IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
Velti Inc., *et al.*,[1]	:	Case No. 13-12878 (PJW)
	:	(Jointly Administered)
Debtors.	:	**Re: Dkt. No. 360**

DECLARATION OF RUSSELL A. PERRY IN SUPPORT OF CONFIRMATION OF THE DEBTORS' PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I, Russell A. Perry, declare under the pains and penalties of perjury, pursuant to 28 U.S.C. § 1746:

I. INTRODUCTION

1. I am a Senior Vice President of Deloitte Transactions and Business Analytics LLP ("DTBA"), an affiliate of Deloitte Financial Advisory Services LLP ("Deloitte FAS," and together with DTBA "Deloitte").

2. On April 10, 2014, the Court entered an order [Docket No. 355] authorizing Velti Inc., Air2Web, Inc., Air2Web Interactive, Inc., Velti North America, Inc., Velti North America Holdings, Inc. and Velti US Holdings, Inc. (collectively, the "Debtors") to engage Craig Boucher as their bankruptcy administrative officer and to engage Deloitte to assist me in that capacity. In connection with that retention, I have had primary responsibility with Mr. Boucher in advising

[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 DLA Piper LLP (US), 203 N. LaSalle Street, Suite 1900, Chicago, Illinois 60601.

the Debtors as to their restructuring efforts and have been working closely with the Debtors on various aspects of their chapter 11 cases.

3. As a result, I have extensive knowledge of the Debtors' operations, capital structure, business and financial affairs, books and records, and restructuring efforts, including the formulation and negotiation of the *Debtors' Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* (as may be further amended, supplemented or modified, the "Plan").[2]

4. I submit this Declaration in support of the confirmation of the Plan. I have reviewed and am familiar with the terms and provisions of the Plan. Except as otherwise indicated herein, all facts set forth in this Declaration are based on my personal knowledge of the Debtors' operations, finances and restructuring activities, information gathered from my review of relevant documents and information supplied to me by other members of the Debtors' management and the Debtors' advisors. If called as a witness to testify, I could and would testify competently to the facts set forth herein.

II.
BACKGROUND

5. On November 4, 2013 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On November 12, 2013, the Office of the United States Trustee (the "U.S. Trustee") appointed the Committee of Unsecured Creditors (the "Committee") in these chapter 11 cases.

6. 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 was a leading global provider of mobile

[2] Capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Plan.

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. The Company operated through three separate business units, Mobile Marketing ("MMBU"), Performance Marketing and Advertising.

7. 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. Before the Petition Date the Company defaulted under the terms of the Credit Agreement. In response, the Company explored a number of strategic alternatives which ultimately 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.

8. On the Petition Date, the Debtors filed a motion to approve, among other things, the procedures governing the competitive bidding process for the sale of the MMBU and 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 of the Assets to GSO. The Sale closed on January 3, 2014.

9. On March 6, 2014, the Debtors filed the Plan and the *Disclosure Statement for the Debtors' Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* (as may be further amended, supplemented or modified, the "Disclosure Statement"). On April 10, 2014, the Court entered its *Order (I) Approving Disclosure Statement, (II) Approving Notice and Objection*

Deadline and Procedures for the Disclosure Statement Hearing, (III) Establishing Solicitation and Voting Procedures, (IV) Scheduling a Confirmation Hearing, and (V) Establishing Notice and Objection Deadline and Procedures for Confirmation of the Proposed Plan [Docket No. 356] (the "Disclosure Statement Order"). A hearing to consider confirmation of the Plan is set for May 29, 2014.

III.
THE PLAN

10. As explained in the Disclosure Statement, the Debtors have formulated the Plan through extensive negotiations with the Debtors' primary Creditors. As a result of these negotiations, the Plan received the strong support of all of the Debtors' primary constituencies. I believe that the Plan fully complies with the applicable provisions of section 1129 of the Bankruptcy Code, as such provisions have been explained to me by the Debtors' legal advisors, based on (a) my understanding of the Plan, (b) the events that have occurred throughout these Chapter 11 Cases, and (c) various orders entered by the Bankruptcy Court during these Chapter 11 Cases.

A. Section 1129(a)(1) — The Plan Complies with the Applicable Provisions of the Bankruptcy Code

11. Section 1121 of the Bankruptcy Code. The Debtors are proper debtors under section 109 of the Bankruptcy Code, as such provision has been explained to me by the Debtors' legal advisors.

12. Section 1122 of the Bankruptcy Code. Article III of the Plan classifies Claims and Interests into six separate classes. In particular, Article III, Section B of the Plan segregates the following into separate Classes: Senior Secured Term Loan Claims (Class 1), Other Secured Claims (Class 2), General Unsecured Claims (Class 3a), the GSO Deficiency Claim (Class 3b),

Intercompany Claims (Class 3c) and Equity Interests (Class 4).[3] The groupings reflect the diverse characteristics of those Claims and Interests in each Class. Such classification complies with section 1122(a) of the Bankruptcy Code because each class contains only Claims or Equity Interests that are substantially similar to each other. It is my understanding that the classification of Claims and Equity Interests set forth in the Plan is reasonable, as the classification mirrors the priorities set forth in the Bankruptcy Code.

13. Section 1123(a)(1) of the Bankruptcy Code. Article III of the Plan designates classes of Claims, other than Claims of the type described in section 507(a)(2), 507(a)(3) and 507(a)(8) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1123(a)(1) of the Bankruptcy Code.

14. Section 1123(a)(2) of the Bankruptcy Code. Article III, Section B of the Plan specifies that Class 2 is not impaired under the Plan, as required by section 1123(a)(2) of the Bankruptcy Code.

15. Section 1123(a)(3) of the Bankruptcy Code. Article III, Section B of the Plan specifies that Claims and Equity Interests in Classes 1, 3a, 3b, 3c and 4 are impaired and describes the treatment of each such Class in accordance with section 1123(a)(3) of the Bankruptcy Code.

16. Section 1123(a)(4) of the Bankruptcy Code. As required by section 1123(a)(4) of the Bankruptcy Code, the treatment of each Claim or Equity Interest within a Class is the same as the treatment of each other Claim or Equity Interest in such Class, unless the holder of a Claim or Equity Interest agrees to less favorable treatment on account of its Claim or Equity Interest in such Class.

[3] In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims and Other Priority Claims discussed in Article II of the Plan have not been classified.

17. Section 1123(a)(5) of the Bankruptcy Code. In accordance with the requirements of section 1123(a)(5) of the Bankruptcy Code, Article IV of the Plan specifies adequate means for the Plan's implementation. Specifically, Article IV of the Plan provides for, among other things: (a) the appointment of a Responsible Person to effectuate distributions, to reconcile and object to General Unsecured Claims and distribute the GUC Trust assets for the benefit of the beneficiaries of the GUC Trust; (b) the formation of a Litigation Trust; (d) the assumption and assignment of certain contracts; (e) the continuation of the Debtors' operations as debtors in possession during the period from the Confirmation Date until the Effective Date; and (f) the treatment of the Debtors' books and records.

18. Section 1123(a)(6) of the Bankruptcy Code. Section 1123(a)(6) of the Bankruptcy Code does not apply as the Debtors will be wound down.

19. Section 1123(a)(7) of the Bankruptcy Code. The Plan complies with section 1123(a)(7) and ensures that the selection of the Responsible Person is consistent with the interests of holders of Claims. In fact, the selection of the Responsible Person is supported by the Creditors Committee.

20. Section 1123(b) of the Bankruptcy Code. As allowed in section 1123(b) of the Bankruptcy Code, the Plan contains various discretionary provisions. Specifically, as described above, the Plan provides for the impairment of certain Classes of Claims and Equity Interests, while leaving others unimpaired. The Plan thus modifies the rights of such holders of Claims and Equity Interests and leaves the rights of others unaffected. (See Plan, Art. III, Sec. B.) In addition, the Plan also provides for the rejection of executory contracts and unexpired leases to which the Debtors are parties. (See Plan, Art. VII.)

21. Finally, in accordance with section 1123(b)(6) of the Bankruptcy Code, the Plan includes additional provisions that I believe are not inconsistent with the applicable provisions of

the Bankruptcy Code, including: (i) the provisions of Article V of the Plan governing voting and distributions on account of Allowed Claims and Equity Interests; (ii) the provisions of Article VI of the Plan establishing procedures for resolving and reserving for Disputed Claims and making distributions on account of such Disputed Claims once resolved; (iii) the provisions of Article IX of the Plan regarding the release of Claims, indemnification and exculpation; and (iv) the provisions of Article X of the Plan regarding retention of jurisdiction by the Bankruptcy Court over certain matters after the Effective Date.

22. Specifically, the releases contained in the Plan are not only a cornerstone of the Plan, but are integral to its confirmation. These release provisions are proper because, among other things, they are the product of arm's length negotiations and have been critical to obtain the support of the constituencies for the Plan, which has received strong support from the Creditors entitled to vote on the Plan. The release provisions are fair and equitable, are given for valuable consideration and are in the best interests of the Debtors.

23. The Plan seeks to provide a release by each of the Debtors and their current and former affiliates and Representatives and the Estates to the Released Parties (and each such Released Party so released shall be deemed released by the Debtors and their current and former affiliates and Representatives, the Estates and the Creditors Committee and its members but solely in their capacity as members of the Creditors Committee and not in their individual capacities), from any and all Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, existing before the Effective Date, as of the Effective Date or arising thereafter, in law, at equity, whether for tort, contract, violations of statutes (including but not limited to the federal or state securities laws), or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances

existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including, without limitation, those that any of the Debtors would have been legally entitled to assert or that any holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert for or on behalf of any of the Debtors or the Estates, including those in any way related to the Chapter 11 Cases, the DIP Financing, the Final APA, the Plan and the transactions contemplated therein and related thereto; provided, however, that the foregoing release shall not prohibit the Debtors, the Estates or the Responsible Person from asserting any and all defenses and counterclaims in respect of any Disputed Claim asserted by any Released Parties or Professional. For the avoidance of doubt, the Debtors shall not release the Debtors' Professionals of any Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, which were incurred as a result of the Debtors' Professionals' gross negligence or willful misconduct.

24. Furthermore, the Plan, as modified by the language in the proposed Confirmation Order, provides for consensual third party releases. Specifically, the Plan provides that each Person, other than any of the Debtors and any government unit or agency or political subdivision thereof, who votes to accept the Plan and does not mark such ballot to indicate their refusal to grant the release provided for in this paragraph, shall be deemed to fully, completely, unconditionally, irrevocably, and forever release the Released Parties of and from any and all Claims and Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether accrued or unaccrued, whether known or unknown, foreseen or unforeseen, existing before the Effective Date, as of the Effective Date or arising thereafter, in law, at equity, whether for tort, contract, violations of statutes (including but not limited to the federal or state securities laws), or otherwise, based in whole or in part upon any

act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors and their current and former affiliates and Representatives, whether direct, derivative, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, in law, equity or otherwise, including those in any way related to the Chapter 11 Cases, the DIP Financing, the Final APA, the Plan and the transactions contemplated therein and related thereto. Nothing herein shall effect the setoff or recoupment rights of the Holders of Claims who vote in favor of the Plan.

25. The Plan does not provide for non-consensual third-party releases.

26. The consensual third-party releases provided by the Plan are proper for the following reason: First, there is a strong identity of interest between the Debtors and the Released Parties with respect to obtaining confirmation of the Plan that will result in distributions to all Creditors. Once the Allowed Claims of the releasing parties are satisfied by their receipt of the Plan treatment, such Creditors will have no claims remaining against any of the Released Parties, allowing for finality in these Chapter 11 Cases. The Debtors and the Released Parties share the common goal of confirming the Plan, which, as noted earlier, is the culmination of negotiations among, and settlements between, the Debtors and their key constituencies. These parties invested substantial time and effort in negotiating and drafting the Plan. In addition, the Creditors Committee has investigated any potential causes of action against the Released Parties and have determined that there is little value, if any, being given up by the Debtors in providing the releases. Thus, pursuing any causes of action would simply deplete estate resources without a reciprocal benefit to the Estates.

27. Second, each of the Released Parties has actively participated in the Plan process and infused significant value into the Estates. The releases of GSO were critical to ensure their

cooperation with the Debtors and Creditors Committee in order to formulate the Plan. In the case of the Debtors' Professionals, in addition to the work provided in the Chapter 11 Cases, each such Professional released all outstanding prepetition claims against the Debtors, thus increasing recoveries to the remaining prepetition creditors.

28. Third, as previously provided, not only have all classes accepted the Plan (other than Class 4 that is deemed to reject the Plan), but they have done so convincingly. The Plan, which pays in full all Allowed Administrative Claims, Allowed Priority Tax Claims, and Other Allowed Priority Claims, also provides an increased recovery to holders of Allowed General Unsecured Claims. Such strong acceptance, when combined with the anticipated recoveries to Creditors, lends to the conclusion that the Classes have received adequate consideration for providing the consensual releases.

29. Fourth, as described above, the increased recoveries by the Debtors' Creditors could only have been accomplished by the settlements and releases embodied in the Plan, all of which were achieved through the efforts and contributions of the Released Parties.

30. Finally, the exculpation provisions of the Plan have been drafted narrowly to exculpate only the Debtors, the Debtors' Professionals, the Debtors' current and former directors and officers, the Creditors Committee, the Creditors Committee's members (but solely in their capacity as members of the Creditors Committee and not in their individual capacities) and the Creditors Committee's Professionals and expressly do not apply in the instance of fraud, gross negligence or willful misconduct by such parties.

31. Accordingly, it is my belief that the Plan fully complies with the applicable provisions of the Bankruptcy Code and, therefore, meets the requirements of section 1129(a)(1) of the Bankruptcy Code.

B. Section 1129(a)(2) — The Debtors Have Complied with the Applicable Provisions of Title 11

32. Section 1125 prohibits the solicitation of acceptances or rejections of a plan of reorganization from holders of claims or interests "unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved . . . by the court as containing adequate information." 11 U.S.C. § 1125(b). Here, the Bankruptcy Court approved the Disclosure Statement on April 10, 2014 [Docket No. 356], as well as (a) the materials to be transmitted to those parties entitled to vote on the Plan (collectively, the "Solicitation Materials"), (b) the timing and method of delivery of the Solicitation Materials, (c) the rules for tabulating votes to accept or reject the Plan, and (d) the timing and method of publication of a notice of the Confirmation Hearing and related matters (the "Confirmation Hearing Notice").

33. Thereafter, the Debtors and their agents transmitted Solicitation Materials to holders of Claims entitled to vote and other parties in interest, which contained: (a) the Disclosure Statement, (b) the Plan, (c) the Confirmation Hearing Notice, (d) an appropriate Ballot with a return envelope, for parties entitled to vote on the Plan and (e) certain other approved Solicitation Materials. These Solicitation Materials were distributed promptly after the entry of the Disclosure Statement Order. As indicated in the *Declaration of Notice, Balloting and Claims Agent Regarding Solicitation and Tabulation of Votes in Connection with the Debtors' Plan of Liquidation under Chapter 11 of the Bankruptcy Code* [Docket No. 410] (the "Voting Declaration"), following the distribution of the Solicitation Materials, the Ballots of all holders of Claims that were entitled to vote, Classes 1, 3a and 3b, and in fact voted, were duly tabulated, in accordance with the rules and procedures provided in the Disclosure Statement Order and all Classes entitled to vote did vote to accept the Plan. Although the Ballots for the

Claims in Classes 1 and 3b were received after the Voting Record Date, the Debtors have filed a motion with this Court seeking to extend the Voting Record Date and count those Ballots as timely. There were no filed Claims that would fall within Class 3c, and thus there were no holders of Class 3c to vote on the Plan.

34. Thus, the Debtors have complied with the requirements of section 1129(a)(2) Bankruptcy Code.

C. Section 1129(a)(3) — The Plan Has Been Proposed in Good Faith

35. Section 1129(a)(3) of the Bankruptcy Code requires that a plan be "proposed in good faith and not by any means forbidden by law." 11 U.S.C. § 1129(a)(3). Here, the Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and distributions to the Creditors. The Plan accomplishes these goals through the Sale and various settlements that provided the means through which the Debtors may effectuate timely and prompt distributions to their Creditors.

D. Section 1129(a)(4) — All Payments to Be Made by the Debtors in Connection with These Cases Are Subject to the Approval of the Applicable Court

36. In accordance with section 1129(a)(4) of the Bankruptcy Code, all fees to which the Professionals may be entitled in connection with the Chapter 11 Cases, including Professional Fee Claims, are subject to the approval of the Bankruptcy Court. Article II of the Plan provides for the payment of Allowed Administrative Claims, including Professional Compensation and makes all such payments subject to Bankruptcy Court approval. The Bankruptcy Court has authorized the interim payment of the fees and expenses incurred by Professionals in connection with the Chapter 11 Cases [Docket No. 111]. All such fees and expenses, however, remain subject to final review for reasonableness by the Bankruptcy Court. Finally, Article X, Paragraph 2 of the Plan provides that the Bankruptcy Court will retain

jurisdiction after the Effective Date to hear and determine all applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan. Accordingly, the Plan complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

E. Section 1129(a)(5) — The Plan Discloses All Required Information Regarding Post-Confirmation Management and Insiders

37. Section 1129(a)(5) of the Bankruptcy Code provides that a plan of reorganization may be confirmed only if the proponent discloses the identity of those individuals who will serve as management of the reorganized debtor, the identity of any insider to be employed or retained by the reorganized debtor, and the compensation proposed to be paid to such insider. 11 U.S.C. § 1129(a)(5). In addition, under section 1129(a)(5)(A)(ii), the appointment or continuation in office of existing management must be consistent with the interests of creditors, equity security holders and public policy.

38. As the Plan contemplates the distribution of cash proceeds to all Creditors and the subsequent wind-down of the Debtors, the disclosure of information regarding the appointment of the Responsible Person fully satisfies the requirements of section 1129(a)(5).[4]

F. Section 1129(a)(7) — The Plan Is in the Best Interests of Creditors

39. As section 1129(a)(7) of the Bankruptcy Code itself makes clear, the best interests of creditors test is applicable only to the non-accepting holders of impaired Claims and Equity Interests. See 11 U.S.C. § 1129(a)(7). Under the Plan, Classes 1, 3a, 3b, 3c and 4 are impaired, and Class 4 is deemed to have rejected the Plan. Consequently, because the holders of Claims in Classes 1, 3a and 3b have voted to accept the Plan, there are no holders of Claims in Class 3c,

[4] In addition, the requirements of Section 1129(a)(6) are inapplicable to the Debtors. The Debtors' businesses do not involve the establishment of rates over which any regulatory commission has jurisdiction or will have jurisdiction after the confirmation of the Plan.

and the holders of Equity Interests in Class 4 are not receiving any less than they would in liquidation under chapter 7, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

G. Section 1129(a)(8) — The Plan Has Been Accepted by the Requisite Classes of Creditors when Analyzed in Conjunction with Section 1129(b)(1)

40. Section 1129(a)(8) of the Bankruptcy Code requires that each class of claims or interests has either accepted the plan or is not impaired under the plan. If section 1129(a)(8) of the Bankruptcy Code is not met, that is, certain impaired classes of claims or interests do not accept a plan or is deemed to reject the plan, the plan nevertheless may be confirmed pursuant to the "cramdown" provisions of section 1129(b)(1) of the Bankruptcy Code. The Plan was accepted by Classes 1, 3a and 3b, there are no Claims in Class 3c, and the only other Class of Claims, Class 4, is deemed to reject the Plan. Specifically, the only holder of Claims in Classes 1 and 3b voted to accept the Plan, and eighty-four percent of the holders of Claims in Class 3a voted to accept the Plan. Class 2 is unimpaired under the Plan and, therefore, is deemed to have accepted the Plan. Although Class 4 is deemed to reject the Plan, as stated below, the holders of the Equity Interests in Class 4 are being crammed down pursuant to section 1129(b)(1). The Debtors, therefore, request confirmation pursuant to section 1129(b) of the Bankruptcy Code and seek to confirm the Plan over the deemed rejection of Class 4.

H. Section 1129(a)(9) — The Plan Provides for the Payment of Priority Claims

41. Section 1129(a)(9) of the Bankruptcy Code requires that certain priority claims be paid in full on the effective date of a plan and that the holders of certain other priority claims receive deferred cash payments.

42. The Plan also provides that the deadline for submission by Professionals for Bankruptcy Court approval of Accrued Professional Compensation shall be sixty (60) days after

the Effective Date. All Professionals shall provide to the Debtors an estimate of their Accrued Professional Compensation through the Effective Date (including an estimate for fees and expenses expected to be incurred after the Effective Date to prepare and prosecute allowance of final fee applications) before the Effective Date.

43. The Plan provides that the Responsible Person shall pay, from the Debtors' assets and funds held in reserve as set forth in Article VI.A of the Plan, each holder of an Allowed Priority Tax Claim, in satisfaction of such Allowed Priority Tax Claim, the full unpaid amount of such Allowed Priority Tax Claim in Cash, on the later of (i) the Effective Date, (ii) the date such Allowed Priority Tax Claim becomes Allowed or as soon as practicable thereafter and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law. Accordingly, the Plan satisfies the requirements set forth in section 1129(a)(9) of the Bankruptcy Code with respect to the payment of Priority Claims.

44. I am aware that the Internal Revenue Service (the "IRS") has filed an objection [Docket No. 398] (the "IRS Objection") with respect to the Plan's treatment of Priority Tax Claims and Administrative Claims for taxes. Specifically, the IRS Objection asserts that the Plan should not be confirmed until the Debtors have filed outstanding tax returns for 2012 and 2013. I am familiar with the Debtors' tax situation, and acknowledge that due to liquidity and personnel constraints, the Debtors were not able to complete their tax returns. I have reviewed the tax situation for each of the Debtors, and I believe they will either report tax losses for both 2012 and 2013, or that any income will be substantially offset by the Debtors' losses. Specifically, as set forth in the Debtors' 2011 US Federal income tax returns, Air2Web Inc. & Subs, Velti North America Inc., and Velti US Holdings Inc. & Subs, had net operating loss carryforwards of approximately $107 million. Nevertheless, the Debtors will complete their tax

returns for 2012 and 2013 within sixty (60) days. In the interim, the Debtors will retain adequate reserves to pay all Administrative and Priority Claims.

I. Section 1129(a)(10) — The Plan Has Been Accepted by at Least One Impaired, Non-Insider Claims

45. Classes 1, 3a and 3b are impaired and, as indicated in the Voting Declaration, have voted to accept the Plan. No votes of any "insider," as such term is defined in section 101(31) of the Bankruptcy Code, in Classes 1, 3a or 3b, is being relied on for acceptance of the Plan.

J. Section 1129(a)(11) — The Plan Is Feasible

46. The Plan is a plan of liquidation, and for purposes of determining whether the Plan satisfies feasibility standards, the Debtors have analyzed their ability to meet their financial obligations as contemplated thereunder. As all of the Debtors' assets have been monetized, I believe that they will be able to make all payments required to be made pursuant to the Plan.

47. Accordingly, the Plan satisfies the feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

K. Section 1129(a)(12) — The Plan Provides for the Payment of Fees

48. Section 1129(a)(12) of the Bankruptcy Code requires that, as a condition precedent to the confirmation of a plan of reorganization, "[a]ll fees payable under section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the effective date of the plan." 11 U.S.C. § 1129(a)(12). The Plan complies with section 1129(a)(12) by providing that all fees payable pursuant to 28 U.S.C. § 1930 will be paid in full on the earlier of when due or the Effective Date, or as soon thereafter as practicable. (Plan, Art. V, Sec. N.) after the Effective Date, the Responsible Person shall pay any and all such fees payable by the Debtors, when due and

payable, and shall file with the Bankruptcy Court quarterly reports for each of the Debtors, in a form reasonably acceptable to the U.S. Trustee. Notwithstanding the substantive consolidation of the Debtors under the Plan, each Debtor shall remain obligated to pay quarterly fees to the Office of the U.S. Trustee until the earliest of that particular Debtor's case being closed (whether closed pursuant to the Plan or otherwise), dismissed or converted to a case under Chapter 7 of the Bankruptcy Code.

L. Section 1129(b) — The Plan Satisfies the "Cramdown" Requirements for Confirmation

49. Only Class 4, which is comprised of the holders of Equity Interests, is deemed to reject the Plan. In accordance with section 1129(b)(2)(C), no holder of any interest that is junior to Class 4 will receive or retain any property under the Plan on account of such junior interest.

IV.
CONCLUSION

50. In light of the foregoing, I believe that confirmation of the Plan is appropriate, is in the best interest of all parties in interest, complies with the requirements of the Bankruptcy Code and should be approved.

[remainder of page intentionally left blank]

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed on: May 27, 2014

Russell A. Perry
Deloitte Transactions and Business Analytics LLP