

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	X	
	:	
In re:	:	Chapter 11
	:	
Velti Inc., <i>et al.</i> , <sup>1</sup>	:	Case No. 13-12878 (PJW)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	<b>Proposed Hearing Date: 4/10/2014 at 10:30 a.m. (EDT)</b>
	X	<b>Proposed Obj. Deadline: At the Hearing</b>

**MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN ORDER  
ESTABLISHING EXTENDED DEADLINE FOR FILING PROOFS OF CLAIM**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and through their counsel, DLA Piper LLP (US), hereby move the Court (the “Motion”) pursuant to Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for entry of an order establishing an extended deadline for filing proofs of claim and approving the form and manner of notice thereof. In support of this Motion, the Debtors respectfully state as follows:

**Jurisdiction and Venue**

1. The Court has jurisdiction over these chapter 11 cases and this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

---

<sup>1</sup> The Debtors are the following six entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Velti Inc. (4475), Air2Web, Inc. (5572), Air2Web Interactive, Inc. (2364), Velti North America, Inc. (8900), Velti North America Holdings, Inc. (3953) and Velti US Holdings, Inc. (8299). The mailing address of each of the Debtors, solely for purposes of notices and communications, is 201 California Street, 14<sup>th</sup> Floor, San Francisco, California 94111.

## Background

### A. The Chapter 11 Case

2. On November 4, 2013 (the “Petition Date”), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses as debtors in possession. On November 12, 2013, the Office of the United States Trustee (the “U.S. Trustee”) appointed the Committee of Unsecured Creditors (the “Committee”).

3. The Debtors are direct and indirect subsidiaries of Velti plc (together with its affiliates, the “Company”). As of the Petition Date, the Company operated through three separate divisions: Mobile Marketing Business Unit (“MMBU”), Performance Marketing and Advertising. The MMBU offered a business-to-business service that assisted enterprises in optimally engaging their end-user customers by utilizing MMBU’s technology through the mobile channel. The MMBU consisted largely of the Company’s acquisitions of debtor Air2Web, Inc. and non-debtor affiliate Mobile Interactive Group, Ltd., a company formed under the laws of England and Wales.

4. On the Petition Date, the Debtors filed a motion to approve, among other things, the procedures governing the competitive bidding process for the MMBU, including the related assets owned by the Debtors (collectively, the “Assets”), and the sale of the Assets pursuant to such procedures (the “Sale”). On December 20, 2013, the Court entered an order approving the Sale to an affiliate of the Debtors’ pre- and post-petition secured lenders (“GSO”). The Sale closed on January 3, 2014.

5. On March 6, 2014, the Debtors filed the *Debtors’ Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* [Docket No. 295] (the “Plan”) and the *Disclosure Statement for the Debtors’ Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* [Docket No.

297] (the “Disclosure Statement”). A hearing to consider the adequacy of the Disclosure Statement is currently scheduled for April 10, 2014.

**B. The Bar Date**

6. By order entered December 2, 2013, the Court extended the period in which the Debtors were required to file their schedules of assets and liabilities and statements of financial affairs (collectively, the “Schedules”) up to and including December 13, 2013. On December 13, 2013, the Debtors timely filed the Schedules.

7. On February 7, 2014, this Court entered the *Order Granting Motion of Debtors and Debtors In Possession for an Order Establishing Deadlines for Filing Proofs of Claim and Sections 503(b)(9) Claim Requests and Approving the Form and Manner of Notice Thereof* [Docket No. 270] (the “Claims Bar Date Order”). By the Claims Bar Date Order, this Court established March 17, 2014 at 5:00 p.m. (prevailing Eastern Time) (the “Bar Date”) as the deadline for each person or entity other than Governmental Units (as such term is defined in section 101(27) of the Bankruptcy Code), to file a proof of claim against the appropriate Debtor.

8. On or before February 15, 2014, as directed by the Bankruptcy Court in the Claims Bar Date Order, BMC Group, Inc. (the “Claims Agent”) served the notice of the Bar Date and proofs of claim on all of the parties identified in Bankruptcy Rule 2002(a)(7), including, but not limited to, all creditors and other known holders of claims as of the Petition Date, including all persons or entities listed in the Schedules. The proof of claim forms served by the Claims Agent on the creditors listed in the Schedules included an indication of whether the creditor had a scheduled claim, and if so the amount and priority of that claim.

9. Recently, the Debtors were informed that the proof of claim forms served by the Claims Agent on 12 of the creditors listed on Schedule E of the Debtors’ Schedules (the

“Affected Creditors”) erroneously described the priority portion of some of the creditors’ claims. A list of the Affected Creditors is attached to the Order (defined below) as Exhibit 1. In several cases, the entire amount of the claims were listed as being entitled to priority even in cases where the amount was in excess of the statutory priority limit for such claims. As a consequence, the Debtors believe that the Affected Creditors may not have timely submitted proofs of claim.

### **Relief Requested**

10. Pursuant to Bankruptcy Rule 3003(c), the Debtors request entry of an order, in substantially the form attached hereto as Exhibit A (the “Order”): (i) establishing May 12, 2014 (the “Extended Deadline”) as the deadline for the Affected Creditors (as such term is defined in section 101(27) of the Bankruptcy Code), to file proofs of claims based on prepetition claims against the Debtors; (ii) approving the proposed notices of the Extended Deadline in substantially the form attached hereto as Exhibit B (the “Extended Deadline Notice”); and (iii) approving the notice procedures proposed herein.

### **The Proposed Extended Deadline**

11. Bankruptcy Rule 3003(c)(3) provides that the Court shall fix the time within which claimants must file Proofs of Claim in a chapter 11 case. Moreover, Bankruptcy Rule 3003(c)(2) requires that any claimant who asserts a claim against any of the Debtors that arose prior to the Petition Date, and that is not scheduled or is scheduled as disputed, contingent, or unliquidated, must file a proof of claim. Unfortunately, some proofs of claims that were mailed did not match the amounts and priority listed in the filed Schedules, and thus claimants that received the erroneous proofs of claim forms may have not submitted proofs of claims prior to the Bar Date.

12. The Extended Deadline will enable the Affected Creditors to timely submit a proof of claim after learning of the correct amount and priority of their scheduled claims.

Further, the Extended Deadline will enable the Debtors to receive, process and complete their analysis of creditors' claims in a timely and efficient manner. The Debtors are proposing the Extended Deadline to prevent delays to confirmation of the Plan.

**The Proposed Procedures for Filing Proofs of Claims**

13. The Debtors propose the following procedures for filing Proofs of Claims:
- (a) On or before April 11, 2014, the Claims Agent will send the Extended Deadline Notice and a proof of claim form on each of the Affected Creditors;
  - (b) The Affected Creditors, and only the Affected Creditors, will have until the Extended Deadline to submit a proof of claim or amended proof of claim to the Claims Agent.
  - (c) Proofs of claim must substantially conform to Official Bankruptcy Form No. 10 ("Official Form 10");<sup>2</sup>
  - (d) Proofs of claim must be received on or before the Extended Deadline by the Claims Agent at (the "Velti Claims Processing Center");

*By regular US Mail:*

BMC Group, Inc.  
Attn: Velti Inc. Claims Processing  
PO Box 3020  
Chanhassen, MN 55317-3020

*By messenger or overnight delivery:*

BMC Group, Inc.  
Attn: Velti Inc. Claims Processing  
18675 Lake Drive East  
Chanhassen, MN 55317

- (e) The Debtors and the Claims Agent shall not be required to accept a proof of claim sent by facsimile, telecopy, or electronic mail transmission;
- (f) Proofs of claim will be deemed timely filed only if actually received by the Velti Claims Processing Center on or before the Extended Deadline;

---

<sup>2</sup> Official Form 10 can be found at <http://www.uscourts.gov/bkforms/index.html>, the Official Website for the United States Bankruptcy Court.

- (g) Proofs of claim must: (i) be signed by the Affected Creditor or, if the Affected Creditor is not an individual, by an authorized agent of the claimant; (ii) include supporting documentation or, if voluminous, a summary or explanation as to why documentation is not available and identify where such supporting documentation may be obtained; (iii) be in the English language; and (iv) be denominated in United States currency;
- (h) Proofs of claim must specify by name the Debtor against which the proof of claim is asserted; and if the Affected Creditor asserts a claim against more than one Debtor, a separate proof of claim must be filed against each Debtor; and
- (i) Any Affected Creditor that filed a proof of claim by mail and wishes to receive a date-stamped copy by return mail shall include an additional copy of the proof of claim and a self-addressed postage-paid envelope.

**Consequences of an Affected Creditor's Failure to File a Proof of Claim**

14. The Debtors request that and Affected Creditor who receives notice of the Extended Deadline (whether such notice was actually or constructively received) and is required, but fails, to file a Proof of Claim in accordance with this Order on or before the Extended Deadline shall not be permitted to vote to accept or reject any chapter 11 plan filed in these chapter 11 cases or participate in any distribution from the Debtors on account of such claim or receive further notices regarding such claim; provided, however, that a claimant shall be able to vote upon, and receive distributions under, any plan of reorganization or liquidation in this case to the extent, and in such amount, as any undisputed, noncontingent and liquidated claims identified in the Schedules on behalf of such claimant

**Proposed Notice Procedures**

15. Pursuant to Bankruptcy Rule 2002(a)(7) and to provide sufficient notice to the Affected Creditors of the Extended Deadline, the Debtors propose to mail the proposed Extended Deadline Notice, in substantially the form attached hereto as Exhibit B, to the following parties:

- (a) the U.S. Trustee;
- (b) counsel to the Committee; and

(c) the Affected Creditors.

16. The proposed Extended Deadline Notice will notify the Affected Creditors of the Extended Deadline and contains information regarding who must file a proof of claim, the procedure for filing a proof of claim, and the consequences of failing to timely file a proof of claim. The Debtors will send the Extended Deadline Notice to each Affected Creditor's last known address included in their books and records.

17. The mailing of the Extended Deadline Notice is "reasonably calculated under the circumstances to apprise" the Affected Creditors about the requirement to file a proof of claim by the Extended Deadline, and therefore constitutes adequate and sufficient notice. *See Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). Bankruptcy Rule 2002(a)(7) requires only twenty-one (21) days' notice and Bankruptcy Rule 2002(p)(2), which applies to foreign creditors, requires only thirty (30) days' notice. Because the Debtors' proposed notice procedures provide at least thirty (30) days' notice of the Extended Deadline, notice will be more than adequate.

#### **Notice**

18. Notice of this Motion has been provided to: (a) the US Trustee, (b) counsel to the Committee, (c) the United States Attorney's Office for the District of Delaware, (d) the Securities and Exchange Commission, (e) GSO, (f) those parties requesting notice pursuant to Bankruptcy Rule 2002; and (g) the Affected Creditors.

WHEREFORE, the Debtors respectfully request that the Court enter the Order substantially in the form attached hereto as Exhibit A: (a) granting the relief requested herein and (b) granting to the Debtors such other and further relief as the Court may deem proper.

Dated: April 7, 2014  
Wilmington, Delaware

Respectfully submitted,

/s/ Stuart M. Brown  
Stuart M. Brown (DE 4050)  
DLA PIPER LLP (US)  
1201 North Market Street, Suite 2100  
Wilmington, Delaware 19801  
Telephone: (302) 468-5700  
Facsimile: (302) 394-2341  
Email: stuart.brown@dlapiper.com

-and-

Richard A. Chesley (IL 6240877)  
Matthew M. Murphy (IL 6257958)  
Chun I. Jang (DE 4790)  
DLA PIPER LLP (US)  
203 N. LaSalle Street, Suite 1900  
Chicago, Illinois 60601  
Telephone: (312) 368-4000  
Facsimile: (312) 236-7516  
Email: richard.chesley@dlapiper.com  
matt.murphy@dlapiper.com  
chun.jang@dlapiper.com

ATTORNEYS FOR DEBTORS AND DEBTORS IN  
POSSESSION