

APPENDIX C

LIQUIDATION ANALYSIS

This analysis has been prepared by management based on the Company's best estimates and knowledge of events as of 8/24/09. Although the estimates and assumptions that were made in preparing the analysis are considered reasonable by management, they are inherently subject to significant uncertainties and contingencies. Accordingly, there can be no assurance that the estimates shown below will be realized. Actual results may therefore vary materially from those presented.

\$ in 000's	Note	Chapter 7	
		Estimated Proceeds Available	
		to be Distributed under Chapter 7	
		Low	High
A. ESTIMATED PROCEEDS FROM SALE OF ASSETS			
Cash and cash equivalents	1	275,000	275,000
Accounts receivable, net	2	59,700	83,000
Income tax receivables	3	52,900	60,400
Prepaid expenses and other current assets	4	2,200	3,000
Net PP&E	5	11,500	24,400
Intercompany receivables & inv. in subs	6	72,900	78,100
Estate causes of action	7	14,600	24,300
Total Estimated Proceeds from Sale of Assets		488,800	548,200
B. WIND DOWN EXPENSES			
Estimated professional fees	8	13,000	10,000
Estimated Chapter 7 trustee fees	9	14,700	16,400
Estimated operating expenses	10	25,000	23,100
Total Wind Down Expenses		52,700	49,500
NET ESTIMATED PROCEEDS BEFORE DISTRIBUTION		436,100	498,700
C. SECURED CLAIMS			
% Recovery for Secured Claims	11	20,000	5,000
		100%	100%
AMOUNT AVAILABLE FOR ADMINISTRATIVE CLAIMS		416,100	493,700
D. ADMINISTRATIVE CLAIMS			
503(b)(9)	12	200,000	170,000
General Administrative Claims		90,000	50,000
Total Administrative Claims		290,000	220,000
% Recovery for Administrative Claims		100%	100%
AMOUNT AVAILABLE FOR PRIORITY CLAIMS		126,100	273,700
E. PRIORITY CLAIMS			
% Recovery for Priority Claims	13	125,000	50,000
		100%	100%
AMOUNT AVAILABLE FOR UNSECURED CLAIMS		1,100	223,700
F. UNSECURED CLAIMS			
% Recovery for Unsecured Claims	14	2,000,000	1,800,000
		0%	12%

Assumptions

The following notes describe the significant assumptions that were applied to individual assets within the broader asset categories.

Note 1

The Debtors' estimated cash and cash equivalents are \$275 million.

Note 2

The Debtors' accounts receivable represent vendor receivables and warranty recovery.

Note 3

The Debtors' income tax receivables as of the liquidation date are approximately \$75.5M. This analysis assumes between 70% and 80% recovery of the book value of income tax receivables per the monthly operating report as of 6/30/09.

Note 4

The Debtors' prepaid and other current assets consist of prepaid taxes, insurance receivables and other deposits. This analysis assumes between 30% and 40% recovery of the book value of prepaid assets and other current assets per the monthly operating report as of 6/30/09.

Note 5

The estimate for property and equipment is based upon management's estimate of value.

Note 6

The Debtors' estimated intercompany receivables and investments in subs relate to proceeds from the sale of the Canadian subsidiary to Bell Canada and return of equity from liquidation of Northern National Insurance Limited subsidiary.

Note 7

The estimate of recoveries from Estate Causes of Action is based upon a preliminary analysis of potential recoveries on Preference Actions taking into account various defenses available to recipients of pre-filing payments as well as the costs and expenses associated with prosecuting such Preference Actions

Note 8

Estimated professional fees represent the costs for financial advisors, attorneys and other professionals.

Note 9

Chapter 7 trustee fees are estimated at 3% of the all moneys disbursed to parties in interest.

Note 10

Operating expenses assume a wind down period of approximately twelve months following the appointment or election of a Chapter 7 trustee. Operating expenses also include remaining payout on management incentive plan, remaining payment of \$12.2M for November stub rent and pre-GOB sales tax accrual of \$4.0M.

Note 11

Estimates for the senior secured claims include potential liens against the Company.

Note 12

Estimates for administrative claims include estimated post-petition accounts payable, 503(b)(9) claims, and miscellaneous liabilities. Claim amounts are estimates only and are subject to change.

Note 13

Estimates for priority claims primarily consist of estimated tax-related and employee related priority claims.

Note 14

The unsecured claim estimate is comprised of known pre-petition liabilities on the Company's books as well as estimated lease rejection claims. Lease rejection claims are calculated as the greater of (i) one year's rent or (ii) 15% of the remaining term of the lease not to exceed three years. All unsecured claim amounts are estimates only and the amounts may be materially different after a claims reconciliation process is completed.