

Debtors' First Omnibus Motion to Reject Certain Unexpired Leases and Executory Contracts Pursuant to Section 365(a) of the Bankruptcy Code Nunc Pro Tunc to August 22, 2008 (the "Lease Rejection Motion").

By the Lease Rejection Motion, the Debtors seek entry of an order (i) authorizing the rejection (the "Rejections") of certain leases (collectively, the "Leases") for office spaces (the "Office Spaces") that the Debtors believe are no longer beneficial to the Debtors' estates, retroactive to August 22, 2008 and (ii) determining (the "Sublease Determination") that none of the subleases of properties that are the subject of the Leases (the "Subleases") will be deemed rejected solely by the rejection of the associated Lease.

As of the date of the filing of the chapter 11 cases, the Debtors were parties to a number of real and personal property Leases for Office Spaces that have been vacant or underutilized since a workforce reduction in 2006, and, as such, the Office Spaces are no longer necessary for the Debtors' operations. After reviewing the Leases and seeking to locate parties willing to accept assignment of the Leases, the Debtors have determined that the Leases do not hold any value for their estates, and therefore the Rejections are in the best interest of the Debtors and their estates. As a result of the Rejections, the Debtors estimate that their estates will save more than \$200,000 in monthly rental payments.

The Debtors further assert that the effective date of the Rejections should be the date of the filing of the Lease Rejection Motion because (i) such filing evidenced the Debtors' intent to reject the Leases and (ii) any delay in rejecting the Leases will result in an unnecessary accrual of costs and expenses to the Debtors' estates.

Finally, the Debtors assert that the Sublease Determination is necessary for the implementation of certain procedures (the "Assignment Procedures") that the Debtors proposed in a separate motion seeking authorization to reject the Subleases.¹ Pursuant to the Assignment Procedures, the Debtors' lessors (the "Lessors") would have 30 days to cause the Debtors to assume and assign each of the Sublease(s) prior to the rejection of such Sublease(s). The Debtors maintain that the Assignment Procedures should minimize rejection costs to the Debtors' estates by providing the Lessors with an opportunity to mitigate rejection damages.

¹ Such Motion has been summarized separately.