

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11
: :
Telogy, LLC., et al.,¹ : Case No. 10-10206 (MFW)
: :
Debtors. : Jointly Administered
: :
-----X Ref. Docket No.: 10

**ORDER AUTHORIZING
PAYMENT OF CERTAIN PREPETITION TAXES PURSUANT
TO SECTIONS 105(a), 363, 507(a) AND 541 OF THE BANKRUPTCY CODE**

Upon the motion (the "**Motion**") of the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**")² for an order, pursuant to sections 105(a), 363(b), 507(a) and 541 of title 11 of the United States Code (the "**Bankruptcy Code**") as complemented by Rule 6003 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), authorizing the Debtors to pay prepetition amounts owing in respect of sales, use and other similar taxes and fees; and upon the Affidavit of Gary B. Phillips, Chief Executive Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings; and notice of the Motion having been given as set forth in the Motion; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

¹ The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) e-Cycle, LLC (1582) and (ii) Telogy, LLC (1530). The Debtors' executive headquarters are located at 3200 Whipple Road, Union City, California 94587.

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ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Debtors are authorized, but not directed, to pay and remit to the Taxing Authorities, the Taxes, including Sales and Use Taxes and Franchise Taxes, incurred prior to the Petition Date by the Debtors in the ordinary course of business, as well as any and all Taxes subsequently determined upon audit to be owed by the Debtors for the period prior to the Petition Date, *to a maximum of \$50,000.*
4. All applicable banks and other financial institutions are hereby authorized and required to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order.
5. To the extent the Debtors have not yet sought to remit payment to the Taxing Authorities, the Debtors are authorized to issue checks or provide for other means of payment to the Taxing Authorities, to the extent necessary to pay the Taxes.
6. Nothing in this Order or the Motion shall be construed as prejudicing any rights the Debtors may have to: (a) contest the amount of or basis for any Taxes allegedly due to any Taxing Authority; or (b) seek a determination of the amount or legality of the Taxes pursuant to section 505 of the Bankruptcy Code.

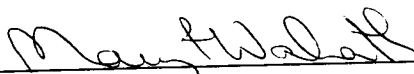
7. The authorization granted hereby to pay prepetition Taxes shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay such Taxes and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay such Taxes. Further, nothing contained in this Order shall be deemed to increase, reclassify, elevate to administrative expense status, or otherwise affect the prepetition Taxes to the extent they are not paid.

8. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion.

9. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

10. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: Wilmington, Delaware
January 26, 2010



Mary F. Walrath
United States Bankruptcy Judge