

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re: ) Chapter 11  
)  
HARTFORD COMPUTER HARDWARE, ) Case No. 11-49744 (PSH)  
INC., *et al.*,<sup>1</sup> ) (Joint Administration Pending)  
)  
Debtors. ) Hon. Pamela S. Hollis

**DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS (I) PROHIBITING UTILITIES FROM ALTERING, REFUSING OR DISCONTINUING SERVICES TO, OR DISCRIMINATING AGAINST, THE DEBTORS; (II) DETERMINING THAT THE UTILITIES ARE ADEQUATELY ASSURED OF FUTURE PAYMENT; (III) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR ADDITIONAL ASSURANCE; AND (IV) PERMITTING UTILITY COMPANIES TO OPT OUT OF THE PROCEDURES ESTABLISHED HEREIN**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) submit this motion for of an interim order (the “Interim Order”) (i) prohibiting the utility companies currently providing services, or that will provide services, to the Debtors (collectively, the “Utility Companies” and each, individually, a “Utility Company”) from altering, refusing, or discontinuing services to, or discriminating against, the Debtors, pending entry of a final order granting the relief sought herein (the “Final Order”); (ii) determining that the Utility Companies have received adequate assurance of payment for future utility services, pending entry of the Final Order; (iii) establishing certain procedures for determining requests for additional assurance; (iv) permitting Utility Companies to opt out of the procedures established herein; and (v) scheduling a final hearing on the motion (the “Final Hearing”) within 25 days of the Petition Date. In support of this motion, the Debtors submit the Declaration of

<sup>1</sup> The Debtors are Hartford Computer Hardware, Inc. (FEIN 27-4297525), Nexicore Services, LLC (FEIN 03-0489686), Hartford Computer Group, Inc. (FEIN 36-2973523), and Hartford Computer Government, Inc (FEIN 20-0845960).



Brian Mittman in Support of Chapter 11 Petitions and First Day Motions and Applications, sworn to on the date hereof (the "Declaration in Support of First Day Relief"), and respectfully represent as follows:

**INTRODUCTION**

1. On the date hereof (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), together with various motions and applications seeking certain typical "first day" orders.

2. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. No request has been made for the appointment of a trustee or examiner, and no official committee(s) has been appointed in these cases.

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Debtors' chapter 11 cases and this motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

5. The statutory bases for the relief requested herein is section 366 of the Bankruptcy Code.

**BACKGROUND**

6. The Debtors are one of the leading providers of repair and installation services in North America for consumer electronics and computers. The Debtors operate in three complementary business lines: parts distribution and repair, depot repair, and onsite repair and installation. Products serviced include laptop and desktop computers, commercial computer systems, flat-screen television, consumer gaming units, printers, interactive whiteboards, peripherals, servers, POS devices, and other electronic devices.

7. A more detailed explanation of the Debtors' businesses and operations, and the events leading to the commencement of these cases, is provided in the Declaration of Brian Mittman filed in Support of First Day Relief contemporaneously herewith and which is incorporated herein by reference.

8. The Debtors currently use electric, natural gas, heat, water, telecommunications, and other services of the same general type or nature provided by approximately 29 Utility Companies (including agents, divisions, affiliates and subsidiaries). A list of the Debtors' Utility Companies is set forth on **Exhibit A** attached hereto (the "Utility Service List").<sup>2</sup> The Debtors estimate that their average monthly obligations to the Utility Companies on account of services rendered total approximately \$60,000.00.

9. Because the Utility Companies provide services essential to the Debtors' operations, any interruption in utility services could prove damaging. The Debtors could not maintain and operate their business in the absence of continuous utility service. Should any Utility Company refuse or discontinue service, even for a brief period, the Debtors would be forced to cease the operation of the affected location, resulting in a substantial loss of revenue. The temporary or permanent discontinuation of utility services at any of the Debtors' facilities therefore could irreparably harm the Debtors' estates.

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<sup>2</sup> For each Utility Company, **Exhibit A** identifies: (a) the name and address of the Utility Company; (b) the account number(s) under which the Utility Company provides services to the Debtors; and (c) the cost of one month's worth of utility service. The inclusion of any entity on, as well as any omission of any entity from, **Exhibit A** is not an admission by the Debtors that such entity is or is not a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve their rights with respect thereto. In addition, the Debtors are requesting that this motion apply to all of the Debtors' Utility Companies, whether or not any given Utility Company is included on the Utility Service List. The Debtors have proposed a procedure for supplementing the Utility Service List. Additionally, it is possible that certain entities may have been mistakenly included on the Utility Service List and, therefore, the Debtors reserve the right to assert that any such entities are not Utility Companies for the purposes of this motion or section 366 of the Bankruptcy Code.

10. The Debtors intend to pay in a timely manner their post-petition obligations to the Utility Companies. Furthermore, the Debtors have previously provided security deposits to three of the Utility Companies in an aggregate amount of approximately \$19,700.00.

**RELIEF REQUESTED**

11. By this motion, the Debtors seek the entry of an Interim Order and a Final Order, pursuant to sections 105(a) and 366 of the Bankruptcy Code: (i) prohibiting the Utility Companies from altering, refusing, or discontinuing services to, or discriminating against, the Debtors, pending entry of a Final Order; (ii) determining that the Utility Companies have received adequate assurance of payment for future utility services, pending entry of the Final Order; (iii) establishing certain procedures for determining requests for additional assurance; (iv) permitting Utility Companies to opt out of the procedures established herein; and (v) scheduling a final hearing on the motion.<sup>3</sup>

**A. The Proposed Adequate Assurance Deposit.**

12. Pursuant to section 366(c)(2) of the Bankruptcy Code, a utility may alter, refuse or discontinue a chapter 11 debtor's utility service if the utility does not receive from the debtor or the trustee adequate "assurance of payment" within 30 days of the commencement of a debtor's chapter 11 cases.<sup>4</sup> Section 366(c)(1)(A) of the Bankruptcy Code defines the phrase "assurance of payment" to mean, among other things, a cash deposit.

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<sup>3</sup> Nothing herein is intended or should be construed as (a) an admission as to the validity or priority of any claim against the Debtors, (b) a waiver of the Debtors' rights to dispute any claim, including the validity or priority thereof, or (c) an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

<sup>4</sup> There is an apparent discrepancy between subsections (b) and (c) of section 366 of the Bankruptcy Code because these two subsections set forth different time periods during which a utility is prohibited from altering, refusing or discontinuing utility service. Specifically, section 366(b) of the Bankruptcy Code allows a utility to alter, refuse, or (continued...)

13. Accordingly, the Debtors propose to provide all Utility Companies (excluding the De Minimis Providers, as defined below) a deposit in an amount equal to the Debtors' calculation of the cost of two-weeks' worth of utility service, based on an average from the most recent invoices, as adequate assurance (each, an "Adequate Assurance Deposit") within 20 days of the first day hearing (the "First Day Hearing"), provided that such Utility Company is not currently paid in advance for its services or holding a deposit (after taking into account any valid offsets of the Debtors' prepetition debts against such deposit under applicable law) equal to or greater than the Adequate Assurance Deposit (which remaining deposit shall be deemed to be the Adequate Assurance Deposit for purposes of this motion). As a condition of accepting an Adequate Assurance Deposit, the accepting Utility Company shall be deemed to have stipulated that the Adequate Assurance Deposit constitutes adequate assurance of future payment to such Utility Company within the meaning of section 366 of the Bankruptcy Code, and shall further be deemed to have waived any right to seek additional adequate assurance during the Debtors' bankruptcy cases, unless the Utility Company makes an additional adequate assurance request (each, an "Additional Assurance Request") at least five days prior to the final hearing date (the "Final Hearing Date") on this motion as set by the Court (the "Request Deadline"). The Debtors further request that any Adequate Assurance Deposit requested by, and provided to, any Utility

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(...continued)

discontinue service "if neither the trustee nor the Debtors, within 20 days after the date of the order for relief, furnishes adequate assurance of payment," while section 366(c)(2) of the Bankruptcy Code allows a utility in "a cases filed under chapter 11" to alter, refuse or discontinue service to a chapter 11 debtor "if during the 30-day period beginning on the date of the filing of the petition, the utility does not receive from the Debtors or the trustee adequate assurance of payment for utility service...." (emphases added).

Under the statutory construction canon *lex specialis derogat legi generali* ("specific language controls over general"), the language of section 366(c)(2) controls here because the Debtors are chapter 11 Debtors. *See 3 Collier on Bankruptcy* ¶ 66.03 [2] (Alan N. Resnick & Henry J. Sommer eds., 15th ed. rev. 2006) ("It is unclear how the 30-day period [in section 366(c)(2) of the Bankruptcy Code] meshes with the normal 20-day period in section 366(b). The better view is that, because section 366(c) is more specifically applicable to chapter 11 cases, the 30-day period, rather than the 20-day period in section 366(b), should apply.").

Company pursuant to the procedures described above be returned to the Debtors at the conclusion of these chapter 11 cases, if not returned or applied sooner.

14. The Debtors have included several Utility Companies, identified on **Exhibit A** hereto, with monthly service charges less than \$1,000 (the “De Minimis Providers”). The Debtors propose to provide notice to the De Minimis Providers pursuant to the procedures detailed herein. However, the De Minimis providers will not receive an Adequate Assurance Deposit unless such deposit is otherwise agreed to by the Debtors or ordered by the Court.

15. The Debtors submit that the availability of the Adequate Assurance Deposit, in conjunction with the Debtors’ ability to pay for future utility services in the ordinary course of business (collectively, the “Proposed Adequate Assurance”), constitutes sufficient adequate assurance of future payment to the Utility Companies to satisfy the requirements of section 366 of the Bankruptcy Code. Nonetheless, if any Utility Company believes additional assurance is required, they may request such assurance pursuant to the procedures described below.

**B. The Proposed Adequate Assurance Procedures.**

16. To address the right of any Utility Company under section 366(c)(2) of the Bankruptcy Code to seek adequate assurance satisfactory to it, the Debtors propose that the following procedures (the “Adequate Assurance Procedures”) be adopted:

- a. Any Utility Company desiring assurance of future payment for utility service beyond the Proposed Adequate Assurance must serve an Additional Assurance Request so that it is received by the Debtors’ counsel by the Request Deadline at the following address: Katten Muchin Rosenman LLP, 525 W. Monroe Street, Chicago, Illinois 60661 (Attn: John P. Sieger, Esq.).
- b. Any Additional Assurance Request must (i) be made in writing, (ii) set forth the location(s) for which utility services are provided and the relevant account number(s), (iii) describe any deposits, prepayments or other security currently held by the requesting Utility Company, (iv) describe any payment delinquency or irregularity by the Debtors for the postpetition period, and (v) specify the amount and nature of assurance of

payment that would be satisfactory to the Utility Company. Any Additional Assurance Request that fails to meet these requirements shall be deemed an invalid request for adequate assurance.

- c. Upon the Debtors' receipt of an Additional Assurance Request at the addresses set forth above, the Debtors shall have the greater of (i) 14 days from the receipt of such Additional Assurance Request or (ii) 30 days from the Petition Date (collectively, the "Resolution Period") to negotiate with the requesting Utility Company to resolve its Additional Assurance Request. The Resolution Period may be extended by agreement of the Debtors and the applicable Utility Company.
- d. The Debtors, in their discretion, may resolve any Additional Assurance Request by mutual agreement with the requesting Utility Company and without further order of the Court, and may, in connection with any such resolution, in their discretion, provide the requesting Utility Company with additional assurance of future payment in a form satisfactory to the Utility Company, including, but not limited to, cash deposits, prepayments and/or other forms of security, if the Debtors believe such additional assurance is reasonable.
- e. If the Debtors determine that an Additional Assurance Request is not reasonable, and are not able to resolve such request during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before this Court to determine the adequacy of assurances of payment made to the requesting Utility Company (the "Determination Hearing"), pursuant to section 366(c)(3)(A) of the Bankruptcy Code.
- f. Pending the resolution of the Additional Assurance Request at a Determination Hearing, the Utility Company making such request shall be restrained from discontinuing, altering or refusing service to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.
- g. Other than through the Opt-Out Procedures (as such term is defined below), any Utility Company that does not comply with the Adequate Assurance Procedures is deemed to find the Proposed Adequate Assurance satisfactory to it and is forbidden from discontinuing, altering or refusing service on account of any unpaid prepetition charges, or requiring additional assurance of payment (other than the Proposed Adequate Assurance). The Interim Order shall be deemed the Final Order with respect to all Utility Companies that do not timely file and serve a Procedures Objection (as defined below)

**C. The Opt-Out Procedures.**

17. As noted above, section 366(c) of the Bankruptcy Code requires the Debtors to provide Utility Companies, within 30 days of the Petition Date, with “adequate assurance of payment for utility service that is satisfactory to the utility.” 11 U.S.C. § 366(c)(2). Thereafter, any such adequate assurance provided by the Debtors may be modified by the court after notice and a hearing under section 366(c)(3)(A) of the Bankruptcy Code. Under the Adequate Assurance Procedures, however, the Debtors may seek a determination of appropriate adequate assurance at a Determination Hearing held after the first 30 days of this cases, without providing interim assurances deemed “satisfactory” to the Utility Company. Although the Adequate Assurance Procedures are reasonable, certain Utility Companies might assert that the procedures as implemented are not strictly in compliance with section 366 of the Bankruptcy Code if an adequate assurance dispute is not resolved within the 30 days following the Petition Date. If, as a result, any Utility Companies wish to opt out of the Adequate Assurance Procedures, the Debtors submit that the Court should schedule a hearing and issue a ruling on the amount of adequate assurance to be provided such Utility Companies within 30 days of the Petition Date.

18. In particular, to avoid any argument that the Debtors have not fully complied with section 366 of the Bankruptcy Code, the Debtors propose the following procedures (the “Opt-Out Procedures”):

- a. A Utility Company that desires to opt-out of the Determination Procedures must file an objection (a “Procedures Objection”) with the Court and serve such Procedures Objection so that it is actually received within 15 days of entry of the Interim Order by the Debtors at the following address: Katten Muchin Rosenman LLP, 525 W. Monroe Street, Chicago, Illinois 60661 (Attn: John P. Sieger, Esq.).
- b. Any Procedures Objection must (i) be made in writing; (ii) set forth the location(s) for which utility services are provided and the relevant account number(s); (iii) describe any deposits, prepayments or other security currently held by the objecting Utility Company; (iv) explain why the



objecting Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment; and (v) identify, and explain the basis of, the Utility Company's proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code.

- c. The Debtors, in their discretion, may resolve any Procedures Objection by mutual agreement with the objecting Utility Company and without further order of the Court, and may, in connection with any such resolution and in their discretion, provide a Utility Company with assurance of future payment, including, but not limited to, cash deposits, prepayments or other forms of security, if the Debtors believe such assurance of payment is reasonable.
- d. If the Debtors determine that a Procedures Objection is not reasonable and is not able to reach a prompt alternative resolution with the objecting Utility Company, the Procedures Objection will be heard at the Final Hearing.
- e. Any Utility Company that does not timely file a Procedures Objection is deemed to consent to, and shall be bound by, the Adequate Assurance Procedures.

**D. Final Hearing Date.**

19. To resolve any Procedures Objections within 30 days of the Petition Date, the Debtors request that the Court schedule the Final Hearing on any unresolved Procedures Objections approximately 25 days after the Petition Date.

**E. Subsequent Modifications of Utility Service List.**

20. It is possible that, despite the Debtors' efforts, certain Utility Companies have not yet been identified by the Debtors or included on the Utility Service List. Accordingly, the Debtors request that the Court: (a) authorize the Debtors to provide notice and a copy of the Interim Order (which, for purposes of this paragraph, shall be the Final Order on this motion after entry of such Final Order) to the Utility Companies not listed on the Utility Service List (collectively, the "Additional Utility Companies"), as such Additional Utility Companies are identified, and (b) provide that the Additional Utility Companies are subject to the terms of the Interim Order, including the Adequate Assurance Procedures; provided, however, that (a) the

Opt-Out Procedures shall apply only to the extent that a Procedures Objection made by an Additional Utility Company is filed with the Court and submitted to the Debtors' counsel no later than 4:00 p.m. (CST) on the date that is the earlier of (i) five business days before the Final Hearing or (ii) 10 days after service of the Interim Order on such Additional Utility Company and (b) the deadline for an Additional Utility Company to submit an Additional Assurance Request under the Adequate Assurance Procedures will be 25 days after the date the Interim Order is served upon such Additional Utility Company. As a result, the Additional Utility Companies will be afforded (a) 25 days from the service of the Interim Order on a particular Additional Utility Company to submit an Additional Assurance Request pursuant to the Adequate Assurance Procedures and (b) in some cases, up to 10 days from the date of service of the Interim Order on a particular Additional Utility Company to file a Procedures Objection pursuant to the Opt-Out Procedures.

#### **BASIS FOR RELIEF**

21. The policy underlying section 366 of the Bankruptcy Code is to protect Debtors from utility service cutoffs upon the filing of bankruptcy cases, while at the same time providing utility companies with adequate "assurance of payment" for postpetition utility service. *See* H.R. Rep. No. 95-595, at 350 (1978), *reprinted* in 1978 U.S.C.C.A.N. 5963, 6306. Section 366(c)(1) of the Bankruptcy Code defines "assurance of payment" to mean several enumerated forms of security (e.g., cash deposits, letters of credit, prepayment for utility service) while excluding from the definition certain other forms of security (e.g., administrative expense priority for a utility's claim). In addition, section 366(c)(3)(B) of the Bankruptcy Code provides that a court may not consider certain facts (e.g., Debtors' prepetition history of making timely payments to a utility) in making a determination of adequate assurance of payment.

22. While the recently-amended section 366(c) clarifies what does and does not constitute “assurance of payment” and what can be considered in determining whether such assurance is adequate, Congress, in enacting that section, did not divest the Court of its power to determine what amount, if any, is necessary to provide adequate assurance of payment to a Utility Company. Indeed, section 366(c) of the Bankruptcy Code does not establish a minimum amount of adequate “assurance of payment,” but explicitly empowers the Court to determine the appropriate level of adequate assurance required in these cases. *See* 11 U.S.C. § 366(c)(3)(A) (“On request of a party in interest and after notice and a hearing, the Court may order modification of the amount of an assurance of payment . . .”).

23. Thus, there is nothing within section 366 of the Bankruptcy Code that prevents a court from ruling that, on the facts of the cases before it, the amount required to adequately assure future payment to a utility company is nominal, or even zero. Prior to the enactment of section 366(c) of the Bankruptcy Code, courts enjoyed precisely the same discretion to make such rulings pursuant to section 366(b) of the Bankruptcy Code, and frequently did so. *See Virginia Elec. & Power Co. v. Caldor, Inc. – N.Y.*, 117 F.3d 646, 650 (2d Cir. 1997) (“Even assuming that ‘other security’ should be interpreted narrowly, we agree with the appellees that a bankruptcy court’s authority to ‘modify’ the level of the deposit or other security, provided for under § 366(b), includes the power to require no ‘deposit or other security’ where none is necessary to provide a utility supplier with ‘adequate assurance of payment.’”).

24. Moreover, Congress has not changed the requirement that the assurance of payment only be “adequate.” Courts construing section 366(b) of the Bankruptcy Code have long recognized that adequate assurance of payment does not constitute an absolute guarantee of the Debtors’ ability to pay. *See, e.g., In re Caldor, Inc. – N.Y.*, 199 B.R. 1, 3 (S.D.N.Y. 1996)

(“Section 366(b) requires [a] [b]ankruptcy [c]ourt 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), *aff’d sub nom., Virginia Elec. & Power Co. v. Caldor, Inc. – N.Y.*, 117 F.3d 646 (2d Cir. 1997); *In re Adelphia Bus. Solutions, Inc.*, 280 B.R. 63, 80 (Bankr. S.D.N.Y. 2002) (same); *Steinebach v. Tucson Elec. Power Co (In re Steinebach)*, 2004 WL 51616, at \*5 (Bankr. D. Ariz. Jan. 2, 2004) (“Adequate assurance of payment is not, however, absolute assurance . . . all § 366(b) requires is that a utility be protected from an unreasonable risk of non-payment”); *In re Penn Jersey Corp.*, 72 B.R. 981, 982 (Bankr. E.D. Pa. 1987) (stating that section 366(b) of Bankruptcy Code “contemplates that a utility receive only such assurance of payment as is sufficient to protect its interests given the facts of the Debtors’ financial circumstances”).<sup>5</sup> Therefore, despite its language allowing a utility to take adverse action against the Debtors should the Debtors fail to provide adequate assurance of future payment “satisfactory to the utility,” section 366 of the Bankruptcy Code does not require that the assurance provided be “satisfactory” once a party seeks to have the Court determine the appropriate amount of adequate assurances.

25. The Debtors submit that, given the foregoing, entry of the Interim Order is consistent with, and fully satisfies, the requirements of section 366 of the Bankruptcy Code. Far from offering the Utility Companies nominal (or even no) additional assurance of payment, the Debtors propose to provide the Utility Companies with (a) significant cash deposits and (b) procedures pursuant to which the Utility Companies can seek greater or different security. Such

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<sup>5</sup> Courts have recognized that “[i]n deciding what constitutes ‘adequate assurance’ in a given cases, a bankruptcy court must focus upon the need of the utility for assurance, and to require that the Debtors supply no more than that, since the Debtors almost perforce have a conflicting need to conserve scarce financial resources.” *Caldor*, 117 F.3d at 650 (emphasis in original) (quoting *Penn Jersey*, 72 B.R. at 985).

assurance of payment significantly alleviates — if not eliminates — any honest concern of non-payment on the part of the Utility Companies, and is thus clearly “adequate.”

26. Similar relief has been granted in other cases in this district. *See, e.g., In re Giordano’s Enters., Inc.*, Case No. 11-06098 (ERW) (Bankr. N.D. Ill. Feb. 22, 2011); *In re Gas City, Ltd.*, Case No. 10-47879 (ERW) (Bankr. N.D. Ill. Nov. 19, 2010); *In re Hartmarx Corp.*, Case No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 26, 2009); *In re Kimball Hill, Inc.*, Case No. 08-10095 (SPS) (Bankr. N.D. Ill. May 2, 2008); and *In re Enesco Group, Inc.*, Case No. 07-00565 (ABG) (Bankr. N.D. Ill. Jan. 25, 2007).

**NOTICE**

27. The Debtors will provide notice of this Motion to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Debtors’ secured lenders; (c) the creditors holding the thirty (30) largest unsecured claims on a consolidated basis; (d) all known taxing authorities that have claims against the Debtors and (e) all utilities listed on **Exhibit A** hereto. In light of the nature of the relief requested, the Debtors submit that no further notice is required.

**NO PRIOR REQUEST**

28. No prior request for the relief sought in this motion has been made to this or any other Court.

[Continued on Following Page]

WHEREFORE, the Debtors respectfully request that the Court enter an Interim Order granting the relief requested herein and such other and further relief to the Debtors as the Court may deem proper.

Dated: December 12, 2011

Respectfully submitted,

By: /s/ John P. Sieger

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*Proposed Counsel to the Debtors and  
Debtors in Possession*

60897779

**EXHIBIT A**

**Utility Service List**

<b>Name &amp; Address</b>	<b>Account No(s).</b>	<b>Approximate Monthly Utility Cost</b>	<b>Proposed Adequate Assurance Deposit</b>
Amerigas PO BOX 6522 Oxnard, CA 93031-6522	1061018316	\$225.00	\$0.00*
Anderson Rubbish Disposal PO Box 307 Simi Valley, CA 93062	138408	\$2,237.00	\$1,119.00
AT&T Phone Service PO Box 5019 Carol Stream, IL 60197-5019	831-000-0834 289	\$1,839.00	\$920.00
AT&T Universal Bill PO Box 5019 Carol Stream, IL 60197-5019	171-788-1853 952	\$19,583.00	\$9,792.00
AT&T Phone Service PO Box 5017 Carol Stream, IL 60197-5019	837694	\$679.00	\$0.00*
AT&T Mobility PO Box 6463 Carol Stream, IL 60197-5019	287237457274	\$48.00	\$0.00*
	835174406	\$61.00	\$0.00*
AT&T 4276 PO Box 5019 Carol Stream, IL 60197-5019	831-000-0861 687	\$1,563.00	\$782.00
AT&T Phone Service Payment Center Sacramento, CA 95887-0001	960 550-4876 555 5	\$2,597.00	\$1,299.00
	805 526-2107 485 8	\$86.00	\$0.00*
AT&T PO Box 16740 Mesa, AZ 85201	171-788-5908 876	\$132.00	\$0.00*
Bell Phone PO Box 9000 North York, Ontario M3C 2X7	905 943 9032	\$62.00	\$0.00*
BFI Canada Trash 650 Creditstone Road Concord, Ontario L4K 5C8	617-0049565-000	\$2,387.00	\$1,194.00
ComEd PO Box 6111 Carol Stream, IL 60197-6111	1251001083	\$336.00	\$0.00*



<b>Name &amp; Address</b>	<b>Account No(s).</b>	<b>Approximate Monthly Utility Cost</b>	<b>Proposed Adequate Assurance Deposit</b>
Connex 7270 Woodbine Ave #301 Markham, Ontario L3R 4B9	50416177	\$976.00	\$0.00**
	50415133	\$1,215.00	\$0.00**
	50415832	\$233.00	\$0.00*
	50415095	\$1,170.00	\$0.00**
Direct TV PO Box 60036 Los Angeles, CA 90060-0036	15637515	\$87.00	\$0.00*
Enbridge 500 Consumers Road Toronto, Ontario M1K 5E3	16 35 15 44562 2 (until 12/1/11)	\$213.00	\$0.00*
	910007922524 (after 12/1/11)		\$0.00***
Flood Brothers Disposal PO Box 95229 Palatine, IL 60095-0229	01-00529868 4	\$145.00	\$0.00*
Nicor Gas PO Box 0632 Aurora, IL 60507-0632	2541527	\$33.00	\$0.00*
PowerStream PO Box 3700 Concord, Ontario L4K 5N2	80-74-11090-143 (until 12/1/11)	\$6,410.00	\$3,205.00
	7071-11471-124 (after 12/1/11)		
Southern California Edison PO Box 300 Rosemead, CA 91772-0001	3-024-0317-60	\$9,881.00	\$0.00***
Verizon PO Box 15124 Albany, NY 12212-5124	718 326 0835 855 22 6	\$195.00	\$0.00*
Verizon Wireless PO Box 15062 Albany, NY 12212-5062	482657371-00001	\$248.00	\$0.00*
Verizon Wireless 7134 PO Box 660108 Dallas, TX 75266-0108	320047134-00001	\$3,768.00	\$1,884.00
Verizon Florida 3711 PO Box 920041 Dallas, TX 75392-0041	15 5322 0672 592029 07	\$265.00	\$0.00*

<b>Name &amp; Address</b>	<b>Account No(s).</b>	<b>Approximate Monthly Utility Cost</b>	<b>Proposed Adequate Assurance Deposit</b>
Verizon Florida 3284 PO Box 920041 Dallas, TX 75392-0041	15 5322 0652 714447 09	\$363.00	\$0.00*
Xclutel Communications 2215 Enterprise Drive 1512 Westchester, IL 60154	X5269	\$1,020.00	\$510.00

\* De Minimis Provider

\*\* Utility receives payment in advance of providing services.

\*\*\* Utility holds a security deposit in excess of the monthly utility cost.

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re: ) Chapter 11  
HARTFORD COMPUTER HARDWARE, )  
INC., *et al.*,<sup>1</sup> ) Case No. 11-49744 (PSH)  
 ) (Joint Administration Pending)  
Debtors. )  
 ) Hon. Pamela S. Hollis

**INTERIM AND PROPOSED FINAL ORDER(I) PROHIBITING UTILITIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICES TO, OR DISCRIMINATING AGAINST, THE DEBTORS; (II) DETERMINING THAT THE UTILITIES ARE ADEQUATELY ASSURED OF FUTURE PAYMENT; (III) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR ADDITIONAL ASSURANCE; AND (IV) PERMITTING UTILITY COMPANIES TO OPT OUT OF THE PROCEDURES ESTABLISHED HEREIN**

This matter coming before the Court on the Motion of the Debtors for Interim and Final Orders: (I) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against the Debtors; (II) Determining That the Utilities are Adequately Assured of Future Payment; (III) Establishing Procedures for Determining Requests for Additional Assurance; and (IV) Permitting Utility Companies to Opt Out of the Procedures Established Herein (the "Motion")<sup>2</sup>; the Court having reviewed the Motion and the Declaration in Support of First Day Relief; the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. § 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (d) notice of the Motion having been sufficient under the circumstances; and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein;

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<sup>1</sup> The Debtors are Hartford Computer Hardware, Inc. (FEIN 27-4297525), Nexicore Services, LLC (FEIN 03-0489686), Hartford Computer Group, Inc. (FEIN 36-2973523), and Hartford Computer Government, Inc (FEIN 20-0845960).

<sup>2</sup> Capitalized terms not defined herein shall have the meaning given to them in the Motion.

IT IS HEREBY ORDERED as follows:

1. The Motion is GRANTED.
2. All objections to the Motion or the relief requested therein that have not been made, withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.
3. Notice of the Motion was proper, timely, adequate and sufficient under the particular circumstances.
4. Subject to the procedures described below, no Utility Company may (a) alter, refuse, terminate, or discontinue utility services to, and/or discriminate against, the Debtors on the basis of the commencement of these chapter 11 cases or on account of outstanding prepetition invoices or (b) require additional assurance of payment, other than the Proposed Adequate Assurance, as a condition to the Debtors receiving such utility services pending the entry of a Final Order or this Order becoming a Final Order as set forth below.
5. Utility Companies (excluding De Minimis Providers) shall be entitled to an Adequate Assurance Deposit in the amount set forth on **Exhibit A** to the Motion, within twenty days of the first day hearing (the "First Day Hearing"), provided that such Utility Company is not currently paid in advance for its services or holding a deposit (after taking into account any valid offsets of the Debtors' prepetition debts against such deposit under applicable law) equal to or greater than the Adequate Assurance Deposit (which remaining deposit shall be deemed to be the Adequate Assurance Deposit for purposes of this Order).
6. As a condition of accepting an Adequate Assurance Deposit, the accepting Utility Company shall be deemed to have stipulated that the Adequate Assurance Deposit constitutes adequate assurance of future payment to such Utility Company within the meaning of section

366 of the Bankruptcy Code, and shall further be deemed to have waived any right to seek additional adequate assurance during the Debtors' bankruptcy cases, unless the Utility Company makes an additional adequate assurance request (each, an "Additional Assurance Request") at least five days prior to the final hearing date (the "Final Hearing Date") on the Motion as set by the Court (the "Request Deadline").

7. Any Adequate Assurance Deposit requested by, and provided to, any Utility Company pursuant to the procedures described herein shall be returned to the Debtors at the conclusion of these chapter 11 cases, if not returned or applied earlier.

8. The following Adequate Assurance Procedures are approved in all respects:

- a. Any Utility Company desiring assurance of future payment for utility service beyond the Proposed Adequate Assurance must serve an Additional Assurance Request so that it is received by the Debtors' counsel by the Request Deadline at the following address: Katten Muchin Rosenman LLP, 525 W. Monroe Street, Chicago, Illinois 60661 (Attn: John P. Sieger, Esq.).
- b. Any Additional Assurance Request must (i) be made in writing, (ii) set forth the location(s) for which utility services are provided and the relevant account number(s), (iii) describe any deposits, prepayments or other security currently held by the requesting Utility Company, (iv) describe any payment delinquency or irregularity by the Debtors for the postpetition period, and (v) specify the amount and nature of assurance of payment that would be satisfactory to the Utility Company. Any Additional Assurance Request that fails to meet these requirements shall be deemed an invalid request for adequate assurance.
- c. Upon the Debtors' receipt of an Additional Assurance Request at the addresses set forth above, the Debtors shall have the greater of (i) 14 days from the receipt of such Additional Assurance Request or (ii) 30 days from the Petition Date (collectively, the "Resolution Period") to negotiate with the requesting Utility Company to resolve its Additional Assurance Request. The Resolution Period may be extended by agreement of the Debtors and the applicable Utility Company.
- d. The Debtors, in their discretion, may resolve any Additional Assurance Request by mutual agreement with the requesting Utility Company and without further order of the Court, and may, in connection with any such

resolution, in their discretion, provide the requesting Utility Company with additional assurance of future payment in a form satisfactory to the Utility Company, including, but not limited to, cash deposits, prepayments and/or other forms of security, if the Debtors believe such additional assurance is reasonable.

- e. If the Debtors determine that an Additional Assurance Request is not reasonable, and are not able to resolve such request during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before this Court to determine the adequacy of assurances of payment made to the requesting Utility Company (the “Determination Hearing”), pursuant to section 366(c)(3)(A) of the Bankruptcy Code.
  - f. Pending the resolution of the Additional Assurance Request at a Determination Hearing, the Utility Company making such request shall be restrained from discontinuing, altering or refusing service to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.
  - g. Other than through the Opt-Out Procedures, any Utility Company that does not comply with the Adequate Assurance Procedures is deemed to find the Proposed Adequate Assurance satisfactory to it and is forbidden from discontinuing, altering or refusing service on account of any unpaid prepetition charges, or requiring additional assurance of payment (other than the Proposed Adequate Assurance).
9. The following Opt-Out Procedures are approved in all respects:
- a. A Utility Company that desires to opt-out of the Determination Procedures must file an objection (a “Procedures Objection”) with the Court and serve such Procedures Objection so that it is *actually received* within 15 days of entry of this Order by the Debtors at the following address: Katten Muchin Rosenman LLP, 525 W. Monroe Street, Chicago, Illinois 60661 (Attn: John P. Sieger, Esq.).
  - b. Any Procedures Objection must (i) be made in writing; (ii) set forth the location(s) for which utility services are provided and the relevant account number(s); (iii) describe any deposits, prepayments or other security currently held by the objecting Utility Company; (iv) explain why the objecting Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment; and (v) identify, and explain the basis of, the Utility Company’s proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code.

- c. The Debtors, in their discretion, may resolve any Procedures Objection by mutual agreement with the objecting Utility Company and without further order of the Court, and may, in connection with any such resolution and in its discretion, provide a Utility Company with assurance of future payment, including, but not limited to, cash deposits, prepayments or other forms of security, if the Debtors believe such assurance of payment is reasonable.
- d. If the Debtors determine that a Procedures Objection is not reasonable and is not able to reach a prompt alternative resolution with the objecting Utility Company, the Procedures Objection will be heard at the Final Hearing.
- e. Any Utility Company that does not timely file a Procedures Objection is deemed to consent to, and shall be bound by, the Adequate Assurance Procedures.

10. The Debtors are authorized, as necessary, to provide notice and a copy of the Interim Order (which, for purposes of this paragraph, shall be the Final Order after entry of such Final Order) to the Utility Companies not listed on the Utility Service List (collectively, the “Additional Utility Companies”), as such Utility Companies are identified. The Interim Order, including the Adequate Assurance Procedures, shall apply to any Additional Utility Companies; provided, however, that (a) the Opt-Out Procedures shall apply only to the extent that a Procedures Objection made by an Additional Utility Company is filed with the Court and submitted to the Debtors’ counsel no later than 4:00 p.m. (CST) on the date that is the earlier of (i) five business days before the Final Hearing or (ii) 10 days after service of the Interim Order on such Additional Utility Company and (b) the deadline for an Additional Utility Company to submit an Additional Assurance Request under the Adequate Assurance Procedures will be 25 days after the date the Interim Order is served upon such Additional Utility Company.

11. A Final Hearing to resolve any Procedures Objections shall be conducted on \_\_\_\_\_, 2011 at \_\_.m., Central Time.

12. A Utility Company shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code unless and until: (a) the Debtors, in their discretion, agree to (i) an Additional Assurance Request or (ii) an alternative assurance of payment with the Utility Company during the Resolution Period; or (b) this Court enters an order at the Final Hearing or any Determination Hearing requiring that additional adequate assurance of payment be provided.

13. Nothing herein constitutes a finding that any entity is or is not a Utility Company hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Service List.

14. The Debtors shall serve a copy of this Order on each Utility Company listed on the Utility Service List within two business days of the date this Order is entered.

15. The terms and conditions of this Order shall be effective and enforceable immediately upon its entry. This Order shall be deemed to be the Final Order with respect to any Utility Company that does not file a timely Procedures Objection as described herein.

16. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

Dated: \_\_\_\_\_, 2011

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UNITED STATES BANKRUPTCY JUDGE