

UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re ALPHA TEL-COM, INC.
FLORIDA PAY PHONE SYSTEMS, INC.
PACIFIC TELCOM, INC.
NEW YORK PAY PHONE SYSTEMS, INC.

Case No. 301-40109-elp11 (Lead Case)
Substantively Consolidated With:
301-40108-elp11, 301-40111-elp11 and 301-40112-elp11

Chapter 11

Debtor(s)

DATE: June 16, 2003

TIME: 9:00 a.m.

PLACE: Courtroom 1
U. S. Bankruptcy Court
1001 SW 5th Avenue, 7th Floor
Portland, OR 97204

NOTICE OF HEARINGS ON:

- 1) DEBTORS' OBJECTIONS TO ADMINISTRATIVE CLAIMS;**
- 2) APPLICATIONS FOR COMPENSATION OF PROFESSIONALS;**
- 3) DEBTORS' MOTION TO DISMISS BANKRUPTCY CASE; AND**
- 4) ERNEST BUSTOS' MOTION TO CONVERT CASE TO A CHAPTER 7 PROCEEDING**

NOTICE IS GIVEN THAT Alpha Tel-Com, Inc., Florida Pay Phone Systems, Inc., Pacific Telcom, Inc. and New York Pay Phone Systems, Inc., the above-captioned substantively consolidated chapter 11 debtors and debtors in possession (collectively, "Debtors"), by and through Thomas F. Lennon (the "Receiver"), the duly appointed receiver and natural responsible person for the Debtors, have requested consideration by this Court of the following: 1) Debtors' Objections to Various Administrative Claims; 2) Applications for Compensation of Professionals Employed by this Court; and 3) Debtors' Motion to Dismiss Bankruptcy Case. In addition, creditor Ernest Bustos has requested consideration by this Court of his Motion to Convert a Case to a Chapter 7 Proceeding. These documents are collectively referred to herein as the Motions (the "Motions"). Details regarding these Motions are set forth below.

FURTHER NOTICE IS GIVEN THAT hearings will take place on the Motions on June 16, 2003 at 9:00 a.m. (the "Hearing Date") in Courtroom 1, U. S. Bankruptcy Court, 1001 SW 5th Avenue, 7th Floor, Portland, OR 97204.

This document shall constitute the notice required by LBR 2002-1.B.1.b.(2).

DEBTORS' OBJECTIONS TO ADMINISTRATIVE CLAIMS

The Debtors have objected to various claims filed by certain parties as administrative claims (the "Administrative Claims"). **These objections do not pertain to creditors or investors who have filed general unsecured claims in this case. Claims of investors will be preserved and, if Debtors' Motion to Dismiss is granted, will be addressed in the receivership proceedings pending in the United States District Court.** Investors do not need to file any response to preserve their claims.

All creditors whose Administrative Claims have been objected to will receive a copy of a document titled "Debtors' Objections to Administrative Claims." If you do not receive a document entitled "Debtors' Objection to Administrative Claim", your claim is not being objected to at this time. As such, you do not need to and should not file any opposition. All claimants who receive a copy of the document titled "Debtors' Objections to Administrative Claims" should review the document thoroughly and examine the basis for the Debtors' objection to their Administrative Claim. If claimant wants to file an opposition to the Debtors' objection, please see the instructions set forth in the section below titled **PROCEDURES AND DEADLINES FOR FILING OPPOSITIONS.**

APPLICATIONS FOR COMPENSATION OF PROFESSIONALS

The following professionals who have been employed by this Court to perform services for the estate have filed their first and final applications for compensation to be considered on the Hearing Date. The employment of each of these professionals has already been approved by this Court, and each request for compensation and reimbursement of expenses is subject to this Court's approval. This final fee application only pertains to professional fees and costs related to this Bankruptcy Case. The Receiver and other professionals will file separate applications with the United States District Court for fees directly related to the receivership pending in the District Court.

<u>Applicant</u> (state profession and relation to case under name)		<u>Fees</u>		<u>Expenses</u>
Thomas F. Lennon, Receiver	\$	864,679.00	\$	83,694.82
Allen, Matkins, Leck, Gamble & Mallory, General Receivership and Bankruptcy Counsel for Receiver	\$	614,019.50	\$	17,928.00
Foster Pepper & Shefelman, Local Oregon Counsel for Receiver	\$	49,370.50	\$	12,851.48
Greenberg Traurig, Local Florida Counsel for Receiver	\$	22,325.00	\$	1,352.91
Mack Barclay, Inc., Accountants for Receiver	\$	343,485.50	\$	14,909.42
Duval & Stachenfeld, LLP, Counsel for Committee of Unsecured Creditors	\$	46,445.63	\$	2,152.61
Mayhook Law, PLLC, Local Counsel for Committee of Unsecured Creditors	\$	1,168.05	\$	233.71

Any party wishing to file an opposition to the applications for compensation filed by the professionals listed above, should see the instructions set forth in the section below titled **PROCEDURES AND DEADLINES FOR FILING OPPOSITIONS**.

DEBTORS' MOTION TO DISMISS BANKRUPTCY CASE

The Debtors have also filed a motion to dismiss this bankruptcy case ("Motion to Dismiss") to be heard on the Hearing Date. The primary assets of the Debtors have been sold or abandoned pursuant to various orders of this Court. The Debtors' business operations have been shut down and all employees have been discharged. Debtors believe that all remaining issues pertaining to the Debtors and their creditors can more effectively and efficiently resolved in the concurrently pending receivership action in District Court.

Please note that all claims filed in this bankruptcy case (to the extent not objected to) will be preserved for consideration in the receivership action pending in District Court (USDC Dist. of Oregon, Case No. CV01-1283 OP). You will not need to file another Proof of Claim in the District Court to preserve your interest or claim.

Any party wishing to file an opposition to the Debtors' Motion to Dismiss, should see the instructions set forth in the section below titled **PROCEDURES AND DEADLINES FOR FILING OPPOSITIONS**.

ERNEST BUSTOS' MOTION TO CONVERT CASE TO A CHAPTER 7 PROCEEDING

Creditor Ernest Bustos, for and on behalf of certain pay phone owners/investors, has filed a Motion to Convert Case to a Chapter 7 Proceeding ("Motion to Convert"). Mr. Bustos believes that a Chapter 7 bankruptcy proceeding, rather than dismissal of the case, is the more effective and efficient proceeding for resolution of the issues remaining in this case and that conversion of the case to a Chapter 7 proceeding is therefore in the best interests of all parties and the bankruptcy estate. The Motion to Convert shall be heard concurrently on June 16, 2003 at 9:00 a.m. with the motions filed by the Debtors. Mr. Bustos' Motion to Convert is a separate and different motion from the Debtors' Motion to Dismiss.

In the case of conversion of the case to a Chapter 7 proceeding, all claims filed in this bankruptcy case (to the extent they are not objected to) will be preserved for consideration in the Chapter 7 case. You will not need to file another Proof of Claim to preserve your interest.

Any party wishing to file an opposition to Mr. Bustos' Motion to Convert should follow the instructions set forth in the section below titled **PROCEDURES AND DEADLINES FOR FILING OPPOSITIONS**.

PROCEDURES AND DEADLINES FOR FILING OPPOSITIONS

Hearings on the 1) Debtors' Objections to Various Administrative Claims; 2) Applications for Compensation of Professionals Employed by this Court; 3) Debtors' Motion to Dismiss Bankruptcy Case; and 4) Ernest Bustos' Motion to Convert Case to a Chapter 7 Proceeding (the "Motions") will take place on June 16, 2003 at 9:00 a.m. (the "Hearing Date") in Courtroom 1, U. S. Bankruptcy Court, 1001 SW 5th Avenue, 7th Floor, Portland, OR 97204.

Unless an interested party files and serves a written opposition to the Motions listed above, setting forth the specific grounds for such opposition, by May 16, 2003, the Court may, grant the relief requested in the Motions.

IF YOU WISH TO OPPOSE OR OBJECT TO ANY OF THE MOTIONS DESCRIBED HEREIN, YOU MUST: (1) ATTEND THE HEARING ON THE RELEVANT MOTION ON JUNE 16, 2003; (2) FILE A WRITTEN OPPOSITION ON OR BY MAY 16, 2003 stating the specific facts upon which your opposition is based WITH THE CLERK OF THE COURT LOCATED AT 1001 SW 5th Ave. #700, Portland OR 97204; AND (3) SERVE BY MAIL OR FACSIMILE A COPY OF YOUR OPPOSITION TO Lillian Erwin, Foster Pepper & Shefelman LLP, 101 SW Main St., 15th Floor, Portland, OR 97233, Facsimile (503) 221-1510 AND Martin P. Meyers, Sussman Shank LLP, 1000 SW Broadway, Suite 1400, Portland, OR 97205, Facsimile (503) 248-0130.

The Debtors' and Mr. Bustos will be required to file any reply documents to oppositions received by June 6, 2003.

APPEARING BY TELEPHONE ON HEARING DATE

Telephone appearances may be arranged by calling *Court Call* at (866) 582-6878 not later than 3:00 p.m. PDT the day prior to the Court hearing date.

Court Call will provide parties with written confirmation of a telephone appearance and give parties a number to call to make the telephonic appearance. It is the party's responsibility to dial into the call not later than 10 minutes prior to the scheduled hearing. *Court Call* does not place a call to parties. The initial charge per participant for a *Court Call* appearance is \$41.20. The charge increases based upon the length of the call: (a) 0-90 minutes – \$41.20; (b) 91-180 minutes – \$80; (c) 181-270 minutes – \$120; (d) 271-360 minutes – \$160; (e) 360 and above – an additional \$40 per each additional 90-minute increment. If you do not timely call and connect with the *Court Call* operator, you will be billed for the call and the hearing may proceed in your absence.

Telephonic appearances are connected directly with the courtroom's public address system and electronic recording equipment so that a normal record is produced. To ensure the quality of the record, the use of car phones, cellular phones, speaker phones, public telephone booths, or phones in other public places is prohibited except in the most extreme emergencies. Participants should be able to hear all parties without difficulty or echo.

At the time of your hearing, you may initially be in the listening mode in which case you will be able to hear the case before yours just as if you were in the courtroom. After your call is connected to the courtroom, the Judge will call the case, request appearances, and direct the manner in which the hearing proceeds. Each time you speak, you should identify yourself for the record. The court's teleconferencing system allows more than one speaker to be heard, so the Judge can

interrupt a speaker to ask a question or redirect the discussion. When the Judge informs the participants that the hearing is completed, you may disconnect and the next case will be called.

FOR FURTHER INFORMATION regarding anything contained in this Notice or to request copies of the Motions, please write to Lillian Erwin, Foster Pepper & Shefelman LLP, 101 SW Main St., 15th Floor, Portland, OR 97233. Copies of the Motions will be available at www.alphatelcom.com. **Due to the voluminous nature of the fee applications, parties requesting copies will be required to pay copying and mailing costs.**

_____/s/
David R. Zaro, Esq. (CA Bar # 124334)
Attorney for Receiver, Thomas F. Lennon

_____/s/
Paul B. George, Esq. (OSB # 99009)
Attorney for Receiver, Thomas F. Lennon