

Debtors' Motion for an Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Further Extending the Exclusive Periods During Which Only the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof.

By the Exclusivity Motion, the Debtors seek entry of an order extending their exclusive periods to file (the "Filing Period") and solicit acceptances (the "Solicitation Period" and, together with the Filing Period, the "Exclusive Periods") of a plan of reorganization through and including June 22, 2009 and August 21, 2009, respectively. Pursuant to section 1121(b) of the Bankruptcy Code, a debtor has the exclusive right to file and solicit a plan of reorganization during the first 120 days and 180 days, respectively, following the commencement of a chapter 11 case. The Bankruptcy Code provides, however, that on request of a party in interest, the Bankruptcy Court may, for cause, extend the Exclusive Periods.

The Debtors assert that despite their efforts to develop a confirmable plan of reorganization, they have been unable to formulate a proposal which is acceptable to all creditor groups. The Debtors suggest that a stay of the litigation may alleviate some of the costs borne by the Debtors.

The Debtors assert that, despite set backs, they have made progress towards a plan, and that Debtors' major creditor constituencies will be meeting prior to the hearing on the Exclusivity Motion to continue negotiations.

The Debtors assert that it is common for courts to grant extensions of exclusivity where the Debtors' cases are large and complex. The Debtors maintain that they have been paying their postpetition bills as they come due and, therefore, are not jeopardizing creditors doing business with the Debtors. Lastly, the Debtors argue that they are not using exclusivity to pressure creditors to accede to their reorganization demands.

A hearing on the Exclusivity Motion is scheduled for February 11, 2009.