

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

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In re: : Chapter 11
: :
Velti Inc., : Case No. 13-_____ (___)
: :
Debtor. : :
: :
Employer's Tax Identification No.: :
20-3774475 :
: :
-----X

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: :
In re: : Chapter 11
: :
Air2Web, Inc., : Case No. 13-_____ (___)
: :
Debtor. : :
: :
Employer's Tax Identification No.: :
58-2485572 :
: :
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In re: : Chapter 11
: :
Air2Web Interactive, Inc., : Case No. 13-_____ (___)
: :
Debtor. : :
: :
Employer's Tax Identification No.: :
42-1572364 :
: :
-----X

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 In re: : Chapter 11
 :
 Velti North America, Inc., : Case No. 13-_____ (____)
 :
 Debtor. :
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 Employer’s Tax Identification No.: :
 43-2058900 :
 :
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In re: : Chapter 11
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 Velti North America Holdings, Inc., : Case No. 13-_____ (____)
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 Debtor. :
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 Employer’s Tax Identification No.: :
 41-2243953 :
 :
 -----X

In re: : Chapter 11
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 Velti US Holdings, Inc., : Case No. 13-_____ (____)
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 Debtor. :
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 Employer’s Tax Identification No.: :
 26-4798299 :
 :
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**MOTION OF THE DEBTORS AND
 DEBTORS IN POSSESSION FOR AN ORDER DIRECTING
 THE JOINT ADMINISTRATION OF THEIR CHAPTER 11 CASES**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby move the Court for the entry of an order, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of

Delaware (the “Local Rules”), (i) directing the joint administration of the Debtors’ chapter 11 cases for procedural purposes only and (ii) granting certain related relief (the “Motion”). In support of this Motion, the Debtors incorporate the statements contained in the *Declaration of Jeffrey G. Ross in Support of First Day Pleadings* (the “Ross Declaration”) filed contemporaneously herewith and further respectfully state as follows:

Jurisdiction and Venue

1. The Court has jurisdiction over 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.

Background

2. On November 4, 2013 (the “Petition Date”), each of the Debtors filed with this Court voluntary a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

3. The Debtors are direct and indirect subsidiaries of Velti plc (“PLC” and together with its affiliates, the “Company”), which is incorporated under the laws of Jersey, Channel Islands and traded on the NASDAQ. The Company is a leading global provider of mobile marketing and advertising technology that enables brands, advertising agencies, mobile operators and media companies to implement highly targeted, interactive and measurable campaigns by communicating with and engaging consumers via their mobile devices.

4. The Company currently operates through three separate divisions, Mobile Marketing, Performance Marketing and Advertising. The Mobile Marketing Business Unit (“MMBU”) offers a business-to-business service that assists enterprises in optimally engaging their end user customers utilizing MMBU’s technology through the mobile channel. The MMBU’s integrated mobile marketing solutions allow enterprises to reach new audiences with

interactive strategies, build mobile communities, acquire new customers and provide mobile-based CRM services.

5. The MMBU consists largely of the Company's acquisitions of debtor Air2Web, Inc. ("A2W") and Mobile Interactive Group, Ltd. ("MIG"), a company formed under the laws of England and Wales. In addition, A2W relies heavily upon its affiliated company, Velti, Inc. ("Velti"), for accounting, human resources and other services. Certain other critical assets of the MMBU are also housed within Velti. Velti's principal executive offices are located in San Francisco, California, and A2W's principal offices are located in Atlanta, Georgia. A2W also owns 99% of an Indian subsidiary, Velti India Private, Ltd, which is engaged in the MMBU business within India and provides critical services to other members of the MMBU family of companies. In addition, certain other assets of the MMBU are held at PLC and at the Company's subsidiaries in the United Kingdom, British Virgin Islands and the Netherlands.

6. Velti, A2W and certain affiliates are parties or guarantors to a Credit Agreement dated as of August 10, 2012 (the "Credit Agreement") with HSBC Bank USA, National Association, as Administrative Agent ("HSBC"). As of the Petition Date, the amount outstanding under the Credit Agreement was approximately \$57.5 million, exclusive of outstanding interest. The Company had been in default under the Credit Agreement for nearly a year, and during that time had attempted to work with its lenders under the Credit Agreement regarding additional financing to allow the Company to restructure its operations or bridge toward a strategic transaction. With these efforts proving unsuccessful and the Debtors' liquidity situation deteriorating rapidly, the Company and its advisors began to immediately explore a range of strategic alternatives. These results led to a series of transactions that began on November 1, 2013, when the debt outstanding under the Credit Agreement was purchased by

GSO Credit–A Partners LP, GSO Palmetto Opportunistic Investment Partners LP and GSO Coastline Partners LP (together, “GSO”), which are owned by GSO Capital Partners, the credit division of Blackstone.

7. With the sale of the debt under the Credit Agreement having been completed, GSO has agreed to provide debtor-in-possession financing that is critical for Debtors to continue to operate their businesses, and begin to remedy the damage to the business caused by their dearth of liquidity. Finally, GSO and the Debtors have reached an agreement under which GSO has agreed to purchase the MMBU, including the those related assets owned by the Debtors, subject to a competitive bidding process. With the Debtors having suffered through considerable operating and financial stresses during the past year, an expedited sale of their business is essential to not only preserving the underlying value of their operations by providing customers and employees with a clear path forward, but in satisfying the obligations to their creditors.

Relief Requested

8. The Debtors seek entry of an order, pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1, directing (a) the joint administration of the Debtors’ chapter 11 cases and (b) parties in interest to use a consolidated caption, indicating that any pleading they file relates to the jointly administered bankruptcy cases of “Velti Inc., *et al.*”

9. The Debtors further request that a docket entry be made on the docket in the chapter 11 case of Air2Web, Inc., Air2Web Interactive, Inc., Velti North America, Inc., Velti North America Holdings, Inc. and Velti US Holdings, Inc. substantially as follows:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration of the Chapter 11 Cases of Velti Inc., Air2Web, Inc., Air2Web Interactive, Inc., Velti North America, Inc., Velti North America Holdings, Inc. and Velti US Holdings, Inc. All further pleadings and other papers in this Chapter

11 Case shall be filed in, and all further docket entries shall be made in, Case No. 13-_____ (Velti Inc.).

10. A proposed consolidated caption for all notices, applications, motions and other pleadings (the “Proposed Caption”) is annexed as **Exhibit 1** to the proposed order approving this Motion. The Debtors request that the Court find that the Proposed Caption satisfies the requirements of section 342(c)(1) of the Bankruptcy Code in all respects.

11. Bankruptcy Rule 1015(b) provides, in relevant part, “if a joint petition or two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Local Rule 1015-1 states that:

An order of joint administration may be entered, without notice and an opportunity for hearing, upon the filing of a motion for joint administration . . . supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties.

All of the Debtors are 100% directly or indirectly owned by a non-debtor common parent, PLC. Thus, the Debtors are “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code, and this Court is authorized to grant the relief requested in this Motion. Further, as this is a motion seeking entry of an order relating to the routine administration of a case, it may be entered by the Court in its sole discretion on an ex parte basis. See Del. Bankr. L. R. 1015-1.

12. The joint administration of the Debtors’ chapter 11 cases will permit the Clerk of the Court to utilize a single general docket for these cases and combine notices to creditors of the Debtors’ respective estates and other parties in interest. Entering an order directing joint administration of the Debtors’ chapter 11 cases will avoid the need for duplicative notices, motions and applications, thereby saving time and expense. Joint administration will also enable parties in interest in each of the above-captioned chapter 11 cases to be apprised of the various matters before the Court in all of these cases.

13. Pursuant to section 342(c)(1) of the Bankruptcy Code, “[i]f notice is required to be given by the debtor to a creditor . . . such notice shall contain the name, address, and last four digits of the taxpayer identification number of the debtor.” 11 U.S.C. § 342(c)(1). The Proposed Caption contains all of the required information and, therefore, satisfies the terms of section 342(c) of the Bankruptcy Code.

14. Furthermore, because these cases involve numerous potential creditors, the entry of an order of joint administration will: (a) significantly reduce the volume of pleadings that otherwise would be filed with the Clerk of this Court, (b) render the completion of various administrative tasks less costly, (c) minimize the number of unnecessary delays associated with the administration of numerous separate chapter 11 cases and (d) protect the creditors of each of the Debtors’ estates against potential conflicts of interest. Additionally, because this is not a motion for the substantive consolidation of the Debtors’ estates, the rights of parties in interest will not be prejudiced or otherwise affected in any way by the entry of an order directing the joint administration of the Debtors’ chapter 11 cases for procedural purposes only.

Notice

15. Notice of this Application shall be provided to: (a) the Office of the United States Trustee for the District of Delaware; (b) the Debtors’ twenty largest unsecured creditors on a consolidated basis; (c) counsel to HSBC; (d) counsel to GSO; (e) the United States Attorney’s Office for the District of Delaware; (f) the Internal Revenue Service; and (g) the Securities and Exchange Commission. As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be served on all parties required by Del. Bankr. L.R. 9013-1(m). Due to the urgency of the circumstances surrounding this Motion and the nature of the relief herein, the Debtors respectfully submit that no further notice of this Motion is required.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, (i) granting the relief requested herein and (ii) granting such other and further relief as the Court may deem proper.

Dated: November 4, 2013
Wilmington, Delaware

Respectfully submitted,

/s/ Stuart M. Brown
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-and-

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chun.jang@dlapiper.com

PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

Exhibit A

(Proposed Order)

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

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In re: : Chapter 11
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Velti Inc., : Case No. 13-_____ (____)
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Debtor. :
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Employer's Tax Identification No.: :
20-3774475 :
:
-----X

-----X
:
In re: : Chapter 11
:
Air2Web, Inc., : Case No. 13-_____ (____)
:
Debtor. :
:
Employer's Tax Identification No.: :
58-2485572 :
:
-----X

-----X
:
In re: : Chapter 11
:
Air2Web Interactive, Inc., : Case No. 13-_____ (____)
:
Debtor. :
:
Employer's Tax Identification No.: :
42-1572364 :
:
-----X

-----X
 In re: : Chapter 11
 :
 Velti North America, Inc., : Case No. 13-_____ (___)
 :
 Debtor. :
 :
 Employer's Tax Identification No.: :
 43-2058900 :
 :
 -----X

In re: : Chapter 11
 :
 Velti North America Holdings, Inc., : Case No. 13-_____ (___)
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 Debtor. :
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 Employer's Tax Identification No.: :
 41-2243953 :
 :
 -----X

In re: : Chapter 11
 :
 Velti US Holdings, Inc., : Case No. 13-_____ (___)
 :
 Debtor. :
 :
 Employer's Tax Identification No.: :
 26-4798299 :
 :
 -----X

**ORDER GRANTING MOTION OF THE DEBTORS
 AND DEBTORS IN POSSESSION FOR AN ORDER DIRECTING
 THE JOINT ADMINISTRATION OF THEIR CHAPTER 11 CASES**

This matter coming before the Court on the *Motion of the Debtors and Debtors in Possession for an Order Directing the Joint Administration of Their Chapter 11 Cases* (the

“Motion”),¹ filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”); the Court having reviewed the Motion and the Ross Declaration; the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion was sufficient under the circumstances; and the Court having determined that good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The above-captioned chapter 11 cases shall be jointly administered for procedural purposes only. The Clerk of the Court shall maintain one file and one docket for all of these jointly administered cases, which file and docket for each respective chapter 11 case shall be the file and docket for In re Velti Inc., Case No. 13-_____ (___).
3. Parties in interest are directed to use the Proposed Caption annexed hereto as Exhibit 1 when filing pleadings with the Court in the chapter 11 cases of the Debtors indicating that the pleading relates to the jointly administered chapter 11 cases of “In re Velti Inc., *et al.*” The consolidated caption set forth in Exhibit 1 satisfies the requirements of section 342(c) of the Bankruptcy Code in all respects.
4. A docket entry shall be made substantially as follows on the docket in the chapter 11 case of Air2Web, Inc., Air2Web Interactive, Inc., Velti North America, Inc., Velti North America Holdings, Inc. and Velti US Holdings, Inc.:

¹ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration of the Chapter 11 Cases of Velti Inc., Air2Web, Inc., Air2Web Interactive, Inc., Velti North America, Inc., Velti North America Holdings, Inc. and Velti US Holdings, Inc. All further pleadings and other papers in this Chapter 11 Case shall be filed in, and all further docket entries shall be made in, Case No. 13-_____ (Velti Inc.).

5. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effectuating a substantive consolidation of the above captioned chapter 11 cases.

6. This Court shall retain jurisdiction over any and all matters arising from the interpretations or implementation of this Order.

Dated: _____, 2013
Wilmington, Delaware

United States Bankruptcy Judge

Exhibit 1

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

-----X
In re: : Chapter 11
Velti, Inc., *et al.*,¹ : Case No. 13-_____ (_____) :
Debtor. :
-----X

¹ 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 Spear Tower, 1 Market Street Suite 1400, San Francisco, California 94105.