

SEP 10 2003

LODGED _____ REC'D _____
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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

10 In re) 11 ALPHA TEL-COM, INC.,) 12 FLORIDA PAY PHONE SYSTEMS, INC.) 13 PACIFIC TELCOM, INC.) 14 NEW YORK PAY PHONE SYSTEMS, INC.,) Debtors-in-Possession.)	Case No. 301-40109-elp11 (Lead Case) Substantively Consolidated With 301-40108-elp11 301-40111-elp11 301-40112-elp11
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RE DISMISSAL OF
~~Proposed~~ ORDER DISMISSING
BANKRUPTCY CASE

The Debtors' Motion to Dismiss Bankruptcy Case Pursuant to Section 1112(b) of the Bankruptcy Code (Motion to Dismiss) came on for a hearing at 9:00 a.m. on June 16, 2003 in this Court. All appearances were as stated on the record.

The Court, having considered the Motion to Dismiss, the oppositions thereto, and all pleadings and papers in support of the Motion to Dismiss, and *having entered a separate order dismissing the cases,* ~~for good cause,~~ hereby orders as follows:

- ~~1. The Debtors' Motion to Dismiss is granted in its entirety;~~
- ~~2. The above-captioned substantively consolidated bankruptcy case is hereby dismissed;~~
- 1/3* Notwithstanding the dismissal of this case, *to the extent permitted by the United States District Court for the District of Oregon* the administrative expenses allowed under section 503(b) of the Bankruptcy Code shall retain their priority status in the

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1 receivership action titled *Securities and Exchange Commission v. Alpha Telcom,*
2 *Inc. et al.* (USDC Dist. of Oregon, Case No. CV 01-1283 PA). Payment on such
3 administrative expenses shall be made by the Receiver on a pro-rata basis. Unless
4 and until all such administrative expenses have been paid or provided for in full,
5 none of the property of the Debtors shall be used to pay other claims against the
6 Debtor or any of their affiliates;

7 2~~f~~. Notwithstanding the above, Debtors are hereby authorized to retain \$100,000 in
8 proceeds for payment of operating expenses of the receivership estate;

9 3~~f~~. All claims filed in this bankruptcy case shall be preserved in order to be
10 administered through the concurrently pending District Court receivership action
11 titled *Securities and Exchange Commission v. Alpha Telcom, Inc. et al.* (USDC
12 Dist. of Oregon, Case No. CV01-1283 PA);

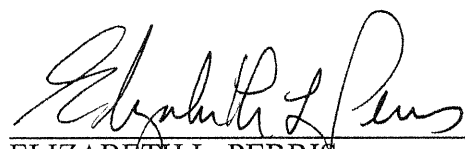
13 4~~f~~. The dismissal of this case and entry of this Order shall not affect in any way this
14 Court's ORDER AUTHORIZING (I) SALE OF PURCHASED ASSETS
15 PURSUANT TO U.S.C. 11 §§ 363 AND 1146, FREE AND CLEAR OF ALL
16 LIENS, CLAIMS, INTERESTS, AND ENCUMBERANCES; (II) REJECTION
17 OR ASSUMPTION AND ASSIGNMENT OF SITE CONTRACTS RELATED
18 THERETO PURSUANT TO 11 U.S.C. § 365; AND (III) GRANTING RELATED
19 RELIEF (the "Sale Order") approving the sale of the Purchased Assets (as defined
20 in the Sale Order) free and clear of all liens, claims, encumbrances and interests to
21 CFA, LLC or its assignee, and granting other relief as set forth therein, and the
22 Sale Order shall remain in full force and effective, and this Court retains
23 jurisdiction to enforce the terms and provisions of the Sale Order; and

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5. The property sold pursuant to the Sale Order shall not revert in the Debtors.

IT IS SO ORDERED.



ELIZABETH L. PERRIS
JUDGE OF THE BANKRUPTCY COURT

Presented by:

FOSTER PEPPER TOOZE LLP



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Jeffrey S. Garrett, OSB #00262
Of Attorneys for Debtors-in-Possession

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- David Foraker, Esq. ✓
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- UST ✓
- David L. Osias, Esq. ✓
- Thomas F. Lennon ✓
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- David Zaro, Esq. ✓
- Varand Gourjian, Esq. ✓
- Karen Matteson, Esq. ✓
- Lawrence Shantz, Esq. ✓
- Richard Josephson, Esq. ✓
- Jeffrey S. Garrett, Esq. ✓

CERTIFICATE OF SERVICE

I hereby certify that the foregoing *Proposed* ORDER DISMISSING BANKRUPTCY CASE was served on:

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by causing a copy thereof to be hand delivered on the date below addressed as shown above; or

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1 [x] by causing a copy thereof to be placed in a sealed envelope, postage prepaid, addressed
2 as shown above in the United States Mail at Portland, Oregon, on the date below.

3 DATED this 26th day of June, 2003.

4 FOSTER PEPPER TOOZE LLP

5
6 By: 

Paul B. George, OSB #99009
Jeffry S. Garrett, OSB #00262
Attorneys for Debtors-in-Possession

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