IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
PMGI Holdings Inc., *et al.*,[1]	Case No. 13-12404 (CSS)
Debtors.	(Jointly Administered)
	Hearing Date: October 11, 2013 @ 10:00 a.m. **Objection Deadline: October 4, 2013 @ 4:00 p.m.**

DEBTORS' MOTION FOR ORDER (A) FIXING LAST DATE FOR FILING PROOFS OF CLAIM AND INTEREST, (B) FIXING LAST DATE FOR FILING PROOFS OF CLAIM BY GOVERNMENTAL UNITS, (C) FIXING LAST DATE FOR FILING REQUESTS FOR ALLOWANCE OF SECTION 503(B)(9) CLAIMS, AND (D) DESIGNATING FORM AND MANNER OF NOTICE THEREOF

The above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**") hereby move the Court (the "**Motion**"), pursuant to sections 105(a), 502(b)(9), and 503 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "**Bankruptcy Code**"), Rules 2002(a)(7), 3002(a), and 3003(c) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2002-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), for entry of an order: (a) fixing the last date for the filing of proofs of claim and interest; (b) fixing the last date for the filing of proofs of claim by governmental units; (c) fixing the last

[1] The Debtors in these Chapter 11 Cases, along with the last four (4) digits of each Debtor's federal tax identification number, are: Blue Hen Group Inc. (9667), Argus Payments Inc. (4661), Big Island Technology Group, Inc. (9795), Confirm ID, Inc. (7020), Danni Ashe, Inc. (5271), Fastcupid, Inc. (7869), Fierce Wombat Games Inc. (2019), FriendFinder California Inc. (2750), FriendFinder Networks Inc. (0988), FRIENDFINDER VENTURES INC. (3125), FRNK Technology Group (7102), General Media Art Holding, Inc. (2637), General Media Communications, Inc. (2237), General Media Entertainment, Inc. (2960), Global Alphabet, Inc. (7649), GMCI Internet Operations, Inc. (7655), GMI On-Line Ventures, Ltd. (7656), Interactive Network, Inc. (5941), Magnolia Blossom Inc. (8925), Medley.com Incorporated (3594), NAFT NEWS CORPORATION (4385), Penthouse Digital Media Productions Inc. (1056), Penthouse Images Acquisitions, Ltd. (9228), PerfectMatch Inc. (9020), Playtime Gaming Inc. (4371), PMGI Holdings Inc. (2663), PPM Technology Group, Inc. (9876), Pure Entertainment Telecommunications, Inc. (9626), Sharkfish, Inc. (1221), Snapshot Productions, LLC (7091), Streamray Inc. (2716), Streamray Studios Inc. (1009), Tan Door Media Inc. (1100),Traffic Cat, Inc. (1223), Transbloom, Inc. (1168), Various, Inc. (7762), Video Bliss, Inc. (6760), West Coast Facilities Inc. (4751), XVHUB Group Inc. (9401). The Debtors' business address is 6800 Broken Sound Parkway NW, Suite 200, Boca Raton, FL 33487.

date for the filing of requests for allowance of section 503(b)(9) claims; and (d) designating the form and manner of notice with respect thereto. In support of this Motion, the Debtors respectfully state as follows:

Status of the Case

1. On September 17, 2013 (the "**Petition Date**"), the Debtors commenced these cases (the "**Chapter 11 Cases**") by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

2. The Debtors have continued in possession of their properties and are operating and managing their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. No request has been made for the appointment of a trustee or examiner and a creditors' committee has not yet been appointed in these Chapter 11 Cases.

Jurisdiction, Venue, and Statutory Predicates

4. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. § 1408. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

5. The statutory predicates for the relief sought herein are sections 105, 502(b)(9), and 503 of the Bankruptcy Code, Bankruptcy Rules 2002(a)(7), 3002(a), and 3003(c), and Local Rule 2002-1(e).

Background

6. The Debtors are a leading internet technology and entertainment company providing services in the rapidly expanding markets of adult dating, social networking and web-based video sharing and run several of the most heavily-trafficked websites in the world. The Debtors maintain a number of social networking and entertainment sites and offer a wide variety

of online products and services which appeal to members of diverse cultures and internet groups. The Debtors' services allow customers to socialize and connect with each other and groups, based on various interests, including ethnic, cultural, and entertainment interests, and to enjoy the Debtors' entertainment oriented content. The websites operated by the Debtors include social networking, online personals, live and recorded video, online chat rooms, instant messaging, photo and video sharing, blogs, message boards, email and premium content websites. The Debtors also produce and distribute original pictorial and video content, license the globally recognized Penthouse brand to a variety of consumer product companies and entertainment venues, and publish several branded men's lifestyle magazines.

7. Because of the internet-based nature of their businesses, the Debtors' operations reach around the globe and have an international presence. The Debtors operate their businesses through forty (40) subsidiaries located in the United States and have fifteen (15) related non-debtor affiliated entities. The Debtors have approximately 435 employees and, through their network, utilize a number of contracting firms and independent contractors to conduct their businesses and obtain their global reach. The Debtors and their affiliates have more than 220 million members and operate in more than 200 countries. The Debtors' total revenue for the four consecutive fiscal quarters ended June 30, 2013 was $293.70 million.

8. In addition to normal course costs of operations, market development and product enhancements, the Debtors have long term debt, including three tranches with maturities on September 30, 2013 and April 30, 2014. Those tranches include the (i) 14% Senior Secured Notes due 2013 (the "**Existing First Lien Notes**") issued pursuant to that certain Indenture (as amended, modified or supplemented prior to the date hereof, the "**First Lien Indenture**") dated as of October 27, 2010, (ii) the 11.5% Non-Cash Pay Secured Notes Due 2014 (the "**Non-Cash**

Pay Second Lien Notes") issued pursuant to the Indenture dated as of October 27, 2010 (as amended, modified or supplemented prior to the date hereof, the "**Non-Cash Pay Second Lien Indenture**") and (iii) the 14% Cash Pay Secured Notes Due 2013 (the "**Cash Pay Second Lien Notes,**") and, collectively with the Existing First Lien Notes and the Cash Pay Second Lien Notes, the "**Senior Debt**") issued pursuant to the Indenture dated as of October 27, 2010 (as amended, modified or supplemented prior to the date hereof, the "**Cash Pay Second Lien Indenture**").

9. Despite continuing member interest and high volume traffic, the Debtors did not make certain payments to the holders of Existing First Lien Notes and Cash Pay Second Lien Notes which constituted a default under their respective indentures. Working with certain holders of their Senior Debt, the Debtors have undertaken to restructure their balance sheet and, on September 16, 2013, the Debtors, certain holders of the Existing First Lien Notes and certain holders of the Non-Cash Pay Second Lien Notes (the "**Senior Debt Holders**") entered into the Transaction Support Agreement (the "**TSA**"). The TSA provides the relevant terms to effect the Recapitalization Transaction (as defined in the TSA). As a result, the Debtors filed these Chapter 11 Cases in order to implement the Recapitalization Transaction as contained in the TSA.

10. A detailed factual background of the Debtors' businesses and operations, as well as the events precipitating the commencement of these Chapter 11 Cases, is more fully set forth in the *Declaration of Ezra Shashoua in Support of the Debtors' Chapter 11 Petitions and Requests for First Day Relief*, filed on September 17, 2013 [Docket No. 16].

Relief Requested

11. By this Motion, the Debtors seek entry of an order:

(a) fixing November 1, 2013 at 5:00 p.m. (Prevailing Eastern Time), as the last date (the "**General Bar Date**") for filing proofs of claim against the Debtors on account of claims arising, or deemed to have arisen by virtue of section 501(d) of the Bankruptcy Code, prior to the Petition Date;

(b) fixing November 1, 2013 at 5:00 p.m. (Prevailing Eastern Time), as the last date (the "**Interest Bar Date**") for filing proofs of interest in the Debtors on account of equity interests in the Debtors;

(c) fixing November 1, 2013 at 5:00 p.m. (Prevailing Eastern Time), as the last date (the "**503(b)(9) Claims Bar Date**") to file requests for the allowance of administrative expense claims arising under section 503(b)(9) of the Bankruptcy Code (each, an "**503(b)(9) Expense Request**");

(d) fixing March 17, 2014, at 5:00 p.m. (Prevailing Eastern Time), as the last day for governmental units to file proofs of claim (the "**Governmental Unit Bar Date**," and together with the General Bar Date and 503(b)(9) Claims Bar Date, the "**Bar Dates**"), which date is at least 180 days after the Petition Date in accordance with section 502(b)(9) of the Bankruptcy Code; and

(e) establishing general procedures with respect to the Bar Dates.

12. The Debtors further seek approval of the Debtors' proposed notice of the Bar Dates (the "**Bar Date Notice**"), a copy of which is attached hereto as **Exhibit "A"** and incorporated herein by reference. Based upon the procedures set forth below, the proposed Bar Dates will give all creditors and equity security holders ample notice and opportunity to file proofs of claim or interest.

13. The Debtors request that all proofs of claim and interest be filed with the Debtors' claims agent, BMC Group, Inc. ("**BMC**"), so as to be actually received on or before the applicable Bar Dates, and that such claim or interest be in writing, with an original signature, together with supporting documentation, substantially complying with Official Bankruptcy Form 10 or as otherwise prescribed or authorized under the Bankruptcy Rules, the Bankruptcy Code and the Local Rules.

14. The Debtors also request that 503(b)(9) Expense Requests be filed with the Debtors' claims agent, BMC so as to be actually received on or before the 503(b)(9) Claims Bar Date, and that such claim be in writing, together with supporting documentation.

15. The following claims are excepted from the proposed order fixing bar dates and are not required to be filed on or before the applicable Bar Dates:

(a) claims already duly filed in these Chapter 11 Cases with the Debtors' claim agent, or with the Clerk of the Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware, 19801;

(b) claims listed in the Debtors' Schedules, or as listed in any supplements or amendments thereto, if the claimant does not dispute the amount or manner in which its claim is listed in the Schedules or the nature of the claim and if such claim is not designated as "contingent," "unliquidated," "subject to adjustment," "disputed," or "unknown" (or assigned a zero amount);

(c) any claims held by employees or retirees, provided, however, that any claims held by employees or retirees based on the rejection of an executory contract pursuant to Bankruptcy Code section 365 must be filed by (a) the General Bar Date; (b) thirty (30) days after the entry of an order by the Court authorizing such rejection; or (c) such other date, if any, as the Court may fix in the order authorizing such rejection;

(d) any claims arising under (a) the Existing First Lien Notes and the First Lien Indenture and related security documents, (b) the Non-Cash Pay Second Lien Notes and the Non-Cash Pay Second Lien Indenture and related security documents, or (c) the Cash Pay Second Lien Notes and the Cash Pay Second Lien Indenture and related security documents;

(e) any claims for which a separate deadline is (or has been) fixed by this Court; and

(f) any claim that has been allowed by an order of this Court entered on or before the applicable Bar Date.

Basis for Relief Requested

16. Local Rule 2002-1(e) provides that "[i]n all cases under chapter 11, the debtor may request a bar date for the filing of proofs of claim or interest." Bankruptcy Rule 3003(c)(3) further provides that "[t]he court shall fix . . . the time within which proofs of claim or interest may be filed." Del. Bankr. L.R. 2002-1(e). The Debtors now seek to establish the Bar Dates to

determine what claims or interest, if any, will be asserted against the Debtors in addition to or different from those which will be listed on the Debtors' Schedules.

17. Bankruptcy Rule 3002(a) provides that an unsecured creditor or an equity security holder must file a proof of claim or interest, except as provided in Bankruptcy Rule 3003. FED. R. BANKR. P. 3002(a). Bankruptcy Rule 3003(c)(2) further provides that any creditor or equity security holder whose claim or interest is not listed in the Schedules, or is listed as disputed, contingent, unliquidated, or unknown, shall file a proof of claim within the time prescribed by Bankruptcy Rule 3003(c)(3), and that any creditor or equity security holders who fails to file such proof of claim or interest shall not be treated as a creditor or equity security holder with respect to such claim or interest for the purpose of receiving any distribution from the estate. FED. R. BANKR. P. 3003(c)(2). In addition, section 503(a) of the Bankruptcy Code provides that "an entity may timely file a request for payment of an administrative expense . . . ." 11 U.S.C. § 503(a).

18. Neither the Bankruptcy Rules nor the Local Rules specify the time by which proofs of claim or interest must be filed in a chapter 11 case. As a result, this Court has discretion in setting such a date and is authorized to grant the relief requested in this Motion.

19. The Debtors believe that the Bar Dates set forth herein will allow the Debtors to identify the scope of general claims, section 503(b)(9) expense claims and interests in a quick and efficient manner, which will facilitate the Debtors in evaluating the nature and extent of the claims and interests for purposes of reorganizing their operations.

20. The Debtors also anticipate that certain creditors may assert claims in connection with the Debtors' rejection of executory contracts pursuant to section 365 of the Bankruptcy Code. The Debtors propose that a creditor must file a proof of claim on or before the General

Bar Date for any claim relating to the Debtors' rejection of an executory contract or unexpired lease that is approved by an order of the Court prior to the date of service of the Bar Date Notice. Any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease as to which an order authorizing such rejection is dated after the date of service of the applicable Bar Date Notice must file a proof of claim on or before the later of: (a) the General Bar Date; (b) thirty (30) days after the entry of an order by the Court authorizing such rejection; or (c) such other date, if any, as the Court may fix in the order authorizing such rejection.

21. The Debtors directly or through their claims agent intend to serve a copy of the Bar Date Notice, a copy of which is attached hereto as **Exhibit "A"**, within three (3) business days of entry of an order approving this Motion, by U.S. Postal Service first-class mail, postage prepaid, on the following parties: (a) all known creditors; (b) all known equity security holders; (c) all parties listed on the Debtors' mailing matrix; (d) all entities which have filed a notice of appearance in the Debtors' Chapter 11 Cases; and (e) the Office of the United States Trustee. The Debtors further intend to provide notice of the Bar Dates by causing a copy of a publication notice, substantially in the form of the Bar Date Notice, to be published within five (5) days following the date this Court enters an order approving this Motion in USA Today.

Notice

22. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Senior Debt Holders; (c) creditors holding the thirty (30) largest unsecured claims as set forth in the consolidated list filed with the Debtors' petitions; (d) those parties requesting notice pursuant to Rule 2002; (e) the Office of the United States Attorney General for the District of Delaware; (f) the Internal Revenue Service; and (g) the Securities and Exchange

Commission. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

23. No previous request for the relief sought herein has been made to this or any other court.

Conclusion

WHEREFORE, the Debtors respectfully request that this Court enter an order granting the relief requested herein and that it grant the Debtors such other and further relief as is just and proper.

Dated: September 21, 2013

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