

98-1099-CT-RR5

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO
Bankruptcy Judge Elizabeth E. Brown

In re:)
CONVERGENT COMMUNICATIONS,)
INC.)
EIN: 84-1337265)
Debtor.)

In re:)
CONVERGENT COMMUNICATIONS)
SERVICES, INC.)
EIN: 84-1387594)
Debtor.)

In re:)
Chapter 11)
Case No. 01-15489 EEB)
Jointly Administered Under)
Case No. 01-15488 EEB)

NOTICE PURSUANT TO LOCAL BANKRUPTCY RULE 202
OF CCSI'S MOTION FOR ORDER:

(A) APPROVING SALE OF ITS LONG DISTANCE, FRAME RELAY AND
PRIVATE LINE CUSTOMER ACCOUNT BASES FREE AND CLEAR OF LIENS,
CLAIMS AND INTERESTS PURSUANT TO BANKRUPTCY CODE §§ 363(b) AND
(d), SUBJECT TO OVERBID AT PUBLIC AUCTION

(B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS IN CONNECTION WITH SUCH SALE PURSUANT
TO BANKRUPTCY CODE § 365; AND

(C) LIFTING THE STAY PURSUANT TO BANKRUPTCY RULE 6004(d) and
6004(d) TO ALLOW FOR A PROMPT CLOSING
TO ALL PARTIES IN INTEREST:

NOTICE IS HEREBY GIVEN that Convergent Communications Services, Inc. ("CCSI") has filed the above referenced motion, requesting approval of its Asset Purchase Agreement dated June 29, 2001 ("APA"), with Univance Telecommunications, Inc. ("Univance") whereby CCSI has agreed to sell its long distance, frame relay and private line customer account bases (the "Accounts") together with related equipment, contracts, records and other intangible assets (the "Assets") to Univance free and clear of liens, claims and interests. The sale is subject to Court approval and overbids at an auction to be conducted by CCSI at 9:00 a.m., MDT on Tuesday July 24, 2001 at Gibson, Dunn & Crutcher LLP, 1801 California Street, Suite 4100, Denver, Colorado 80202. CCSI intends to file a separate motion requesting approval of the sales procedures to be followed at the auction.

A hearing to approve the sale is scheduled for 10:30 a.m., MDT, on Tuesday, July 24, 2001 in the United States Bankruptcy Court, Courtroom F, located at 721 19th Street, Denver, Colorado 80202. The material terms of the APA are as follows:

- a. Univance has made an earnest money deposit in the amount of \$300,000 with CCSI ("Buyer's Earnest Money Deposit").
- b. The purchase price for the Assets shall be:
 - (1) Release to CCSI of the Buyer's Earnest Money Deposit at closing; plus
 - (2) Payment to CCSI of an amount equal to (a) two and one quarter (2.25) times the total amounts billed on the Accounts in the fourth calendar month following the closing for the long distance usage for the third calendar month following the closing and for the private line recurring charges and frame relay charges for the fourth month following the closing, less \$200,000 (including accrued interest through the closing date); (CCSI bills the services related to the long distance usage in arrears and bills the services related to the private line recurring charges and the frame relay charges in advance); plus
 - (3) Payment to CCSI of 100% of any and all amounts collected on the Accounts Receivable from and after the closing through and including 30 days following date of the closing, less \$100,000 (including accrued interest through the closing date).
- c. CCSI shall transfer all Accounts Receivable to Univance at the closing. After the closing, Univance shall have the duty to collect the Accounts Receivable and CCSI and Univance shall have the duty to account for such collections.
- d. CCSI shall assume and assign all executory contracts related to the Accounts to Univance except for those executory contracts specifically excluded by Univance prior to entry of a Court order approving the sale to Univance. All executory contracts related to the Accounts less the excluded executory contracts shall be referred to herein as the Assumed Executory Contracts. Univance shall pay the cost to cure any defaults in the Assumed Executory Contracts to the extent the aggregate amount to cure exceeds \$10,000.
- e. After the closing, Univance shall be the service provider with respect to the Accounts but shall account to CCSI for billings in the fourth calendar month following the closing for purposes of calculating the purchase price.
- f. Univance's obligation to close the transactions contemplated by the APA is conditioned on, among other things:
 - 1. Entry of a Court Order approving the sales procedures embodied in the APA.

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Technician: [Signature]

2. Univance being the successful bidder at the sale pursuant to the sales procedures;
3. Entry of a Court Order approving the sale free and clear of liens and that Univance has purchased the assets in good faith for value pursuant to Bankruptcy Code § 363(m);
4. Entry of a Court Order approving the assumption and assignment of all the Assumed Executory Contracts as provided below;
5. There being no material defaults or breaches of covenants by CCSI at the time of closing; and
6. Univance shall have received sufficient approvals from outside financing sources as provided in the APA.

The Asset Purchase Agreement provides that the Assets will be sold to Univance and free and clear of any liens, claims or interests in such assets of entities other than CCSI's bankruptcy estate. CCSI is unaware of any party asserting an interest in the Assets.

In the Motion, CCSI requests that the Court authorize assumption and assignment of its customer base contracts as part of the sale. A separate notice of the request to assume and assign contracts is also being sent to each contract customer and other parties in interest.

The sale is subject to approval of specific auction procedures. Interested bidders should contact CCSI's counsel at the address below for such procedures.

The Motion further requests that the Court suspend the ten day stay set forth under Fed. Bankr P. 6004(g) and 6006(d) so that the sale can be consummated promptly.

A copy of the Motion is on file at the Bankruptcy Court located at 721 19th Street, Denver, Colorado 80202 or may be obtained by contacting CCSI's Counsel listed below. If you desire to oppose the Motion, you must file a written objection and request for a hearing with the Court on or before Monday, July 23, 2001, an objection so stating and serve a copy of such objection by such time by facsimile to the following parties, and you must appear and present the grounds for your objection at the hearing scheduled for Tuesday, July 24, 2001 at 10:30 a.m. at the Bankruptcy Court:

A. CCSI's Counsel:
 Joli A. Lofstedt, Esq.
 Connolly, Rosania & Lofstedt, P.C.
 287 Century Circle, Suite 200
 Louisville, CO 80027
 Tel (303) 661-9292, Fax (303) 661-9555

B. Univance's Counsel:
 Douglas W. Jessop, Esq.
 Alice A. White, Esq.
 Jessop & Company, P.C.
 303 East 17th Avenue, Suite 930
 Denver, Colorado 80203
 Tel. (303) 860-7700, Fax: 303 860-7233

C. Counsel for the Official Unsecured Creditors' Committee:

James T. Markus, Esq.
 Block Markus Williams LLC
 1709 Lincoln Street, Suite 3550
 Denver, CO 80203
 Tel. (303) 810-0800; Fax (303) 810-0809

D. The Office of the United States Trustee:

Kelly J. Sweeney, Esq.
 U.S. Trustee's Office
 721 19th Street, #408
 Denver, Colorado 80202
 Tel. (303) 844-3188; Fax (303) 844-5230

Objections and requests for a hearing shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court. In the absence of a timely and substantiated objection and request for a hearing by an interested party, the Court may approve or grant the Motion without any further notice to creditors or other interested parties.

Dated this 21st day of June, 2001.

CONNOLLY, ROSANIA & LOFSTEDT, P.C.

By:

Joli A. Lofstedt

Joli A. Lofstedt (#21946)
 287 Century Circle, Suite 200
 Louisville, Colorado 80027
 303-661-9292 ph
 jlofstedt@pc.com

Counsel to Convergent Communications Services, Inc

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO
Bankruptcy Judge Elizabeth E. Brown

In re) Chapter 11
CONVERGENT COMMUNICATIONS,) Case No. 01-15488 EEB
INC.)
EIN: 84-1387594)
Debtor)
In re) Chapter 11
CONVERGENT COMMUNICATIONS) Case No. 01-15489 EEB
SERVICES, INC.)
EIN: 84-1387594)
Debtor)
Jointly Administered Under
Case No. 01-15488 EEB

NOTICE PURSUANT TO LOCAL BANKRUPTCY RULE 202 OF
CONVERGENT COMMUNICATIONS SERVICES, INC.'S REQUEST FOR
COURT AUTHORITY TO ASSUME AND ASSIGN EXECUTORY CONTRACTS
ASSOCIATED WITH LONG DISTANCE, FRAME RELAY AND PRIVATE LINE
CUSTOMER BASE PURSUANT TO BANKRUPTCY CODE § 365

TO: ALL LONG DISTANCE, FRAME RELAY
AND PRIVATE LINE CUSTOMERS OF
CONVERGENT COMMUNICATIONS SERVICES, INC.
AND OTHER PARTIES IN INTEREST

NOTICE IS HEREBY GIVEN that Convergent Communications Services, Inc. ("CCSI") has filed a motion (the "Motion") with the Court seeking authority to sell its long distance, frame relay and private line customer base to Univance Telecommunications, Inc. ("Univance"), or, if applicable, any other qualified service provider who is the successful bidder at the Court approved auction ("Buyer"). As part of the Motion, CCSI has also requested that the Court authorize it to assume and assign its long distance, frame relay and private line customer contracts and other contracts associated therewith to Buyer pursuant to Bankruptcy Code § 365. The Motion to sell and to assume and assign may include your contract(s), if any, with CCSI. A copy of the Motion is on file at the Bankruptcy Court at the address stated in the following paragraph or may be obtained by contacting CCSI's Counsel at the address listed below. A hearing on the sale of CCSI's long distance, frame relay and private line customer base and on the assignment of contract(s) to Buyer is scheduled for **Tuesday, July 24, 2001, at 10:30 a.m.**, in the United States Bankruptcy Court, Courtroom F, located at 721 19th Street, Denver, CO 80202.

If you are a long distance, frame relay or private line customer of CCSI, CCSI asserts that there are no defaults on the part of CCSI under your contract(s).

with CCSI and is requesting that the Court so find. Consequently, CCSI will assert at the hearing and will ask the Court to find no payment to you or other are is required, no cure and defaults under your contract(s). At the hearing, your contract(s) may be assigned to Buyer and the right to collect any amounts due from you may be transferred to Buyer. If your contract(s) is assigned to Buyer, Buyer will be your service provider thereafter.

If you assert that CCSI is in default on your contract(s), or that the amount to cure any alleged default is greater than \$0, or if you otherwise object to the assumption and assignment of your contract(s) as requested in the motion, you must file with the Bankruptcy Court on or before Thursday, July 19, 2001, an objection so stating and serve a copy of such objection by such time by facsimile to the following parties, and you must appear and present the grounds for your objection at the hearing scheduled for Tuesday, June 24, 2001 at 10:30 a.m. in Courtroom F at the United States Bankruptcy Court, Courtroom F, located at 721 19th Street, Denver, CO 80202.

A. CCSI's Counsel:
John A. Lofstedt, Esq.
Connolly, Rosania & Lofstedt, P.C.
287 Century Circle, Suite 200
Louisville, CO 80027
Tel. (303) 661-9292; Fax (303) 661-9555

B. Univance's Counsel:
Douglas W. Jessop, Esq.
Alice A. White, Esq.
Jessop & Company, P.C.
303 East 17th Avenue, Suite 930
Denver, Colorado 80203
Tel. (303) 866-7700; Fax: (303) 866-7233

C. Counsel for the Official Unsecured Creditors Committee:
James F. Markus, Esq.
Book Markus Williams LLC
1700 Lincoln Street, Suite 3550
Denver, CO 80203
Tel. (303) 830-9890; Fax (303) 830-0899

D. The Office of the United States Trustee:
Kelly J. Sweezy, Esq.
U.S. Trustee's Office
721 19th Street, #408
Denver, Colorado 80202
Tel. (303) 844-5188; Fax (303) 844-5230

Objections shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court. In the absence of a timely and substantiated objection by an interested party, the Court may approve or grant the Motion without any further notice.

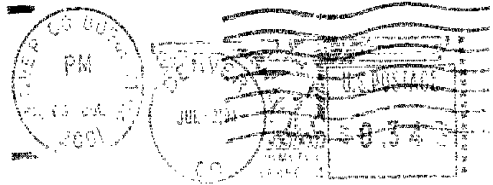
Dated: June 24, 2001.

CONNOLLY, ROSANIA & LOFSTEDT, P.C.

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Counsel to Convergent Communications Services, Inc.

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