

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

)	Chapter 11
In re:)	
AATT011, Inc., <u>et al.</u> , ¹)	Case No. 09-14406 (CSS)
)	
Debtors.)	Jointly Administered
)	Re: Docket No. 338

**ORDER, PURSUANT TO SECTIONS 105(a) AND 1112(a)
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE
1017(f), CONVERTING DEBTORS' CHAPTER 11 CASES TO CASES
UNDER CHAPTER 7 OF THE BANKRUPTCY CODE AS OF AUGUST 1, 2010**

Upon consideration of the Motion (the "Motion")² of the debtors and debtors-in-possession in the above-captioned cases (the "Debtors") for entry of an order, pursuant to sections 105(a) and 1112(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Rule 1017(f) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), converting their chapter 11 cases to cases under chapter 7 of the Bankruptcy Code and appointing a chapter 7 trustee for the Debtors; and the Court being satisfied that the conversion of these chapter 11 cases to chapter 7 cases is in the best interests of the Debtors, their estates and creditors; and due and proper notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be given; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and that this is a core proceeding under 28 U.S.C. § 157(b)(2); and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is GRANTED.

¹ The Debtors in these cases, along with the last four digits of the federal tax identification number for each of the Debtors, are AATT011, Inc. (f/k/a Ames Holding Corp.) (6130), AATT008, Inc. (f/k/a Axia Incorporated) (5251), AATT009, Inc. (f/k/a TapeTech Tool Co., Inc.) (7106), and AATT001, Inc. (f/k/a Ames Taping Tool Systems, Inc.) (6440).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. Pursuant to sections 105(a) and 1112(a) of the Bankruptcy Code and Bankruptcy Rule 1017(f), the chapter 11 cases of AATT011, Inc. (f/k/a Ames Holding Corp.) [Case No. 09-144406 (CSS)]; AATT008, Inc. (f/k/a Axia Incorporated). [Case No. 09-14407 (CSS)]; AATT009, Inc. (f/k/a TapeTech Tool Co., Inc.) [Case No. 09-14408 (CSS)]; and AATT001, Inc. (f/k/a Ames Taping Tool Systems, Inc.) [Case No. 09-14409 (CSS)] are hereby converted to cases under chapter 7 of the Bankruptcy Code, effective as of August 1, 2010 (the "Conversion Date").

3. The Office of the United States Trustee shall appoint a chapter 7 trustee to oversee the Debtors' chapter 7 bankruptcy cases.

4. The Debtors shall:

a. Within 5 days of the Conversion Date, turn over to the chapter 7 trustee all records and property of the estate under their custody and control as required by Bankruptcy Rule 1019(4);

b. Within 30 days of the Conversion Date, file a schedule of unpaid debts incurred after commencement of the chapter 11 cases, including the name and address of each creditor, as required by Bankruptcy Rule 1019(5);

c. Within 30 days from the Conversion Date, file and transmit a final report and account as required by Bankruptcy Rule 1019(5)(A) to the U.S. Trustee;

d. On or before July 30, 2010, file the monthly operating report for the month of June 2010; and

e. Within 30 days from the Conversion Date, file the monthly operating report for the month of July 2010.

5. All lists, inventories, schedules, and statements of financial affairs filed in the chapter 11 cases shall be deemed to be filed in the cases under chapter 7 of the Bankruptcy Code.

6. To the extent not already done so, all professionals employed by the Debtors and the Committee in these chapter 11 cases shall file, within 45 days of the Conversion Date, a final fee application for approval of all fees and expenses incurred through the Conversion Date.

7. Effective as of the Conversion Date, the Debtors' claims and noticing agent, Delaware Claims Agency LLC, shall be relieved of its responsibilities as the Debtors' claims and noticing agent in the Chapter 11 Cases.

8. The following orders of the Court shall survive conversion of these cases: (i) the Final Order Authorizing (1) Authorizing Debtors to Use Cash Collateral and (2) Granting Adequate Protection to Prepetition Lenders (the "Final Cash Collateral Order") (Docket No. 118) and (ii) the Order (A) Authorizing Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims and Interests, (B) Approving Asset Purchase Agreement, (C) Authorizing Assumption and Assignment and Rejection of Certain Executory Contracts and Unexpired Leases, and (D) Granting Other Relief (the "Sale Order") (Docket No. 192).

and nothing in this order shall be deemed to amend, modify or affect the final cash collateral order or Sale Order in any way.

9. In accordance with the Final Cash Collateral Order and the Sale Order, a portion of the "Excluded Cash" (as defined in the Asset Purchase Agreement approved pursuant to the Sale Order) currently being held by the Debtors in the Carve Out under (and as defined in) the Final Cash Collateral Order in the aggregate amount of \$240,976.80 (the "Carve Out Amount") shall be transferred by the Debtors to the trustee appointed for the Debtors (the "Chapter 7 Trustee"), which Carve Out Amount shall be held in an account segregated from any

other funds held by the Chapter 7 Trustee and shall be used to pay the following administrative expenses of the Chapter 11 Cases:

- (i) \$10,400.00 to be used for the sole and exclusive purpose of paying any fees owing to the United States Trustee for the third quarter of 2010;
- (ii) \$25,118.64 to be used for the sole and exclusive purpose of paying any fees owing to Delaware Claims Agency, LLC, the Debtors' noticing and claims agent, through the Conversion Date;
- (iii) \$10,000.00 to be used for the sole and exclusive purpose of paying any fees and expenses owing to the fee examiner appointed by the Court, but only in such amounts approved by the Court for payment in an Order granting such fee examiner's final fee application;
- (iv) \$31,458.16 to be used for the sole and exclusive purpose of paying any fees and expenses owing to Retained Professionals (as defined in the Cash Collateral order) of the Committee, but only in such amounts approved by the Court in an Order granting such Retained Professionals' final fee applications;
- (v) \$65,000.00 to be used for the sole and exclusive purpose of paying the fees and expenses sought by Barrier Advisors, Inc. ("Barrier") in its final fee application, but only in such amount approved by the Court in an Order granting Barrier's final fee application; and
- (vi) \$99,000.00 to be used for the sole and exclusive purpose of paying checks issued prior to, but which have not cleared as of, the Conversion Date, business license fees, banking fees, and the Court -approved payments to Michael Hilliard.

10. In accordance with the Final Cash Collateral Order, unencumbered funds in the possession or control of the Debtors' Chapter 11 estates as of the Conversion Date or thereafter coming into the possession or control of the Debtors' Chapter 7 estates shall be used first to pay such amounts identified in the above paragraph and, upon the payment in full of such amounts, any balance of the Carve Out Amount shall be promptly remitted to Axia Acquisition Corporation in accordance with the Sale Order.

9 ~~11~~. A representative of the Debtors, and, if requested by the chapter 7 trustee, counsel to the Debtors in the chapter 11 cases, shall appear at the first meeting of creditors pursuant to sections 341(a) and 343 of the Bankruptcy Code, and such representative shall be available to testify at such meeting.

10 ~~12~~. The Debtors and their counsel are authorized to take all necessary steps, perform such actions and execute such documents as may be necessary to carry out or otherwise effectuate the terms and conditions of this Order.

11 ~~13~~. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: July 22, 2010
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE