ resulting inability to offset taxable income with their NOLs. The Debtors assert that, if they were to file the motion in accordance with the usual notice procedures set forth in the Bankruptcy Rules, a flurry of trading in the Debtors’ stock may immediately follow as parties holding the Debtors’ stock might rush to transfer such stock before the restrictions on such trading are imposed by the Bankruptcy Court. The Debtors maintain that such trading would put the NOLs in jeopardy and would therefore be counterproductive to the Debtors’ objectives in seeking the relief requested. Accordingly, the Debtors request that the procedures described in the Stock Transfer Motion be approved.

An interim order approving the Stock Transfer Motion was entered on March 6, 2008.