

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED**

**APPLICATION OF HARTFORD COMPUTER HARDWARE, INC.
UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C 36, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN
THE UNITED STATES BANKRUPTCY COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION
WITH RESPECT TO HARTFORD COMPUTER HARDWARE,
INC., NEXICORE SERVICES, LLC, HARTFORD COMPUTER
GROUP, INC. AND HARTFORD COMPUTER GOVERNMENT,
INC. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")**

**APPLICATION RECORD
(returnable on December 13, 2011)**

December 13, 2011

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
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Toronto, Ontario M5K 1K7

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Lawyers for the Chapter 11 Debtors

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(returnable on December 12, 2011)**

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ONTARIO
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GROUP, INC. AND HARTFORD COMPUTER GOVERNMENT,
INC. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following pages.

THIS APPLICATION will come on for hearing before a Judge presiding on the Commercial List on December 13, 2011, at 10:00 a.m. or as soon after that time as the application can be heard at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

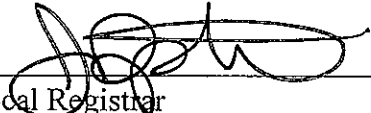
IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does

not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTRACTING A LOCAL LEGAL AID OFFICE.

DATE: December 13, 2011

Issued by:


Local Registrar

Giuseppe Di Pietro
Registrar

Address of Court office:
330 University Avenue
Toronto, Ontario
M5G 1E6

TO: THIS HONOURABLE COURT

AND TO: THE SERVICE LIST ATTACHED HERETO AS SCHEDULE "A"

APPLICATION

1. Hartford Computer Hardware, Inc. (“**Hartford**” or the “**Applicant**”), on its own behalf and in its capacity as proposed foreign representative of the Chapter 11 Debtors, makes this Application for relief and for orders substantially in the form included in the Application Record, including orders, *inter alia*:

Interim Initial Order

- (a) Abridging the time for service and validating service of this Notice of Application and the Application Record and dispensing with further service thereof;
- (b) Granting a stay of proceedings in respect of the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors pending the hearing of the Application to recognize the proceedings commenced by the Chapter 11 Debtors in the United States Bankruptcy Court for the Northern District of Illinois Eastern Division (the “**U.S. Court**”) under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Proceeding**”);
- (c) Declaring that notices and Orders in this proceeding may be served by prepaid ordinary mail, courier, personal delivery or electronic transmission to any interested party of the Chapter 11 Debtors and that any court materials in this proceeding may be served by email;

Initial Recognition Order

- (d) Declaring that Hartford is a “foreign representative” pursuant to Section 45 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the

“CCAA”) and is entitled to bring this Application pursuant to Section 46 of the CCAA;

- (e) Declaring that the Chapter 11 Proceeding is recognized as a “foreign main proceeding” for the purposes of Section 47 and 48 of the CCAA;
- (f) Staying and enjoining any claims, rights, liens or proceedings against or in respect of the Chapter 11 Debtors, the directors and officers of the Chapter 11 Debtors and the Chapter 11 Debtors’ property;
- (g) Restraining the right of any person or entity to, among other things, discontinue or terminate any supply of products or services so long as the normal prices or charges for such goods and services are paid by the Chapter 11 Debtors; and
- (h) Declaring that notices and Orders in this proceeding may be served by prepaid ordinary mail, courier, personal delivery or electronic transmission to any interested party of the Chapter 11 Debtors and that any court materials in this proceeding may be served by email;

Supplemental Order

- (i) Recognizing in Canada and enforcing certain orders of the U.S. Court made in the Chapter 11 Proceeding, as more particularly described herein;
- (j) Appointing FTI Consulting Canada Inc. (“FTI”) as the Information Officer in respect of this proceeding (in such capacity, the “**Information Officer**”);
- (k) Requiring the Information Officer to publish notice of this proceeding as required by subsection 53(b) of the CCAA;

- (l) Granting an Administration Charge and providing a super-priority charge over the Chapter 11 Debtors' property in respect of such Administration Charge;
- (m) Recognizing the following Orders of the U.S. Court in the Chapter 11 Proceeding in Canada (each as defined in the Affidavit of Alana Shepherd to be sworn following the hearing and disposition of the First Day Motions and Applications by the U.S. Court in the Chapter 11 Proceeding):
 - (i) the Foreign Representative Order;
 - (ii) the Joint Administration Order;
 - (iii) the Prepetition Wages Order;
 - (iv) the Customer Obligations Order;
 - (v) the Prepetition Shipping Order;
 - (vi) the Insurance Order;
 - (vii) the Prepetition Taxes Order;
 - (viii) the Utilities Order;
 - (ix) the Cash Management Order;
 - (x) the Claims Agent Order; and
 - (xi) the Interim DIP Facility Order; and
- (n) Granting such further and other relief as this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

- (a) All of the Chapter 11 Debtors are incorporated in various jurisdictions in the United States of America (the “**United States**”) and each has its registered office/corporate headquarters in the United States;
- (b) The Chapter 11 Debtors are one of the leading providers of repair and installation services in North America for consumer electronics and computers. The Chapter 11 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 televisions, consumer gaming units, printers, interactive whiteboards, peripherals, servers, POS devices, and other electronic devices;
- (c) The Chapter 11 Debtors operate out of five locations: (1) Schaumburg, Illinois; (2) Simi Valley, California; (3) Tampa, Florida; (4) Columbia, Maryland; and (5) Markham, Ontario;
- (d) Management of the Chapter 11 Debtors is all located in the United States with the exception of a general manager for the Canadian operations who is located in Canada;
- (e) The Chapter 11 Debtors, including the Applicant, have brought voluntary petitions to commence the Chapter 11 Proceeding in the U.S. Court;
- (f) Hartford has applied to the U.S. Court for an order appointing itself as the foreign representative of itself and the other Chapter 11 Debtors in the Chapter 11

Proceeding and, if granted, is a “foreign representative” under section 45(1) of the CCAA;

- (g) The Chapter 11 Proceeding constitutes a “foreign proceeding” pursuant to section 45(1) of the CCAA;
- (h) Each of the Chapter 11 Debtors’ centre of main interest is located in the United States. Accordingly, pursuant to section 45(1) of the CCAA, the Chapter 11 Proceeding is a “foreign main proceeding”;
- (i) Pursuant to section 48 of the CCAA, on the making of an Order recognizing a foreign proceeding as a foreign main proceeding, this Honourable Court shall make an Order staying any actions, suits or proceedings against the Chapter 11 Debtors, subject to the terms and conditions that this Honourable Court considers appropriate;
- (j) The appointment of an Information Officer will assist both this Honourable Court and any Canadian stakeholders of the Chapter 11 Debtors;
- (k) FTI has consented to act as the Information Officer in this proceeding;
- (l) The proposed Administration Charge is for the benefit of the Information Officer and its counsel and will rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, including any and all deemed trusts;
- (m) Due to the urgency of this Application, it was not possible to serve all interested persons with notice of the immediate request for a temporary stay of proceedings in Canada pending hearing of the Application for recognition in Canada of the

Chapter 11 Proceeding and certain Orders made therein, which hearing will be on notice to the service list attached as Schedule "A" to this Notice of Application;

- (n) The Applicant is seeking approval from this Honourable Court to serve any court materials in this proceeding by email and notice of this proceeding will be published by the Information Officer pursuant to Section 53(b) of the CCAA;
- (o) The provisions of the CCAA, including, without limitation, Part IV thereof;
- (p) Rules 2.03, 3.02, 14.05 and 17 of the *Rules of Civil Procedure*;
- (q) Section 106 of the *Courts of Justice Act*; and
- (r) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the Application:

- (a) The Affidavit of Brian Mittman sworn on December 12, 2011;
- (b) The Affidavit of Alana Shepherd sworn on December 13, 2011;
- (c) The Consent of FTI to act as the Information Officer;
- (d) The Preliminary Report of FTI dated December 12, 2011, in its capacity as the proposed Information Officer;
- (e) The Supplemental Affidavit of Alana Shepherd to be sworn after the hearing and disposition of the "First Day Motions" by the U.S. Court, to be filed separately; and
- (f) Such further and other evidence as counsel may advise and this Honourable Court may permit.

December 13, 2011

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Lawyers for Chapter 11 Debtors

SCHEDULE "A"

**SERVICE LIST
AS AT DECEMBER 12, 2011**

TO: THORNTON GROUT FINNIGAN LLP

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AND TO: NORTON ROSE OR LLP

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Adrienne Glen

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Fax: (416) 216-3930
Email: adrienne.glen@nortonrose.com

Lawyers for FTI Consulting Canada Inc., solely in its capacity as Information Officer

AND TO: JENNER & BLOCK LLP
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Lawyers for Delaware Street Capital Master Fund, L.P.

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Toronto, ON M5K 0A1

Jane O. Dietrich
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Fax: (416) 863-4592
Email: Jane.Dietrich@fmc-law.com

Lawyers for Avnet International (Canada) Ltd. and Avnet, Inc.

AND TO: CANADA REVENUE AGENCY
C/O DEPARTMENT OF JUSTICE
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AND TO: ONTARIO MINISTRY OF FINANCE
Legal Services Branch
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AND TO: NATIONAL LEASING GROUP INC.
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Winnipeg, MB R3T 0Y4

AND TO: MINISTRY OF FINANCE (CANADA)
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Sudbury, ON P3A 5C1

AND TO: ONTARIO MINISTRY OF FINANCE
393 University Avenue, Suite 200
Toronto, ON M5G 2M2

AND TO: QUEBEC MINISTRY OF REVENUE
Case Postale 1364
Quebec, QC G1K 9B3

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED

APPLICATION OF HARTFORD COMPUTER HARDWARE, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION WITH RESPECT TO HARTFORD COMPUTER HARDWARE, INC., NEXICORE SERVICES, LLC, HARTFORD COMPUTER GROUP, INC. AND HARTFORD COMPUTER GOVERNMENT, INC. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")

Court File No.:

CV-11-9514-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF APPLICATION
(Application returnable on December 13, 2011)

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Lawyers for the Chapter 11 Debtors

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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GROUP, INC. AND HARTFORD COMPUTER GOVERNMENT,
INC. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")

AFFIDAVIT OF BRIAN MITTMAN
(*Sworn on December 12, 2011*)

I, Brian Mittman, of the City of Simi Valley, in the State of California, MAKE OATH
AND SAY:

1. I am the President and Chief Executive Officer of Hartford Computer Group, Inc. ("HCG"), Hartford Computer Hardware, Inc. ("HCH"), Hartford Computer Government, Inc. ("HCGovernment"), and Nexicore Services, LLC ("Nexicore" and, together with HCG, HCH, and HCGovernment, the "Chapter 11 Debtors") and as such I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and believe it to be true.

2. This Affidavit is filed in support of an Application brought by the Applicants for the relief set out in the Notice of Application (the “**Notice of Application**”). In particular, this Affidavit is sworn in support of the Applicants’ request for an order, *inter alia*, recognizing the proceedings commenced by the Chapter 11 Debtors in the United States Bankruptcy Court for the Northern District of Illinois Eastern Division (the “**U.S. Court**”) under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Proceeding**”) as a “foreign main proceeding” pursuant to Part IV of *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”).

3. On December 12, 2011, the Chapter 11 Debtors commenced the Chapter 11 Proceeding by each filing a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the U.S. Court. Other than the Chapter 11 Proceedings and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors.

4. In order to enable the Chapter 11 Debtors to minimize the adverse effects of the commencement of the Chapter 11 Proceeding on their business operations, the Chapter 11 Debtors have requested various types of relief from the U.S. Court in certain “First Day” motions (collectively, the “**First Day Motions**”).

5. The First Day Motions seek relief, among other things: (a) appointing the Applicant, HCH, as the foreign representative of the Chapter 11 Debtors for the purposes of this Application and future motions in this proceeding and seeking recognition in Canada for any Orders that the U.S. Court grants in the Chapter 11 Proceeding, including, in respect of the First Day Motions; (b) preserving customer relationships; (c) maintaining vendor confidence and employee moral; (d) ensuring the continuation of the Chapter 11 Debtors’ cash management system and other

business operations without interruption; (e) securing post-petition financing necessary to continue the Chapter 11 Debtors' operations; (f) establishing certain administrative procedures to facilitate a smooth transition into, and uninterrupted operations throughout, the Chapter 11 Proceeding; and (g) enabling the Chapter 11 Debtors to move smoothly towards a sale of their assets.

6. I have submitted a declaration (the "Declaration") in the U.S. Court in support of the First Day Motions. A copy of the Declaration is attached hereto as Exhibit "A".

7. The Chapter 11 Debtors are one of the leading providers of repair and installation services in North America for consumer electronics and computers. The Chapter 11 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 televisions, consumer gaming units, printers, interactive whiteboards, peripherals, servers, POS devices, and other electronic devices.

8. The Chapter 11 Debtors operate out of five locations: (1) Schaumburg, Illinois; (2) Simi Valley, California; (3) Tampa, Florida; (4) Columbia, Maryland; and (5) Markham, Ontario. The Chapter 11 Debtors' headquarters are located in Simi Valley, California.

9. All of the Chapter 11 Debtors are incorporated in various jurisdictions in the United States and each has its registered office/headquarters in the United States.

10. In particular, the jurisdiction of incorporation and registered office/headquarters for each of the Chapter 11 Debtors are as follows:

Chapter 11 Debtor	Jurisdiction of Incorporation	Registered Office/Corporate Headquarters
HCH	Illinois	Schaumburg, Illinois
HCG	Delaware	Simi Valley, California
HCGovernment	Illinois	Schaumburg, Illinois
Nexicore	Delaware	New Port Richey, Florida

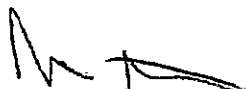
11. The management of the Debtors is all located in the United States with the exception of a general manager of the Canadian operations who is located in Canada.

12. All of the other Chapter 11 Debtors only operate in the United States, with the exception of HCG which also has operations in Canada. The Chapter 11 Debtors collectively have 486 employees. HCG employs approximately 113 employees at its Canadian operations in Markham, Ontario.

13. I swear this Affidavit in support of the relief requested in the Applicants' Notice of Application and for no other or improper purpose.

SWORN before me at the City of Simi Valley, in the State of California, this 12th day of December, 2011.

Commissioner for Taking Affidavits



BRIAN MITTMAN

*California required
Notary Certificate
attached.

Jurat

State of California

County of Ventura

Subscribed and sworn to (or affirmed) before me on this 12 day of December
20 11 by Brian N. Mittman

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Loretta J. Cabuyadao

(Notary seal)



OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

affidavit

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

The wording of all Jurats completed in California after January 1, 2008 must be in the form as set forth within this Jurat. There are no exceptions. If a Jurat to be completed does not follow this form, the notary must correct the verblage by using a jurat stamp containing the correct wording or attaching a separate jurat form such as this one which does contain proper wording. In addition, the notary must require an oath or affirmation from the document signer regarding the truthfulness of the contents of the document. The document must be signed AFTER the oath or affirmation. If the document was previously signed, it must be re-signed in front of the notary public during the jurat process.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the jurat process is completed.
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Signature of the notary public must match the signature on file with the office of the county clerk.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different jurat form.
 - ❖ Additional information is not required but could help to ensure this jurat is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
- Securely attach this document to the signed document

Exhibit "A"

Declaration

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

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

**DECLARATION OF BRIAN MITTMAN IN SUPPORT OF DEBTORS' CHAPTER 11
PETITIONS AND FIRST DAY MOTIONS**

I, Brian Mittman, hereby declare under penalty of perjury,

1. I am the President and Chief Executive Officer of Hartford Computer Group, Inc. ("HCG"), Hartford Computer Hardware, Inc. ("HCH"), Hartford Computer Government, Inc. ("HCGovernment"), and Nexicore Services, LLC ("Nexicore" and, together with HCG, HCH, and HCGovernment, the "Debtors").² I am generally familiar with the Debtors' day-to-day operations, business affairs, and books and records.

2. 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 (the "Bankruptcy Code") (collectively, these "Chapter 11 Cases").

3. The Debtors are operating their business and managing their property as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner, and no official committee has yet been appointed by the Office of the United States Trustee.

¹ 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).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the relevant First Day Motion (as hereinafter defined).

4. In order to enable the Debtors to minimize the adverse effects of the commencement of the Chapter 11 Cases on their business operations, the Debtors have requested various types of relief in certain “first day” motions (each, a “First Day Motion” and collectively, the “First Day Motions”). The First Day Motions seek relief aimed at, among other things: (a) preserving customer relationships; (b) maintaining vendor confidence and employee morale; (c) ensuring the continuation of the Debtors’ cash management system and other business operations without interruption; (d) securing post-petition financing necessary to continue the Debtors’ operations; (e) establishing certain administrative procedures to facilitate a smooth transition into, and uninterrupted operations throughout, the chapter 11 process; and (f) enabling the Debtors to move smoothly towards a sale of their assets. Gaining and maintaining the support of the Debtors’ customers, employees, vendors and suppliers, and certain other key constituencies, as well as maintaining the Debtors’ day-to-day business operations with minimal disruption, will be critical to the success of these Chapter 11 Cases and the Debtors’ reorganization efforts.

5. I submit this declaration (the “Declaration”) in support of the First Day Motions. I am familiar with the contents of each First Day Motion (including the exhibits thereto), and I believe that the relief sought in each First Day Motion (i) is necessary to enable the Debtors to operate in chapter 11 with minimum disruption or loss of productivity or value; (ii) constitutes a critical element in achieving a successful bankruptcy process; and (iii) is in the best interests of the Debtors, their estates and creditors.

6. Except as otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge, on information supplied to me by other members of the Debtors’ management teams and/or professionals retained by the Debtors, on information learned from my review of relevant documents, or on my opinion based upon my experience and knowledge of the Debtors’ operations, financial condition, and present liquidity needs. If I were called upon

to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this Declaration on behalf of each Debtor.

7. Part I of this Affidavit provides an overview of the Debtors' business operations and describes the Debtors' corporate history and prepetition capital and debt structure and the circumstances surrounding the commencement of this Chapter 11 Cases. Part II sets forth the relevant facts in support of each of the First Day Motions.

PART I

A. Current Business Operations and Capital Structure

8. 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. The Debtors also engage in hardware sales.

9. The Debtors operate out of five locations: Schaumburg, Illinois, Simi Valley, California, Tampa, Florida, Columbia, Maryland, and Markham, Ontario, Canada. The Debtors employ approximately 486 employees, including approximately 250 employees in California and 113 employees in Canada. The Debtors' senior management has almost 70 years of experience with the Debtors and includes me, as their president and chief executive officer, as well as Ron Brinckerhoff, as vice president of sales, Randy Hodgson as vice president of onsite operations, Rich Levin, as vice president of procurement, Jo Lamoreaux, as chief financial officer, John Nelson, as general manager in Canada, and Greg McDonald, as vice president of depot operations.

10. Over the past five years, the Debtors have implemented key turnaround initiatives that focused on creating an efficient operation capable of delivering high-quality service. With the operational turnaround largely complete, the Debtors are achieving significant momentum in each of their business lines. During that period, the companies' total revenues have grown from \$55.1 million in 2006 to \$95.1 million and earnings have increased at an even larger degree.

11. In addition to operational initiatives, the Debtors also engaged in out-of-court restructuring efforts. Effective as of May 9, 2005, the Debtors entered into that certain Master Restructuring Agreement (the "Restructuring Agreement") with Delaware Street Capital Master Fund, L.P. (the "Prepetition Senior Lender"), MRR Venture LLC ("MRR"), ARG Investments ("ARG"), SKM Equity Fund II, L.P. ("SKM I"), and SKM Investment Fund II ("SKM II" and together with MRR, ARG and SKM I, the "Subordinated Lenders"), HCG Financial Services, Inc. (the "Financial PO Lender"), and Enable Systems, Inc. Pursuant to the Restructuring Agreements, the Debtors amended and restructured their agreements with their various stakeholders. Specifically, after the execution and effectiveness of the Restructuring Agreement, the Debtors' long-term, secured debt was as follows: (a) pursuant to that certain Amended and Restated Loan and Security Agreement dated as of December 17, 2004 among the Debtors and the Prepetition Senior Lender and various promissory notes and other documents (collectively, as may have been amended, supplemented, and modified, the "Senior Credit Agreement"), the Debtors are indebted to the Prepetition Senior Lender, as of the Petition Date, the aggregate amount of \$72,157,959; (b) pursuant to that certain Substituted and Amended Subordinated Promissory Note dated May 9, 2005, made by Hartford Computer Group, Inc. in favor of MRR Venture LLC (the "Prepetition Subordinated Lender"), Hartford Computer Group, Inc. was indebted to Prepetition Subordinated Lender in the approximate amount of \$1,519,868; and (c) pursuant to that certain Revolving Credit Agreement by and between IBM Credit LLC ("IBM"),

HCH and HCGovernment, dated as of May 5, 2005 (the "IBM Credit Agreement"), HCH and HCGovernment were indebted to IBM in the amount of \$1,030,545. On December 9, 2011, the IBM Credit Agreement was paid off in fully through the proceeds of a letter of credit that secured that facility.

12. As a result of that Restructuring Agreement, the Subordinated Lenders became holders of certain classes of preferred and common equity interests in HCG, which is the sole shareholder and member of Hardware and Nexicore. The remaining equity interest holders of HCG include the Prepetition Senior Lender and myself. Hardware is the sole shareholder of HCGovernment.

13. Pursuant to the Senior Credit Agreement, the Prepetition Senior Lender made certain loans and other financial accommodations to or for the benefit of the Debtors. In connection with the Senior Credit Agreement, the Debtors entered into certain collateral and ancillary documentation with the Prepetition Senior Lender (such collateral and ancillary documentation collectively with the Prepetition Credit Agreement, the "Prepetition Credit Documents"). All obligations of the Debtors arising under the Prepetition Credit Documents, including all loans, advances, debts, liabilities, principal, interest, fees, swap exposure, charges, expenses, indemnities, and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to the Prepetition Senior Lender by the Debtors, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, shall hereinafter be referred to as the "Prepetition Obligations."

14. As of December 1, 2011, the Prepetition Obligations, not including fees or interest, included:

Revolver: \$9,076,302 (the "Prepetition Revolving Debt")

Term Loan A: \$27,482,409;

Term Loan B: \$12,660,490;

Term Loan C: \$5,748,432;

Term Loan D: \$6,965,575; and

Term Loan E: \$8,640,407 (collectively, the "Prepetition Term Debt").

15. Given the Debtors' recent performance, as well as its capital structure, the Debtors commenced an aggressive marketing and sales effort so as to take advantage of their improvements for the benefit of all their creditors.

B. The Debtors' Marketing and Sales Efforts

16. The Debtors, with the assistance of their advisors, actively marketed the company since late January 2011, focusing on a sale of substantially all of their assets as a going concern. Even before the Petition Date, the Debtors conducted a well-orchestrated sale process targeting the company's universe of potential strategic and financial buyers in an effort to maximize the value of the Debtors' assets.

17. Prior to the commencement of these Chapter 11 Cases, the Debtors retained Paragon Capital Partners, LLC ("Paragon") to act in an advisory capacity to explore strategic alternatives. As part of this evaluation, the Debtors and Paragon have aggressively pursued a potential sale of the Debtors' assets. The Debtors and Paragon undertook exhaustive efforts to solicit interest in the Debtors from third parties with the potential to acquire all or a substantial portion of the assets.

18. At the outset of this process, the Debtors determined, in consultation with their advisors and the Prepetition Senior Lender, to focus its sale efforts on locating a stalking horse bidder for substantially all of their assets. The Debtors believe that their businesses and assets have little value if liquidated separately (with the exception of HCH and HCGovernment, which together constitute a discrete business unrelated to the other Debtors), and that a sale process that

includes a sale of substantially all of the assets of HCG and Nexicore (the "Acquired Assets") as a going concern will maximize value to the estates.

19. During the marketing process, the Debtors and Paragon identified and contacted approximately ninety-one potential strategic and financial counterparties. Approximately thirty-two of these parties executed confidentiality agreements and received a confidential information memorandum providing extensive information relating to the Debtors' businesses, financial performance and projections, customers, programs, technology, information systems, operations, facilities, management and employees. Approximately eleven companies received a detailed management presentation, either in-person or by phone, and were given the opportunity to speak extensively with the Debtors and its advisors. Of these, eight companies were strategic buyers (including five public companies with a median market capitalization in excess of \$4 billion), and three counterparties were major private equity firms with relevant portfolio companies and significant funds under management. Six of these parties submitted written indications of interest to acquire all of the Acquired Assets of the Debtors as a going concern (the Acquired Assets exclude the Debtors' hardware business). Five of these parties attended in-person management presentations conducted by the Debtors' senior management team, and conducted site visits with respect to the Acquired Assets. All of these parties were granted access to supplemental due diligence materials made available on an electronic data site (the "Data Site"). One of these parties, Avnet, Inc. ("Avnet"), submitted a preliminary proposal, and subsequently submitted a definitive agreement. As of November 3, 2011, Avnet had a market capitalization of approximately \$4.6 billion. For its most recent fiscal year ending July 2, 2011, Avnet reported total sales of \$26.5 billion and had cash on its balance sheet of \$675 million.

20. Avnet's offer has been the basis for extensive discussions and negotiations with the Debtors, ongoing diligence and discussions with management, and visits to the Debtors'

facilities. As a result, on December 12, 2011, Avnet and Avnet International (Canada) Ltd. (together, the "Purchaser") executed an Asset Purchase Agreement (the "Agreement"), pursuant to which, among other things, the Purchaser will purchase, subject to higher and better bids and an order from this Court, substantially all of the assets of HCG and Nexicore. The purchase price under the Agreement consists of an initial cash payment of \$35,500,000, subject to a working capital adjustment, plus a potential earn out, subject to certain adjustments described more fully below, plus the assumption of certain liabilities, including certain cure costs and certain post-petition administrative expenses. Avnet is a New York Stock Exchange-listed, Fortune 500 company engaged in, among other things, consumer electronic manufacture, repair, and distribution.

21. At this juncture, the Purchaser's bid is the highest and best that the Debtors have received. Now that the Debtors have concluded negotiations with the Purchaser as the stalking horse bidder (subject to approval by this Court), the Debtors have begun to (and plan to continue to) focus their attention, time, and energy on bidders with continuing interest in the Debtors' assets in order to pursue the possibility that value may be maximized at an Auction.

22. Because of various factors, including the requirements for the Debtors' maintenance of its debtor-in-possession financing, and the Purchaser's desire not to unnecessarily tie up capital or risk of losing other business opportunities, the Debtors have proposed to move forward with the sale process on an expedited basis and within a specified time frame. Consequently, the Debtors have determined that it is in the best interest of their estates, creditors, and other parties in interest to move forward with an expeditious sale process. The Debtors believe that a prompt auction and sale will generate the highest return to their creditors and other stakeholders.

23. The Purchaser was not interested in acquiring the assets related to the Debtors' hardware business, which is the business of HCH and HCGovernment. The hardware business has two main customer groups: the public school universities in Maryland and Sears Brands, LLC. The former business is the sole operation of HCGovernment (the "Maryland Business"), and the later is that of HCH, though HCH owned certain assets useful to the Maryland Business.

24. On November 22, 2011, HCH and HCGovernment entered into that Asset Purchase Agreement with HCGI-Hartford, Inc., pursuant to which HCH and HCGovernment sold all assets used in connection with the Maryland Business. The purchase price was \$325,000, and \$225,000 was paid upon closing; the remaining \$100,000 purchase price will be paid 180 days after closing, which will be May 20, 2012. All of the proceeds have been transferred to the Prepetition Senior Lender in partial satisfaction of the obligations owing to them.

PART II

25. Concurrently with the filing of this Chapter 11 Cases, the Debtors have filed a number of First Day Motions, consisting of procedural motions and motions relating to the Debtors' business operations. The Debtors submit that approval of each First Day Motion is an important element of its reorganization efforts and is necessary to ensure a smooth transition into chapter 11 with minimal disruption to their operations. I have reviewed each of the First Day Motions, including the exhibits thereto, and believe that the relief requested therein is critical to the Debtors' ability to achieve a successful reorganization. Factual information with respect to each First Day Motion is provided below and in each First Day Motion.³

³ All defined terms used in this Part II of this Declaration, but not otherwise defined, shall have the same meaning as set forth in the applicable first day motion referred to unless otherwise so stated.

A. **Procedural Motions**

(1) **Debtors' Motion For an Order Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure Directing the Joint Administration of Their Chapter 11 Cases**

26. The Debtors in these Chapter 11 Cases are affiliated entities. The Debtors request that, in light of the fact that Hartford Computer Hardware, Inc. and its affiliates have each filed petitions in this Court, the Court can and should jointly administer the chapter 11 cases.

27. The joint administration of these Chapter 11 Cases will promote economical and efficient administration of the Debtors' estates. The Debtors anticipate that numerous motions, applications, notices, and orders will relate to several of the Debtors' cases. Joint administration of these Chapter 11 Cases will permit use of a single general docket for all of the Debtors' cases and avoid duplicative filings by the Court, the Debtors, and parties in interest. Thus, the Debtors believe joint administration of the Debtors' estates will reduce costs and minimize the potential for confusion, which is in the best interests of the Debtors' estates, their creditors and all other parties in interest.

(2) **Debtors' Motion Pursuant to Section 1505 of the Bankruptcy Code For Authorization of Hartford Computer Hardware, Inc. to Act as the Debtors' Foreign Representative**

28. Following the filing of the Chapter 11 Cases, HCG intends to commence Ancillary Proceeding under Part IV of the Companies' Creditors Arrangement Act ("CCAA") in the Ontario Court. HCH, as the proposed foreign representative for the Debtors in the Ancillary Proceeding, intends to seek recognition of these Chapter 11 Cases and certain orders entered in the Chapter 11 Cases.

29. In connection with the Ancillary Proceeding, the appointment of an information officer ("Information Officer") is standard practice. The Information Officer serves as an

independent party to the Ancillary Proceeding by relaying information between HCH and the court. By way of example, the Information Officer:

- (a) reports to the court at least once every three months with respect to the status of the CCAA proceedings and the status of the Chapter 11 Cases, which reports may include information relating to Debtors' property, the business, or such other matters as may be relevant to the proceedings;
- (b) obtains full and complete access to Debtors' property, including the premises, books, records, data, including data in electronic form, and other financial documents of Debtors, to the extent that is necessary to perform its duties; and
- (c) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations.

30. HCH intends to seek the appointment of FTI Consulting Canada Inc. as Information Officer.

31. Under the Ancillary Proceeding, HCH is responsible for paying the fees of the Information Officer and its independent counsel. Debtors' debtor-in-possession lender, Delaware Street Capital Master Fund, L.P. has agreed to fund the payment to the Information Officer pursuant to the budget submitted with the Debtors' Motion requesting authority for Debtors to enter into a senior secured post-petition loan agreement, pursuant to section 364 of the Bankruptcy Code, which is being filed contemporaneously herewith.

32. The Debtors believe that if the Ontario Court decides to recognize the Chapter 11 Cases as foreign main proceedings, the Debtors will benefit from the protection of an automatic stay against commencement or continuation of actions or proceedings concerning the Debtors' assets, rights, obligations, and liabilities in Canada.

(3) Debtors' Motion for An Order Extending The Time Within Which the Debtors Must File Their (i) Schedules of Assets and Liabilities, (ii) Schedule of Executory Contracts and Unexpired Leases, and (iii) Statement of Financial Affairs

33. The Debtors require additional time to bring their books and records up to date and to collect the data needed for the preparation and filing of the Schedules and Statements. Due to the complexity of the Debtors' business, the diversity of their operations and assets, and the limited staffing available to gather, process and complete the required Schedules and Statements in the limited time available prior to the commencement of this case, the Debtors do not believe the 14 day automatic extension of time provided for by Rule 1007(c) of the Bankruptcy Rules will be sufficient to permit completion of the Schedules and Statements.

34. The Debtors further believe that the vast amount of information that must be assembled and compiled, the multiple locations of such information, and the large amount of employee and professional hours required for the completion of the Schedules and Statements all constitute good and sufficient cause for granting the extension of time requested herein.

35. The Debtors believe an additional 28-day extension, for a total of 42 days, from the Petition Date would be a sufficient the date by which the Schedules and Statements must be filed.

(4) Debtors' Motion for an Order Appointing Kurtzman Carson Consultants LLC as the Official Claims and Noticing Agent and to Provide Other Essential Services to the Estates

36. The Debtors believe that the Debtors' retention of KCC as the Claims Agent is in the best interests of the Debtors, their estates and creditors.

37. The Debtors estimate that there are more than 1,120 potential creditors and other parties in interest who require notice of various matters. Given this estimate, it would be highly burdensome on the Court and the Clerk's Office to perform the services that KCC will perform.

To relieve the Clerk's Office of these burdens, the Debtors propose to appoint KCC as their notice and claims agent in these Chapter 11 Cases.

38. The Debtors believe that the retention of KCC is necessary for the Debtors to effectively: (a) maintain the list of creditors; (b) effect the noticing that may be required in these Chapter 11 Cases; (c) process the receipt, docketing, maintenance, recordation, and transmittal of proofs of claim in these Chapter 11 Cases; and (d) facilitate the Debtors' compliance with their reporting duties.

39. To the best of the Debtors' knowledge, information and belief, other than in connection with these Chapter 11 Cases, KCC has no material connection with the Debtors, the United States Trustee or the other parties in interest, or their respective attorneys or accountants, except as set forth therein.

40. To the best of the Debtors' knowledge, information and belief, KCC represents no interest materially adverse to the Debtors or their estates in the matters for which KCC is proposed to be retained. The Debtors believe that KCC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code. I believe that employment of KCC is in the best interest of the Debtors and their estates and creditors. The Debtors' knowledge, information and belief regarding the matters set forth in this subsection are based on the Kass Declaration.

41. The Debtors believe that compensation proposed to be paid to KCC and the proposed indemnification provisions are fair, reasonable, and customary for these types of engagements.

B. Motions Relating to Business Operations

(1) Debtors' Motion for Interim and Final Order (i) Authorizing the Debtors to Obtain Post-Petition Financing Pursuant to 11 U.S.C. § 364, (ii) Authorizing the Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (iii) Granting Adequate Protection to the Prepetition Senior Lender Pursuant to 11 U.S.C. §§ 361 and 363 and (iv) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001

42. Pursuant to the Prepetition Credit Documents (discussed above), the Prepetition Senior Lender was granted security interests in and continuing liens on substantially all Prepetition Collateral.

43. All of the Debtors' cash, including, without limitation, all cash and other amounts on deposit or maintained in the Debtors' primary deposit account and any amounts generated by collection of the Debtors' accounts receivable, the sale of the Debtors' inventory, or any other disposition of the Prepetition Collateral constitutes proceeds of the Prepetition Collateral and Cash Collateral

44. Beginning in June 2010, the Debtors, along with the assistance of their investment banker, Paragon, assessed their financing needs. Since that time, and, more specifically, over the past 4 weeks, the Debtors contacted various financial institutions to request financing.

45. The working capital facility of the type and magnitude needed in these cases could not have been obtained on an unsecured basis. Potential sources of debtor-in-possession financing for the Debtors, obtainable on an expedited basis and on reasonable terms, were practically nonexistent.

46. Because substantially all of the Debtors' assets are pledged to the Prepetition Secured Lender, and because the Prepetition Secured Lender appears to be undersecured, the Debtors' attempts to obtain unsecured credit or credit secured by a junior lien on their assets, were unavailing. Because of the Debtors' need for the liquidity, the Debtors have concluded that, in their business judgment, the Prepetition Secured Lender, who was already intimately

familiar with the Debtors' business operations, corporate structure, financing arrangements and collateral base, is the only lender able to offer a post-petition credit facility to meet the Debtors' working capital needs on the terms, and within the time frame, that the Debtors require.

47. The Prepetition Senior Lender has indicated a willingness to provide the Debtors with certain financing commitments but solely on the terms and conditions set forth in the Interim Order and the DIP Credit Documents. After considering all of their alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that the financing to be provided by the Prepetition Senior Lender pursuant to the terms of the Interim Order and the DIP Credit Documents represents the best post-petition financing presently available to the Debtors.

48. The delays, cost and expense of placing this loan with a new lender, assuming one could be found, would be detrimental to the estates and ultimately diminish creditor recoveries.

49. In connection with the Debtors' determination that their best financing was through the DIP Facility, the Debtors negotiated, at arms'-length and in good faith, the DIP Credit Agreement and the DIP Credit Documents.

50. Without the liquidity provided by the DIP Facility, the Debtors would be unable to pay landlords, employees and other constituencies that are essential to the orderly operation of the business and the retention of the value of their assets through either a sale or an orderly liquidation of such assets.

51. Access to substantial credit is necessary to meet the substantial day-to-day costs associated with winding down the Debtors' affairs, distributing goods to customers, and marshalling and selling their assets. Access to sufficient cash is therefore critical to the Debtors. In the absence of immediate access to cash and credit, the Debtors' suppliers will refuse to sell critical supplies and services to the Debtors, and the Debtors will be unable to operate their business or maximize recoveries on their assets.

52. For these reasons, access to credit under the DIP Facility and the financial accommodations as provided thereby are critical to promote: (a) an orderly sale or liquidation of the Debtors' business assets as a going concern; (b) the maintenance of the value of the Debtors' assets; and (c) the Debtors' ability to effectively to maximize the value of their assets.

53. The Debtors submit that the proposed terms of the DIP Financing are fair, reasonable and adequate in that these terms neither tilt the conduct of these cases and prejudice the powers and rights that the Bankruptcy Code confers for the benefit of all creditors, nor prevent motions by parties in interest from being decided on their merits.

54. The Debtors believe the Interim Order represents a fair and reasonable interim arrangement for debtor-in-possession financing pending the Final Hearing. The Interim Order does not purport to make any findings with regard to the amount of the Pre-Petition Obligations owed by the Debtors to the Prepetition Senior Lender or the validity, extent and priority of the Prepetition Senior Lender's liens and security interests that bind any entity other than the Debtors. Accordingly, the rights of all parties in respect of such matters are fully reserved. Thus, unsecured creditors will not be prejudiced by entry of the Interim Order.

55. While the Interim Order binds the Debtors' with respect to the validity, perfection or amount of the Prepetition Senior Lender's prepetition lien and debt and waives Debtors' claims related thereto, the Debtors' believe these provisions are justified because they do not bind other interested parties and other interested parties are given the requisite investigation time to analyze and, if necessary, bring an action challenging the validity, priority, and extent of the liens.

56. The Debtors and the DIP Lender, who also was the Prepetition Senior Lender, have negotiated a Budget expected to be sufficient to ensure that all administrative expenses will be covered by the DIP Lender through the closing of the sale of substantially all of the Debtors'

assets, as well as a burial budget if unexpected events transpire that lead to a default and termination under the DIP Credit Documents. Given the Prepetition Senior Lender and the DIP Lender's willingness to "pay to play" in these Chapter 11 Cases, the Debtors' believe their waiving of section 506(c) rights is justified.

57. The Interim Order provides that any committee may only \$20,000 of its fee carveout to investigate claims against the Prepetition Senior Lender; the Debtors believe this amount is appropriate given the relatively straightforward nature of the Prepetition Credit Agreement and the related liens.

58. While the Interim Order provides that the liens securing the DIP Facility and the Prepetition Senior Lender's adequate protection claims are senior to existing liens that were junior to the Prepetition Senior Lender's liens prior to the Petition Date, the Debtors believe that the claims of the Prepetition Senior Lender are undersecured, and thus any claims secured by junior liens on the Prepetition Collateral are effectively unsecured. Consequently, the Debtors believe the lien rights related to such claims are not entitled to adequate protection.

59. The Interim Order states that, in providing the DIP Facility, the DIP Lender shall not be deemed to be a party in control, responsible person or owner/operator.

60. The Interim Order provides that the DIP Lender and the Prepetition Senior Lender may take action necessary to permit the DIP Lender or the Prepetition Senior Lender to exercise, upon the occurrence and during the continuation of any Event of Default (under the DIP Credit Documents or the Interim Order), all rights and remedies provided in the DIP Credit Documents and to take any or all of the following actions without further order of or application to this Court: (a) immediately terminate the Debtors' use of Cash Collateral; (b) immediately declare all DIP Obligations to be due and payable; (c) immediately terminate the lending commitments under the DIP Credit Agreement; and (d) take any other actions or exercise any other rights or

remedies permitted under the Interim Order, the DIP Credit Documents or applicable law to effect the repayment of the DIP Obligations. However, the DIP Lender or the Prepetition Senior Lender, as applicable, are required to provide three (3) business days' written notice to counsel to the Debtors, counsel to the official committee of unsecured creditors (if one is appointed in these Chapter 11 Cases), and counsel to the U.S. Trustee prior to exercising any lien enforcement rights or remedies with respect to the DIP Collateral, which will provide the Debtors with sufficient time to challenge any such action if consistent with its fiduciary duties.

61. As set forth more fully in the proposed Interim Order, the proposed DIP Facility contemplates a modification of the automatic stay established pursuant to section 362 of the Bankruptcy Code to permit the Lender to execute upon their security interests or exercise other remedies under the DIP Credit Documents in the event of an Event of Default and take such other actions required or permitted by the DIP Loan Documents. The Debtors believe that stay modification provisions of this sort are ordinary and usual features of post-petition debtor-in-possession financing facilities and, in the Debtors' business judgment, are reasonable under the present circumstances. Moreover, the DIP Lender or the Prepetition Senior Lender, as applicable, are required to provide three (3) business days' written notice to counsel to the Debtors, counsel to the official committee of unsecured creditors (if one is appointed in these chapter 11 cases), and counsel to the U.S. Trustee prior to exercising any lien enforcement rights or remedies with respect to the DIP Collateral, which will provide the Debtors with sufficient time to challenge any such action if consistent with its fiduciary duties.

62. Attached to the Debtors' motion as Exhibit B is a six-month Budget. The Budget reflects on a line-item basis the Debtors' anticipated cumulative cash receipts and expenditures on a weekly basis and all necessary and required cumulative expenses which the Debtors expect to incur during each week of the Budget.

63. The Debtors require the use of Cash Collateral to fund their day-to-day operations. The use of Cash Collateral will enable the Debtors to continue to satisfy their vendors, service their customers, pay their employees and operate their businesses in the ordinary course and in an orderly and reasonable manner to preserve and enhance the value of their estates for the benefit of all stakeholders. Indeed, absent such relief, the Debtors' businesses will be brought to an immediate halt, with damaging consequences for the Debtors and their estates and creditors.

64. Pending the Final Hearing, the Debtors require immediate financing for, among other things, maintenance of their facilities and other working capital needs. It is essential that the Debtors immediately stabilize their operations and continue paying for ordinary, post-petition operating expenses, as well as the pre-petition expenses approved in the "first day" orders, to minimize the damage occasioned by its cash flow problems and maximize the potential value of their assets.

65. Absent immediate use of financing, the Debtors will be unable to pay operating expenses and move toward the sale of their business assets as a going concern pending the Final Hearing. Consequently, if interim relief is not obtained, the Debtors' assets will be immediately and irreparably jeopardized, to the detriment of the estates, their creditors and other parties in interest.

66. Accordingly, the Debtors request that, pending the Final Hearing, the Court schedule the Interim Hearing as soon as practicable to consider the Debtors' request to obtain emergency interim credit under the DIP Facility in accordance with and pursuant to the terms and conditions contained in the DIP Credit Agreement and the Interim Order.

(2) **Debtors' Motion for An Order (i) Approving Continued Use of Existing Bank Accounts, Business Forms, and Cash Management System, and (ii) To Obtain Limited Waiver of the Requirements of 11 U.S.C. § 345(b)**

67. The Debtors utilize the Cash Management System in the day-to-day operations of their business. In connection with the Cash Management System, prior to the Petition Date, the Debtors maintained thirteen bank accounts in the ordinary course of their business, including five blocked depository accounts, three payroll accounts, one savings account, and four certificates of deposit (collectively, and as they may be modified, the "Bank Accounts"). The Bank Accounts are maintained at Wells Fargo Bank, National Association ("Wells Fargo"), The Royal Bank of Scotland N.V. ("RBS"), and the Bank of Montreal ("BMO"; collectively with Wells Fargo and RBS, the "Banks").

68. The Bank Accounts and the Cash Management System are listed and demonstratively described on Exhibit A to the Debtors' motion for continued use of their Cash Management System.

69. The Debtors fund their operations through four blocked depository accounts, two accounts are held at Wells Fargo, one account is held at RBS, and one account is held at BMO. The Debtors also maintain a lock box at each of the banks to receive checks and cash directly from the Debtors' customers. Funds are swept daily from the lock box accounts into the respective depository accounts, which the Debtors utilize to fund their operations.

70. In addition to the checks and cash collected from the lock box accounts, each of the Wells Fargo depository accounts receive electronic transfers and credit card payments in U.S. dollars from the Debtors' customers. The Debtors maintain a separate account with BMO that receives credit card payments in Canadian dollars.

71. Payroll for the Debtors' U.S. employees is funded through a zero balance payroll account at Wells Fargo, which is funded by one of the Wells Fargo depository accounts.

Similarly, the payroll of the Debtors' Canadian employees is funded by a zero balance payroll account at RBS, which is funded by the RBS depository account.

72. At the time the Debtors commenced these Chapter 11 Cases, they were in the process of changing their Canadian payroll and operating bank accounts from RBS to BMO. As of the Petition Date, the Debtors have opened the new BMO accounts, but have not begun using them in their businesses. Although the Debtors will begin utilizing the BMO accounts in the near future, the RBS operating account will remain active to collect customer payments.

73. Periodically, funds from the Wells Fargo depository accounts are used to supplement the cash in the RBS depository account if necessary to make payroll for the Debtors' Canadian operations.

74. The Debtors' restricted accounts are comprised of a savings account and three certificates of deposit, all held with Wells Fargo, which secure certain letters of credit issued to IBM Credit LLC and Sony Electronics, Inc. ("Sony"). The IBM letter of credit was issued in connection with IBM's revolving loan to HCH, and it is secured a certificate of deposit of approximately \$1.5 Million. The letter of credit to Sony secures the vendor's accounts payable, and it is collateralized by two certificates of deposit in the approximate aggregate amount of \$741,000. The \$40,000 savings account also acts as collateral for the Sony letter of credit. On December 9, 2011, IBM Credit LLC drew on the letter of credit and repaid in full the IBM revolving loan obligations of HCH.

75. The Cash Management System constitutes a customary and essential business practice. It is similar to those commonly employed by corporate enterprises comparable to the Debtors in size and complexity. The widespread use of such systems, moreover, is attributable to the numerous benefits they provide, including the ability to (a) control and monitor corporate

funds, (b) ensure cash availability, and (c) reduce administrative expenses by facilitating the movement of funds.

76. In light of the substantial size and complexity of the Debtors' operations, the Debtors' efforts to preserve and enhance the value of their estates will be hampered if their cash management procedures are disrupted.

77. For much the same reasons, the Debtors further seek the authority to implement ordinary course changes to their Cash Management System, without further order of the Court, in the event that the Debtors conclude that changes in the Cash Management System are beneficial to their estates. In addition, the Debtors request authority to open and close bank accounts. The Debtors request that the Banks be authorized to honor the Debtors' requests to open or close any bank accounts.

78. As set forth above, within their Cash Management System, the Debtors maintain thirteen Bank Accounts. To avoid substantial disruption to the normal operation of their business and to preserve a "business as usual" atmosphere with respect to cash management function, as part of their request to maintain their Cash Management System, the Debtors also request permission to continue to use their Bank Accounts.

79. The Debtors request further that the Banks be authorized to continue to follow the instructions of all parties authorized to issue instructions with respect to the Bank Accounts. Allowing these accounts to be maintained with the same account numbers will assist the Debtors in accomplishing a smooth transition to operating as debtors in possession.

80. As part of the requested relief, the Debtors seek a waiver of the requirement to establish specific bank accounts for tax payments. The Debtors believe that tax obligations can be paid most efficiently out of the existing Bank Accounts, that the U.S. Trustee can adequately monitor the flow of funds into, among and out of the Bank Accounts, and that the creation of

new debtor in possession accounts designated solely for tax obligations would be unnecessary and inefficient.

81. To protect against the possible inadvertent payment of prepetition claims, the Debtors will immediately advise their Banks not to honor checks issued prior to the Petition Date, except as otherwise expressly permitted by an order of the Court and directed by the Debtors.

82. In the ordinary course of their business, the Debtors use a variety of Business Forms. By virtue of the nature and scope of the Debtors' business operations and the large number of suppliers of goods and services with whom the Debtors deal on a regular basis, it is important that the Debtors be permitted to continue to use their Business Forms without alteration or change. To avoid disruption to the Cash Management System and unnecessary expense, the Debtors request authorization to continue to use their Business Forms substantially as such forms exist immediately before the Petition Date, without reference to their status as debtors in possession and the bankruptcy cases number.

83. The Debtors also request authorization to use their existing check stock, provided, however, that upon depletion of the Debtors' check stock, the Debtors will obtain new check stock reflecting their status as debtors in possession.

84. In the absence of such relief, the Debtors' estates will be required to bear a potentially significant expense, which the Debtors respectfully submit is unwarranted.

85. Concurrently herewith, the Debtors have filed motions requesting authority to pay, in their sole discretion and in the ordinary course of their business, certain prepetition obligations to customers, taxing authorities, employees, essential shippers, and other entities. With respect to some of that debt, prior to the Petition Date, the Debtors may have issued checks that have yet to clear the banking system. In other cases, the Debtors would issue the relevant

checks postpetition on account of such prepetition debt once the Court entered an order permitting the Debtors to do so. The Debtors intend to inform their Banks which prepetition checks should be honored pursuant to orders of the Court authorizing such payment.

86. The Debtors submit that the Banks should not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) an innocent mistake made despite implementation of reasonable item handling procedures. The Debtors believe such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with the Court's order or otherwise.

87. In light of the amount of funds that will flow through the estates, the regular deposits and sweeps, and the minimal or zero balances of certain of the Bank Accounts, the Debtors believe it would be unnecessary and wasteful for the Debtors to be forced to incur the expense of obtaining a bond given the safeguards embedded in the Debtors' Cash Management System for the preservation of the funds therein. The Debtors submit that their current practices provide sufficient protection for their cash and that it would be in the estates' best interests for the Debtors to continue to follow these practices. Moreover, Wells Fargo and RBS (where the Debtors maintain their operating Accounts) are well-known and fiscally strong institutions, which provide services critical to the Debtors' operations. For these reasons, the Debtors request that this Court's order provide a waiver of the provisions of section 345 of the Bankruptcy Code.

(3) **Debtors' Motion for Entry of An Order Authorizing the Debtors to Pay Prepetition Sales, Use and Other Tax Obligations**

88. The Debtors, in the ordinary course of business, are required to collect certain Taxes in connection with the operation of their business and must remit these Taxes and to the Taxing Authorities of the jurisdictions in which the Debtors conduct business. Prior to the

Petition Date, the Debtors incurred obligations to federal, state, and local governments and other governmental agencies. As of the Petition Date, certain Taxes were outstanding and/or had accrued but were not yet due. For example, Taxes attributable to the prepetition portion of the 2011 and 2012 tax years will not be due until the applicable monthly, quarterly, or annual payment dates.

89. The process by which the Debtors remit such Taxes varies depending on the nature of the tax at issue and the Taxing Authority to which the relevant tax is paid. For instance, the Taxes accrue daily in the ordinary course of the Debtors' business, and are calculated based upon statutorily mandated percentages of the Debtors' sales. In some cases, Taxes are paid in arrears, once they are collected by the Debtors. Many jurisdictions, however, require the Debtors to remit estimated Taxes on a periodic basis. The Debtors then generally file a sales and use tax return with the relevant taxing authority reporting the actual sales and use tax due, and paying any further amounts owed for the period.

90. As an initial matter, the Debtors submit that most, if not all, of the Taxes likely constitute so-called "trust fund" taxes which are required to be collected from third parties and held in trust for payment to the Taxing Authorities. By far, most of the Taxes to be paid pursuant this motion constitute "trust fund" taxes, including certain provincial sales taxes due in Canada. Certain of those Canadian provincial sales taxes are subject to dispute or compromise, so the Debtors are seeking authority to pay up to the amount of the Taxes, though the actual amount paid may be less.

91. Payment of the Taxes when they become due will, however, relieve the Debtors and their estates from significant administrative burdens. The Debtors' estimate that, if granted, they may pay up to approximately \$1,430,000 in Taxes pursuant to the motion, though that figure includes claims that are subject to compromise.

92. Payment of the Taxes to the Taxing Authorities in full and on time is undeniably justified under the circumstances of these cases. If the Debtors fail to timely pay the Taxes, or withhold payment of the Taxes as a precaution, the Taxing Authorities would likely take precipitous actions, such as seeking to impose liens on the Debtors' assets. The Debtors may also experience a marked increase in audits from the Taxing Authorities. Such actions would unnecessarily divert the Debtors' attention from the bankruptcy process and waste valuable estate resources. An improper lien or the failure to pay certain taxes might also affect the Debtors' good standing in certain states, which may hinder the Debtors' ability to engage in certain transactions.

93. Personal liability actions against the Debtors' officers or directors for the payment of "trust fund" taxes would be extremely distracting for the Debtors' directors and officers, whose full time focus must be to formulate and implement a value maximizing plan for the Debtors. The Debtors submit that it is in their best interests, as well as the best interests of their creditors, to eliminate the possibility of such time consuming and potentially damaging distractions. Prompt and regular payment of the Taxes would avoid any such unwarranted governmental action and the associated administrative burden on the Debtors' estates.

94. As a result, payment of the Taxes to the Taxing Authorities in full and on time is justified under the circumstances of these cases.

(4) Debtors' Motion for Entry of an Order (i) Authorizing the Payment of Certain Prepetition Shipping Charges and (ii) Granting Certain Related Relief

95. In the ordinary course of their business, the Debtors rely on the United Parcel Service of America, Inc., as its Shipper, to transport products from the Debtors' customers to the Debtors' repair facilities and from the Debtors' repair facilities to the Debtors' customers. The services of the Shipper are critical to the Debtors' operations.

96. As of the Petition Date, the Debtors estimate that the total unpaid prepetition amount owed to the Shipper is approximately \$60,000. The Shipper has advised the Debtors that it will not provide any services to the Debtors unless it receives payment on account of the Debtors' prepetition obligation.

97. The Shipper's employees are well-trained and experienced in the business of delivering products to consumers. The Debtors also have intricate IT links with the Shippers that are critical for the Debtors' shipment processing that could not be immediately replaced. The Debtors do not believe that they could replace the Shipper on an expedited basis so as to avoid disruption of the flow of products to their customers, nor do they believe it would be prudent to hire another shipping company and risk that goods will be damaged during the transporting and delivery process.

98. Unless the Debtors are able to continue processing and delivering goods, their business operations will be severely disrupted, the Debtors' customers will be harmed, the Debtors' ability to generate revenue will be impaired, and the Debtors' sale or reorganization efforts may be hampered.

99. Paying the Shipper will benefit the Debtors' estates and their creditors by allowing the Debtors' business operations to continue without interruption.

100. If the Shipper exercises "self-help" remedies to secure payment of its claims, failure to satisfy the Shipper's claims will have a material adverse effect that will devastate the operations of the Debtors' business to the detriment of the Debtors' creditors.

101. The value of the goods in the possession of the Shipper will far exceed the value of their respective claims and satisfaction of prepetition claims of such parties will help preserve the going-concern value of the Debtors' business.

102. The Debtors have determined that (i) payment of the Shipper's Claims is critical to their efforts to sell their business assets as a going concern; (ii) payment of the Shipper's Claims is necessary to facilitate the sale; and (iii) following payment of the Shipper's Claims, non-Shippers will be at least as well off as they would otherwise be if the Shipper's Claims are not paid.

(5) **Debtors' Motion for Entry of an Order Authorizing Debtors to (A) Honor Certain Prepetition Obligations to Customers and (B) Continue Their Customer Programs and Practices in the Ordinary Course of Business**

103. The Debtors' customers include leading national retailers and hardware distributors, OEMs, IT service companies, third-party administrators of extended warranty programs, and commercial companies.

104. Prior to the Petition Date, and in the ordinary course of their businesses, the Debtors engaged in certain practices to develop and sustain positive reputations in the marketplace for their products and services, including the provision of warranties and rebates pursuant to contracts with each of its customers.

105. The Debtors provide warranties to all of their Customers for parts they provide to their Customers and/or the labor required to perform services for their Customers. The labor and parts warranties vary in length, type and agreement. However, the Debtors' parts warranties typically last anywhere from 30 to 365 days after the provision of the parts. The Debtors' labor warranties typically last up until a year after the labor was initially performed for the Customer.

106. The Debtors provide a rebate program to Best Buy, one of their Customers. The Debtors provide services and products to Best Buy. In some cases the Debtors are the exclusive provider of services and products to Best Buy and in other cases the Debtors are a Non-Exclusive Provider to Best Buy. The Debtors' provide Best Buy a rebate of two percent of the overall

revenue the Debtors receive from Best Buy (after any returns of the products provided) as a Non-Exclusive Provider.

107. The Debtors desire to continue, during the postpetition period, those cost-effective Customer Programs that were beneficial to their businesses during the prepetition period. The Customer Programs have proven to be successful business strategies in the past and responsible for generating valuable goodwill, repeat business, and net revenue increases.

108. Permitting the Debtors to continue to honor their Customer Programs will enable a successful sale of their business assets as a going concern. The Debtors have determined that (i) continuation of their Customer Programs is critical to their efforts to sell their business assets as a going concern; (ii) payment of any claims related to their Customer Programs is necessary to facilitate the sale; and (iii) permitting the Debtors to honor their Customer Programs will leave the Debtors at least as well off as they would otherwise be if the Customer Programs were not honored.

109. The Debtors seek to continue their Customer Programs as they have proven to be successful business strategies in the past and responsible for generating valuable goodwill, repeat business, and net revenue increases. The Debtors believe that continuing these benefits throughout these Chapter 11 Cases is essential to maintaining the value of the Debtors' estates as they attempt to sell the assets as a going concern.

110. Moreover, any creditors not receiving the benefit of the continued Customer Programs will be at least as well off as they would have been had the Customer Programs not been continued. Maintaining the Customer Programs is vital to the Debtors' continuing business operations and the success of these Chapter 11 Cases. In addition, the Debtors have conducted an extensive analysis and review of the Debtors' immediate trade needs and supplier base and has concluded that there is a significant risk that the Customers will cease doing business with

the Debtors unless the Customer Programs are honored. Should any Customer with the benefit of a Customer Program stop purchasing services and/or goods from the Debtors, their businesses would be adversely affected as a result of, among other things, an adverse impact on the Debtors' ability to continue operating toward a sale. Any interruption of the Debtors' operations could cost the Debtors' estates millions of dollars in lost revenues and furthermore, could cause the Debtors to lose a significant amount of Customers and value of their sale. Accordingly, the harm that would stem from the failure to uphold any Customer Programs is disproportionate to the cost of continuing such programs.

111. As such, the Debtors submit that the cost of continuing the Customer Programs pales in comparison to the likely damage to the Debtors' businesses and estates should the relief requested herein not be granted. In light of the foregoing, the Debtors submit that continuing to honor the Customer Programs is plainly in the best interests of its estate and creditors.

112. The Debtors further believe that their Customers participating in the Customer Programs will not continue doing business with the Debtors without the benefit of the Customer Programs.

(6) **Debtors' Motion for Order: Pursuant to Sections 105(a) and 363 of the Bankruptcy Code (I) Authorizing the Debtor to Honor Prepetition Insurance Policies and Renew Such Policies in the Ordinary Course of Business; and (II) Granted Related Relief**

113. In the ordinary course of the Debtors' businesses, the Debtors retain and maintain the Insurance Policies providing coverage for, inter alia, property and casualty liability, pension bond insurance, customs bond, worker's compensation, and directors' and officers' liability. A detailed listing of the Insurance Policies that are currently held by the Debtors is attached to the motion as **Exhibit A**.

114. The Insurance Policies are essential to the preservation of the Debtors' businesses, property, and assets, and, in many cases, such coverages are required by various regulations, laws, and contracts that govern the Debtors' commercial activity.

115. The annual premiums for the Insurance Policies, which the Debtors maintain through a handful of different insurance carriers, total approximately \$202,000.

116. It is the Debtors' business practice to pay Insurance Premiums in a timely fashion and they do not believe that they have any unpaid Insurance Premiums as of the Petition Date. However, given the timing of the bankruptcy filing, it is possible that some of the Insurance Premiums may not have been paid as of the Petition Date. Failure to make these ongoing premium payments when due will cause harm to the Debtors' estates in several ways. First, if the Debtors fail to make their payments, the insurers may seek to terminate the Insurance Policies to recoup their losses. The Debtors would then be required to obtain replacement insurance on an expedited basis. This replacement insurance likely would require not only that the Debtors pay a lump-sum premium for the insurance policy in advance, but would involve a higher overall cost than the premium the Debtors currently pay.

117. Even if the insurers were not permitted to terminate the Insurance Policies, any interruption of payment would have a severe and adverse impact on the Debtors' ability, in the ordinary course of their businesses, to renew any Insurance Policies that expire postpetition.

118. In light of the importance of maintaining the Insurance Policies with respect to their business activities, the Debtors need to honor their obligations under the existing Insurance Policies. As described above, any other alternative would likely require considerable additional cash expenditures. Granting the relief requested in this motion will enhance the likelihood of the Debtors' successful rehabilitation, maximize the value of the estates' assets, and thus benefit the estates' creditors.

(7) 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

119. 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 to their motion. 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. The Debtors estimate that their average monthly obligations to the Utility Companies on account of services rendered total approximately \$60,000.00.

120. 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.

121. 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.

122. The Debtors further submit that 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.

(8) Debtors' Motion for the Entry of an Order (i) Authorizing Payment of Prepetition Employee Obligations and Related Withholding Taxes; (ii) Authorizing the Prepetition Employee Benefits and Continuation of the Employee Benefit Plans; and (iii) Directing all Banks to Honor Prepetition Checks for Payment of Prepetition Employee Obligations

123. As of October 31, 2011, the Debtors employed approximately 486 persons in the aggregate (the "Employees"), of which approximately 401 are salaried Employees and approximately 85 are paid on an hourly basis. All Employees are paid bi-weekly every other Friday. In addition, certain Employees, mainly sales representatives and customer service representatives associated with sales, are entitled to bonuses and/or commissions based on the level of sales generated throughout the year. These commissions are generally paid during the last payroll cycle of each quarter.

124. As of the Petition Date, the Debtors estimate that the aggregate amount owed in the form of accrued but unpaid salary, wages, paid time off, bonuses and commissions is approximately \$1,300,000 (collectively, the "Unpaid Compensation"). Of the Unpaid Compensation, the Debtors seek to pay approximately \$500,000 in accrued salary and wages. The Debtors do not intend to pay Unpaid Compensation to any one Employee in excess of the \$11,725 cap imposed by section 507(a)(4) of the Bankruptcy Code.

125. Items of Unpaid Compensation were due and owing on the Petition Date because, among other things, the Debtors' bankruptcy cases were filed in the midst of the Debtors' regular and customary salary and hourly wage payroll periods, and some payroll checks issued to employees prior to the Petition Date may not have been presented for payment or cleared the banking system and therefore not honored and paid as of Petition Date.

126. The Debtors offer incentive bonuses in their discretion, and pursuant to a limited number of compensation agreements, to certain Employees based on the achievement of established goals, objectives or quotas (collectively, the "Bonus Plans"). The Bonus Plans are

designed to provide market-competitive cash bonus payments based on several measurements, including position-specific goals, customer service ratings, and production and sales growth.

127. Specifically, awards are made based on the quality and efficiency of service provided by the Employee. Bonus awards are payable throughout the year, but are generally paid to Employees monthly in arrears.

128. Approximately 104 Employees (who are not “insiders” under the Bankruptcy Code) are entitled to bonuses, in the aggregate, of approximately \$30,000 under the Bonus Plans as of the Petition Date. The average bonus for eligible Employees is approximately \$315; thus, payment of the bonuses will not cause any Employee to receive Unpaid Compensation in excess of the 507(a)(4) cap. The Debtors seek authority to continue to honor and perform all Bonus Plans in the ordinary course of business, including payment of any prepetition claims to non-insider Employees on account of such plans.

129. In addition to their ordinary and customary wages, the Debtors provide regular, full-time Employees with paid time off to cover, among other things, vacation, sick days and holidays (collectively, “Paid Time Off”), which accrues for each Employee based on his or her length of service with the Debtors. For example, Employees that have been employed by the Debtors from zero to four years receive 4.92 hours of Paid Time Off per pay period, while Employees who have worked for the Debtors for ten years or more receive 8 hours of Paid Time Off per pay period. Accordingly, Employees could earn 16 to 26 days of Paid Time Off per year. If Employees do not use their Paid Time Off, it continues to accrue up to an established maximum amount based on years of service, which ranges between 24 to 39 days. As of the Petition Date, the Debtors estimate that a total of approximately \$771,251 in earned but unpaid Paid Time Off has accrued for eligible Employees.

130. Prior to the Petition Date and in the ordinary course of business, the Debtors reimbursed Employees for certain expenses incurred in the scope of their employment, including business-related travel expenses, vendor purchases, business meals, phone costs, and miscellaneous business expenses (collectively, the “Reimbursable Expenses”). The Debtors also provide travel stipends of \$50 to \$200 for up to twenty-five Employees who use their personal vehicles to travel to the Debtors’ customers to install and repair products.

131. In addition, certain Employees pay for the Reimbursable Expenses with their personal or corporate credit cards. The credit card companies then invoice the Debtors directly for these charges and, following the Debtors’ review of the invoices, such charges are paid directly by the Debtors to the credit card companies. Although the Debtors pay the invoices directly for the corporate credit cards of certain Employees, the accounts are held in the names of the Employees. Therefore, to the extent the Debtors fail to remit payment to the credit card companies for valid and legitimate Reimbursable Expenses, the credit card companies may seek to collect such unpaid amounts directly from the Employees, which may negatively impact the Employees’ credit.

132. All Reimbursable Expenses were incurred as business expenses on the Debtors’ behalf and with the understanding that the Employees would be reimbursed in the normal course. The Debtors estimate that, as of the Petition Date, less than \$15,000 was owed on account of outstanding Reimbursable Expenses to Employees. Accordingly, to avoid harm to individual Employees, the Debtors seek authorization, in their sole discretion, to pay the Reimbursable Expenses to the Employees in the ordinary course of business.

133. The Debtors offer all of their full-time Employees certain benefits, including health insurance, dental insurance, vision care, flexible spending accounts, a 401(k)/profit sharing plan, term life insurance, accidental death and disability insurance, short-term disability,

long-term disability, and COBRA (collectively the "Employee Benefits"). The Debtors seek to continue to provide the Employee Benefits on a postpetition basis, and to honor all prepetition obligations relating thereto.

134. The Debtors offer health care coverage, including prescription drug coverage and dental and vision care, to approximately 401 full-time Employees and their dependents. The Debtors pay for all health care benefits of their Canadian Employees and share the cost of providing these benefits with their U.S. Employees. In addition, the Debtor fund a portion of the health care benefits offered to their U.S. Employees, the rest of which are funded by the U.S. Employees through funds withheld from their paychecks. In 2010, the Debtors paid approximately \$1.6 million for Employee health care benefits.

135. The Debtors offer their full-time Employees a medical plan, dental plan, and flexible spending reimbursement accounts (the "Medical and Dental Benefits") through Anthem Blue Cross and United Concordia Dental. The Medical and Dental Benefits represent an integral component of each Employee's employment, and without these benefits the Debtors believe they would be unable to retain all of their personnel. Additionally, discontinuance of these benefits would impose a severe hardship on the Employees and their families.

136. The Debtors believe that they have paid all administrative costs that have come due prior to the Petition Date. However, to the extent that any premiums due for the Medical and Dental Benefits or any claims in connection therewith, insofar as such premiums and claims relate to the prepetition period, remain unpaid on the Petition Date, the Debtors are seeking authorization to pay those amounts.

137. The Debtors provide workers' compensation insurance for their Employees at the statutorily-required level for each state in which the Debtors have business operations. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of

workers' compensation insurance. However, out of an abundance of caution, the Debtors request authority to pay any petition amounts that may be outstanding.

138. The Debtors also provide basic life insurance through a premium based insurance policy through Lincoln National Life Insurance Company. Voluntary supplemental life insurance and voluntary long-term and short-term disability are also offered by the Debtors as premium based and fully paid by the employee through payroll deductions. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of life insurance. However, out of an abundance of caution, the Debtors request authority to pay any petition amounts that may be outstanding.

139. The Debtors maintain a qualified defined contribution savings plan for the benefit of all eligible Employees meeting the requirements of section 401(k) of the Internal Revenue Code. The Debtors provide a 401(k) plan for Employees that have worked for the Debtors for at least three consecutive months. Employees may elect to contribute between 1% and 15% of their pay, or up to federally regulated dollar maximum per calendar year. The Debtors have the discretion to make matching contributions under the 401(k) plan. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts in connection with the 401(k) plan. However, out of an abundance of caution, the Debtors are requesting authority to pay any prepetition amounts that may be outstanding.

140. In the ordinary course, the Debtors deduct from their Employees' paychecks (a) payroll taxes and the Employees' portion of FICA and unemployment taxes, (b) Employee contributions to 401(k) plans and 401(k) loan repayments (the "401(k) Deductions"); (c) Employee voluntary insurance premiums, (d) Employee health benefit premiums and reimbursement/savings accounts; and (e) legally ordered deductions such as wage garnishments, child support and tax levies (collectively, the "Employee Deductions").

141. Due to the commencement of these cases, funds may have been deducted from Employee paychecks but may not have been forwarded to appropriate third-party recipients. Failure to forward the 401(k) Deductions to the 401(k) plan administrator may be a violation of the Employee Retirement Income Security Act of 1974, potentially resulting in the Debtors' officers and directors being held personally liable for such amounts. The Debtors are seeking authority to forward the Employee Deductions to the appropriate parties.

142. If the Debtors fail to pay or honor the Employees' prepetition compensation, reimbursement procedures and Employee benefits, the Employees will suffer extreme personal hardship and in many cases will be unable to pay their basic living expenses. This clearly would destroy Employee morale and result in unmanageable Employee turnover during the critical early stages of these Chapter 11 Cases. The Debtors submit that any significant deterioration in morale at this time will substantially and adversely impact the Debtors and their ability to maximize the value of their estates, thereby resulting in immediate and irreparable harm to the Debtors and their estates.

143. The Debtors do not believe that any of their current Employees are owed amounts for services rendered prior to the Petition Date in excess of the \$11,725 amount to which such employee would be entitled to priority under section 507 of the Bankruptcy Code.

144. The Debtors further submit that the amounts to be paid the Employees pursuant to their motion are reasonable compared with the importance and necessity of preserving Employee loyalty and morale, and with the difficulties and losses the Debtors likely will suffer if those amounts are not paid. Failure to pay the current employees for their prepetition services in full would likely hinder the Debtors' ability to maximize the value of their assets and to administer these Chapter 11 Cases in an orderly fashion.

C. Sale Related Motion

Debtors' Motion Pursuant to 11 U.S.C. §§ 105(a), 363, 365 and Fed. R. Bankr. P. 2002, 6004, 6006 For (I) Entry of an Order (A) Approving Bidding Procedures; (B) Granting Certain Bid Protections; (C) Approving Form and Manner of Sale Notices; (D) Setting Sale Hearing Date in Connection with Sale of Substantially all of Debtors' Assets; and (II) Entry of an Order (A) Approving the Sale of Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (C) the Assumption of Certain Liabilities; and (D) Granting Certain Related Relief

145. As set forth in detail above, the Debtors, with the assistance of their advisers, actively marketed the company since late January 2011, focusing on a sale of substantially all of their assets as a going concern. Even before the Petition Date, the Debtors conducted a well-orchestrated sales process targeting the company's universe of potential strategic and financial buyers in an effort to maximize the value of the Acquired Assets.

146. As a result of their efforts, the Debtors have identified a Purchaser of the Acquired Assets and executed the Agreement with the Purchaser for the purchase of the Acquired Assets for the aggregate price of \$35.5 million, subject to a working capital adjustment, plus an earn out and assumption of certain liabilities.

147. The Debtors have determined that a prompt Sale of the Acquired Assets is the best way to maximize the value of the Acquired Assets for their respective estates and creditors.

148. The Debtors have sound business justifications for selling the Acquired Assets at this time. While the Debtors currently have limited access to capital, they are endowed with a strong customer base, well-respected brands, and solid operations. Accordingly, the Debtors have determined that the best option for maximizing the value of their estates for the benefit of their creditors is through the Sale of all or a portion of the Acquired Assets.

149. The Sale of any of the Debtors' Acquired Assets will be subject to competing bids, enhancing the Debtors' ability to receive the highest or otherwise best value for the Acquired Assets. Consequently, the fairness and reasonableness of the consideration to be

received by the Debtors will ultimately be demonstrated by a “market check” through the auction process, which is the best means for establishing whether a fair and reasonable price is being paid.

150. To provide the Purchaser with an incentive and compensation for entering into the Agreement and for the extensive fees and costs it will incur by serving as the stalking horse purchaser, the Debtors have agreed to a Break-Up Fee. The Debtors believe that offering the Break-Up Fee to the Purchaser will benefit the Debtors’ estates by establishing a floor and promoting more competitive bidding. Without such a fee, bidding on the Debtors’ Acquired Assets would likely be reduced. The availability of the Bid Protections is necessary in order to provide the Purchaser with some assurance that it will be compensated for the time and expense it has spent in putting together its offer for the Acquired Assets and for the risk that arises from participating in the Sale and subsequent bidding process as the stalking horse bidder.

151. The Debtors believe that the Bidding Procedures are appropriate to ensure that the bidding process is fair and reasonable and will yield the maximum value for their estates and creditors. The Bidding Procedures proposed are designed to maximize the value received for the Acquired Assets by facilitating a competitive bidding process in which all potential bidders are encouraged to participate and submit competing bids. The Bidding Procedures provide potential bidders with sufficient notice and an opportunity to acquire information necessary to submit a timely and informed bid. At the same time, the Bidding Procedures provide the Debtors with the opportunity to consider all competing offers and to select the highest and best offer for portions of the Acquired Assets or the Acquired Assets as a whole as determined by the Debtors.

I believe that the commencement of this Chapter 11 Cases is in the best interests of the Debtors’ stakeholders and other parties-in-interest. As it did during the prepetition period, the

Debtor, with the assistance of its professionals, will continue to maintain and enhance the going concern value of the companies while pursuing its reorganization strategy.

I declare under penalty of perjury that the forgoing is true and correct.

Dated: December 12, 2011



Brian N. Mittman
President of CEO of the Debtors

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED

APPLICATION OF HARTFORD COMPUTER HARDWARE, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION WITH RESPECT TO HARTFORD COMPUTER HARDWARE, INC., NEXICORE SERVICES, LLC, HARTFORD COMPUTER GROUP, INC. AND HARTFORD COMPUTER GOVERNMENT, INC. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")

Court File No.: CV-11-9514-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

AFFIDAVIT OF BRIAN MITTMAN
(Sworn on December 12, 2011)

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Lawyers for the Chapter 11 Debtors

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

APPLICATION OF HARTFORD COMPUTER HARDWARE, INC.
UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN
THE UNITED STATES BANKRUPTCY COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION
WITH RESPECT TO HARTFORD COMPUTER HARDWARE,
INC., NEXICORE SERVICES, LLC, HARTFORD COMPUTER
GROUP, INC. AND HARTFORD COMPUTER GOVERNMENT,
INC. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")

AFFIDAVIT OF ALANA SHEPHERD
(*Sworn on December 13, 2011*)

I, Alana Shepherd, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am an Associate with Thornton Grout Finnigan LLP, lawyers for Hartford Computer Hardware, Inc. (the "**Applicant**"). I swear this affidavit in support of the Applicant's Application for an order, *inter alia*, recognizing the Chapter 11 Proceeding (as defined below) as a foreign main proceeding pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

2. On December 12, 2011, the Chapter 11 Debtors commenced proceedings (the "**Chapter 11 Proceeding**") by each filing a voluntary petition for relief under Chapter 11 of Title 11 of the

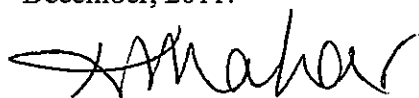
United States Code in the United States Bankruptcy Court for the Northern District of Illinois Eastern Division (the "U.S. Court").

3. As evidence of the commencement of Chapter 11 Proceeding, attached hereto as Exhibits "A" through "D", respectively, are file stamped copies of the voluntary petitions (excluding the exhibits thereto) filed in the U.S. Court by:

- (a) Hartford Computer Hardware, Inc.;
- (b) Nexicore Services, LLC;
- (c) Hartford Computer Group, Inc.; and
- (d) Hartford Computer Government, Inc.

4. I make this affidavit in support of the within Application and for no other or improper purpose.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 13th day of
December, 2011.



Commissioner for Taking Affidavits



ALANA SHEPHERD

Exhibit "A"

Voluntary Petition of Hartford Computer Hardware, Inc.

BI (Official Form 1)(4/10)

United States Bankruptcy Court Northern District of Illinois		Voluntary Petition
Name of Debtor (if individual, enter Last, First, Middle): Hartford Computer Hardware, Inc.		Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): 27-4297525		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): 1242A Remington Road Schaumburg, IL <div style="text-align: right;">ZIP Code 60173</div>		Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right;">ZIP Code</div>
County of Residence or of the Principal Place of Business: Cook		County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): 3949 Heritage Oak Court Simi Valley, CA <div style="text-align: right;">ZIP Code 93063</div>		Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div>
Location of Principal Assets of Business Debtor (if different from street address above): 3949 Heritage Oak Court Simi Valley, CA 93063		
Type of Debtor (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	Nature of Business (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other Tax-Exempt Entity (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors <input type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input checked="" type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000		
Estimated Assets <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input checked="" type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input checked="" type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		
Estimated Liabilities <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input checked="" type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): Hartford Computer Hardware, Inc.	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)			
Location Where Filed: - None -	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)			
Name of Debtor: See Attachment	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<p style="text-align:center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align:center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p>		
Exhibit C			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.			
Exhibit D			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			

(Name of landlord that obtained judgment)			

(Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).			

B1 (Official Form 1)(4/10)

Page 3

<p>Voluntary Petition <i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): Hartford Computer Hardware, Inc.</p>
<p style="text-align: center;">Signatures</p> <p>Signature(s) of Debtor(s) (Individual/Joint) I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b). I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>	<p>Signature of a Foreign Representative I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition. (Check only one box.) <input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1513 are attached. <input type="checkbox"/> Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ Signature of Foreign Representative</p> <p>_____ Printed Name of Foreign Representative</p> <p>_____ Date</p>
<p style="text-align: center;">Signature of Attorney*</p> <p>X <u>/s/ John P. Sieger</u> Signature of Attorney for Debtor(s) <u>John P. Sieger 6240033</u> Printed Name of Attorney for Debtor(s) <u>Katten Muchin Rosenman LLP</u> Firm Name <u>525 West Monroe Street</u> <u>Suite 1900</u> <u>Chicago, IL 60661-3693</u> Address</p> <p style="text-align: right;">Email: john.sieger@kattenlaw.com</p> <p><u>312-902-5200 Fax: 312-902-1061</u> Telephone Number <u>December 12, 2011</u> Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p style="text-align: center;">Signature of Non-Attorney Bankruptcy Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.</p> <p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:</p> <p>_____ If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><small>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.</small></p>
<p style="text-align: center;">Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X <u>/s/ Brian Mittman</u> Signature of Authorized Individual <u>Brian Mittman</u> Printed Name of Authorized Individual <u>Chief Executive Officer</u> Title of Authorized Individual <u>December 12, 2011</u> Date</p>	

In re Hartford Computer Hardware, Inc.

Case No. _____

Debtor

FORM 1. VOLUNTARY PETITION
Pending Bankruptcy Cases Filed Attachment

<u>Name of Debtor / District</u>	<u>Case No. / Relationship</u>	<u>Date Filed / Judge</u>
Hartford Computer Government, Inc. Northern District of Illinois	Affiliate	12/12/11
Hartford Computer Group, Inc. Northern District of Illinois	Affiliate	12/12/11
Nexicore Services, LLC Northern District of Illinois	Affiliate	12/12/11

**WRITTEN CONSENT OF THE SOLE DIRECTOR
OF
HARTFORD COMPUTER HARDWARE, INC.**

As of this 12th day of December, 2011, undersigned, being the sole director of Hartford Computer Hardware, Inc., an Illinois corporation (the "Company"), does hereby consent and agree to the adoption of the following resolutions pursuant to Section 8.45 of the Illinois Business Corporation Act of 1983, as amended, in lieu of holding a special meeting of the sole director of the Company:

WHEREAS, the sole director has reviewed the materials presented by the management and the financial and legal advisers of the Company regarding the liabilities and liquidity situation of the Company, the strategic alternatives available to the Company, and the impact of the foregoing on the Company's businesses; and

WHEREAS, the sole director has had the opportunity to consult with the management and the financial and legal advisers of the Company and fully consider each of the strategic alternatives available to the Company.

I. **Voluntary Petition Under the Provisions of Chapter 11 of Title 11 of the United States Code.**

NOW, THEREFORE, BE IT RESOLVED THAT: In the judgment of the sole director, it is desirable and in the best interests of the Company, its creditors, stockholders, and other parties in interest, that the Company file or cause to be filed a voluntary petition for relief under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and an application for relief under Part IV of the Canadian Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), on or before December 12, 2011;

BE IT FURTHER RESOLVED THAT: Each of the President, Secretary, Treasurer, and such other officers as may be designated by the President (collectively, the "Authorized Officers"), acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and empowered to execute and file on behalf of the Company all petitions, schedules, lists and other papers or documents, and to take any and all action that they deem necessary or proper to obtain such relief;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the law firm of Katten Muchin Rosenman LLP as general

bankruptcy counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any pleadings; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and to cause to be filed an appropriate application for authority to retain the services of Katten Muchin Rosenman LLP;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the firm of Paragon Capital Partners, LLC as investment banker to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the chapter 11 case, and to cause to be filed appropriate applications for authority to retain the services of Paragon Capital Partners, LLC;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the law firm of Thornton Grout Finnigan LLP as special counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code and the CCAA and to take any and all actions to advance the Company's rights and obligations, including filing any pleadings; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and CCAA proceeding, and to cause to be filed an appropriate application for authority to retain the services of Thornton Grout Finnigan LLP;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the firm of Kurtzman Carson Consultants LLC as notice and claims agent to represent and assist the Company in carrying

out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the chapter 11 case, and to cause to be filed appropriate applications for authority to retain the services of Kurtzman Carson Consultants LLC; and

II. Debtor-In-Possession Financing.

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to negotiate, execute, deliver and cause the Company to perform its obligations under (i) a secured superpriority debtor-in-possession credit agreement (the "Credit Agreement"), among the Company and its affiliated entities, as debtors and debtors-in-possession in cases pending under chapter 11 of the Bankruptcy Code, as borrowers, and Delaware Street Capital Master Fund, L.P., as lender, substantially in the form and on the terms and conditions presented to the sole director and (ii) the other agreements contemplated by the Credit Agreement, including pledge agreements, security agreements, mortgages, financing statements and any other similar documents in connection with granting a security interest in or a pledge of the Company's assets as collateral to secure the Company's obligations under the Credit Agreement and any other agreements or documents (the documents described in this clause (ii) are collectively referred herein as the "Other Financing Documents"), as any Authorized Officer determines is necessary, proper, or desirable to consummate the transactions contemplated by the Credit Agreement and the Other Financing Documents;

BE IT FURTHER RESOLVED THAT: All acts and actions taken by the Authorized Officers prior to the date hereof with respect to the transactions contemplated by the Credit Agreement and the Other Financing Documents be, and hereby are, in all respects confirmed, approved, and ratified.

III. Sale of Assets.

BE IT FURTHER RESOLVED THAT: In the judgment of the sole director it is desirable and in the best interests of the Company that the Company sell substantially all of its assets pursuant to a broadly marketed and effective sales process

designed to maximize the value received from such sales, and, therefore, the Company is hereby authorized to enter into a stalking-horse asset purchase agreement, and to implement procedures (including additional asset purchase or other agreements) to effectuate such sale, and the Company is further authorized to file a motion to approve such sale and for any related relief, or to approve a sale to one or more higher and better bidders, and to close such sales, subject to Bankruptcy Court approval in the Company's chapter 11 case;

IV. Further Actions and Prior Actions.

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and empowered for, in the name of and on behalf of the Company to take or cause to be taken any and all such other and further action, and to execute, acknowledge, deliver, and file any and all such instruments as each, in his or her discretion, may deem necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions;

BE IT FURTHER RESOLVED THAT: All acts, actions, and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken before these resolutions were certified, are hereby in all respects approved and ratified.

IN WITNESS WHEREOF, the undersigned being the sole director of the Company, has executed this Written Consent on and as of the 12th day of December, 2011.



Brian Mittman

Exhibit "B"

Voluntary Petition of Nexicore Services, LLC

BT (Official Form 1)(4/10)

United States Bankruptcy Court Northern District of Illinois		Voluntary Petition										
Name of Debtor (if individual, enter Last, First, Middle): Nexicore Services, LLC		Name of Joint Debtor (Spouse) (Last, First, Middle):										
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):										
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) 03-0489686		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)										
Street Address of Debtor (No. and Street, City, and State): 7916 Evolutions Way, Suite 106 New Port Richey, FL <div style="text-align: right;">ZIP Code 34655-9900</div>		Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right;">ZIP Code</div>										
County of Residence or of the Principal Place of Business: Pasco		County of Residence or of the Principal Place of Business:										
Mailing Address of Debtor (if different from street address): 3949 Heritage Oak Court Simi Valley, CA <div style="text-align: right;">ZIP Code 93063</div>		Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div>										
Location of Principal Assets of Business Debtor (if different from street address above):												
Type of Debtor (Form of Organization) (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) 	Nature of Business (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other <hr/> Tax-Exempt Entity (Check box, if applicable) <ul style="list-style-type: none"> <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code). 	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <hr/> Nature of Debts (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts. 										
Filing Fee (Check one box) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B. 		Chapter 11 Debtors Check one box: <ul style="list-style-type: none"> <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <ul style="list-style-type: none"> <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,543,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). Check all applicable boxes: <ul style="list-style-type: none"> <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b). 										
Statistical/Administrative Information <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. 		THIS SPACE IS FOR COURT USE ONLY										
Estimated Number of Creditors <table style="width: 100%; text-align: center;"> <tr> <td><input type="checkbox"/> 1-49</td> <td><input type="checkbox"/> 50-99</td> <td><input type="checkbox"/> 100-199</td> <td><input checked="" type="checkbox"/> 200-999</td> <td><input type="checkbox"/> 1,000-5,000</td> <td><input type="checkbox"/> 5,001-10,000</td> <td><input type="checkbox"/> 10,001-25,000</td> <td><input type="checkbox"/> 25,001-50,000</td> <td><input type="checkbox"/> 50,001-100,000</td> <td><input type="checkbox"/> OVER 100,000</td> </tr> </table>			<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input checked="" type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000
<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99		<input type="checkbox"/> 100-199	<input checked="" type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000		
Estimated Assets <table style="width: 100%; text-align: center;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input checked="" type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table>			<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input checked="" type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input checked="" type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion			
Estimated Liabilities <table style="width: 100%; text-align: center;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input checked="" type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table>		<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input checked="" type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	
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Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): Nexicore Services, LLC	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)			
Location Where Filed: - None -	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)			
Name of Debtor: See Attachment	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<p style="text-align:center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align:center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p>		
Exhibit C			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.			
Exhibit D			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box)			
<input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			

(Name of landlord that obtained judgment)			

(Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).			

B1 (Official Form 1)(4/10)

Page 3

<p>Voluntary Petition <i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): Nexicore Services, LLC</p>
<p style="text-align: center;">Signatures</p> <p style="text-align: center;">Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (If not represented by attorney)</p> <p>_____ Date</p>	<p style="text-align: center;">Signatures</p> <p style="text-align: center;">Signature of a Foreign Representative</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ Signature of Foreign Representative</p> <p>_____ Printed Name of Foreign Representative</p> <p>_____ Date</p>
<p style="text-align: center;">Signature of Attorney*</p> <p>X <u>/s/ John P. Sieger</u> Signature of Attorney for Debtor(s) <u>John P. Sieger 6240033</u> Printed Name of Attorney for Debtor(s) <u>Katten Muchin Rosenman LLP</u> Firm Name 525 West Monroe Street Suite 1900 Chicago, IL 60661-3693</p> <p>_____ Address</p> <p style="text-align: right;">Email: john.sieger@kattenlaw.com</p> <p><u>312-902-5200 Fax: 312-902-1061</u> Telephone Number</p> <p><u>December 12, 2011</u> Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p style="text-align: center;">Signature of Non-Attorney Bankruptcy Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.</p> <p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:</p> <p>_____ If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><small>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.</small></p>
<p style="text-align: center;">Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X <u>/s/ Brian Mittman</u> Signature of Authorized Individual <u>Brian Mittman</u> Printed Name of Authorized Individual <u>Chief Executive Officer</u> Title of Authorized Individual <u>December 12, 2011</u> Date</p>	<p>_____ Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.</p> <p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:</p> <p>_____ If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><small>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.</small></p>

In re Nexicore Services, LLC
Debtor

Case No. _____

FORM 1. VOLUNTARY PETITION
Pending Bankruptcy Cases Filed Attachment

<u>Name of Debtor / District</u>	<u>Case No. / Relationship</u>	<u>Date Filed / Judge</u>
Hartford Computer Government, Inc. Northern District of Illinois	Affiliate	12/12/11
Hartford Computer Group, Inc. Northern District of Illinois	Affiliate	12/12/11
Hartford Computer Hardware, Inc. Northern District of Illinois	Affiliate	12/12/11

**WRITTEN CONSENT OF THE SOLE MANAGER
OF
NEXICORE SERVICES, LLC**

As of this 12th day of December, 2011, the undersigned, being the sole manager of Nexicore Services, LLC (the "Company"), a Delaware limited liability company, acting as permitted by the terms of the Amended and Restated Limited Liability Company Agreement dated August 15, 2008 and as permitted by the Delaware Limited Liability Company Act, does hereby consent and agree to the adoption of the following resolutions, in lieu of holding a special meeting of the sole manager of the Company:

WHEREAS, the sole manager has reviewed the materials presented by the management and the financial and legal advisers of the Company regarding the liabilities and liquidity situation of the Company, the strategic alternatives available to the Company, and the impact of the foregoing on the Company's businesses; and

WHEREAS, the sole manager has had the opportunity to consult with the management and the financial and legal advisers of the Company and fully consider each of the strategic alternatives available to the Company.

I. Voluntary Petition Under the Provisions of Chapter 11 of Title 11 of the United States Code.

NOW, THEREFORE, BE IT RESOLVED THAT: In the judgment of the sole manager, it is desirable and in the best interests of the Company, its creditors, stockholders, and other parties in interest, that the Company file or cause to be filed a voluntary petition for relief under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and an application for relief under Part IV of the Canadian Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), on or before December 12, 2011;

BE IT FURTHER RESOLVED THAT: Each of the sole manager, and such other officers as may be designated by the sole manager (collectively, the "Authorized Officers"), acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and empowered to execute and file on behalf of the Company all petitions, schedules, lists and other papers or documents, and to take any and all action that they deem necessary or proper to obtain such relief;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to

employ the law firm of Katten Muchin Rosenman LLP as general bankruptcy counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any pleadings; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and to cause to be filed an appropriate application for authority to retain the services of Katten Muchin Rosenman LLP;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the firm of Paragon Capital Partners, LLC as investment banker to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the chapter 11 case, and to cause to be filed appropriate applications for authority to retain the services of Paragon Capital Partners, LLC;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the law firm of Thornton Grout Finnigan LLP as special counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code and the CCAA and to take any and all actions to advance the Company's rights and obligations, including filing any pleadings; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and CCAA proceeding, and to cause to be filed an appropriate application for authority to retain the services of Thornton Grout Finnigan LLP;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ the firm of Kurtzman Carson Consultants LLC as notice

and claims agent to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the chapter 11 case, and to cause to be filed appropriate applications for authority to retain the services of Kurtzman Carson Consultants LLC; and

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to employ any other professionals to assist the Company in carrying out its duties under the Bankruptcy Code including, but not limited to, Grant Thornton LLP to provide testimony in support of a motion in the chapter 11 case authorizing the Company to implement a key employee incentive plan on the terms approved by the sole manager; and in connection therewith, each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to or immediately upon the filing of the chapter 11 case and to cause to be filed an appropriate application for authority to retain the services of Grant Thornton LLP and any other professionals as necessary.

II. Debtor-In-Possession Financing.

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and directed to negotiate, execute, deliver and cause the Company to perform its obligations under (i) a secured superpriority debtor-in-possession credit agreement (the "Credit Agreement"), among the Company and its affiliated entities, as debtors and debtors-in-possession in cases pending under chapter 11 of the Bankruptcy Code, as borrowers, and Delaware Street Capital Master Fund, L.P., as lender, substantially in the form and on the terms and conditions presented to the sole manager and (ii) the other agreements contemplated by the Credit Agreement, including pledge agreements, security agreements, mortgages, financing statements and any other similar documents in connection with granting a security interest in or a pledge of the Company's assets as collateral to secure the Company's obligations under the Credit Agreement and any other agreements or documents (the documents

described in this clause (ii) are collectively referred herein as the "Other Financing Documents"), as any Authorized Officer determines is necessary, proper, or desirable to consummate the transactions contemplated by the Credit Agreement and the Other Financing Documents;

BE IT FURTHER RESOLVED THAT: All acts and actions taken by the Authorized Officers prior to the date hereof with respect to the transactions contemplated by the Credit Agreement and the Other Financing Documents be, and hereby are, in all respects confirmed, approved, and ratified.

III. Asset Purchase Agreement.

WHEREAS: Each of the Company and Hartford Computer Group, Inc. (collectively, "Sellers"), seeks to sell substantially all of its assets to Avnet, Inc., a New York corporation ("Avnet"), and Avnet International (Canada) Ltd., an Ontario corporation ("Avnet Canada") and, together with Avnet, "Buyers"); and

WHEREAS: the sole manager has considered the material terms of that certain Asset Purchase Agreement (the "Purchase Agreement"; all capitalized terms used herein but not defined herein shall have the meaning ascribed such term in the Purchase Agreement), by and among Sellers and Buyers, a form of which has been previously provided to, and reviewed by, each of the undersigned and deems it advisable and in the best interests of the Company to enter into the Purchase Agreement to which the Company is a party.

NOW, THEREFORE, BE IT RESOLVED THAT: The Purchase Agreement and all exhibits and schedules thereto are hereby authorized, approved and confirmed in all respects;

BE IT FURTHER RESOLVED THAT: The form, terms and provisions of the Purchase Agreement and each Transaction Document to which the Company is a party, be and hereby are, authorized, confirmed and adopted in all respects;

BE IT FURTHER RESOLVED THAT: The Company is authorized to enter into, execute and deliver the Purchase Agreement and, subject to the approval of the Bankruptcy Court and the CCAA Court, to (a) perform all of its obligations thereunder and (b) take all actions contemplated thereby;

BE IT FURTHER RESOLVED THAT: The Company is authorized to file a motion to approve such sale and for any related relief, or to approve a sale to one or more higher and better

bidders, and to close such sales, subject to the approval of the Bankruptcy Court and the CCAA Court;

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers are hereby authorized, empowered and directed, in the name and on behalf of the Company, to execute and deliver the Purchase Agreement in substantially the form approved herein, with such changes thereto as such Authorized Officer shall deem to be acceptable and appropriate, his or her approval and the approval of the Board of which to be conclusively evidenced by his or her execution and delivery thereof; and

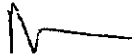
BE IT FURTHER RESOLVED THAT: Subject to the approval of the Bankruptcy Court and the CCAA Court, the Authorized Officers are hereby authorized, empowered and directed, in the name and on behalf of the Company, to execute, deliver and perform the Company's obligations under any other agreements, instruments or other documents, all as in the judgment of such officer or officers may be deemed necessary, advisable or appropriate in order to consummate the transactions contemplated by the Purchase Agreement and Transaction Documents and perform the Company's obligations thereunder and otherwise carry out the purposes of the foregoing resolutions, and the execution and delivery thereof shall be conclusive evidence that the same were in all respects hereby fully authorized and approved.

IV. Further Actions and Prior Actions.

BE IT FURTHER RESOLVED THAT: Each of the Authorized Officers, acting alone or with one or more other Authorized Officers, be, and hereby is, authorized and empowered for, in the name of and on behalf of the Company to take or cause to be taken any and all such other and further action, and to execute, acknowledge, deliver, and file any and all such instruments as each, in his or her discretion, may deem necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions;

BE IT FURTHER RESOLVED THAT: All acts, actions, and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken before these resolutions were certified, are hereby in all respects approved and ratified.

IN WITNESS WHEREOF, the undersigned being the sole manager of the Company, has executed this Written Consent on and as of the 12-day of Dec, 2011.



Brian Mittman

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