

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
GALVESTON DIVISION**

IN RE:	§	
	§	
EAGLE BROADBAND, INC.,	§	CASE NO. 07-80605
	§	
ATLANTIC PACIFIC COMMUNICATIONS, INC.	§	CASE NO. 07-80606
CLEARWORKS COMMUNICATIONS, INC.	§	CASE NO. 07-80607
	§	
CLEARWORKS HOME SYSTEMS, INC.	§	CASE NO. 07-80608
	§	
CLEARWORKS.NET INC.	§	CASE NO. 07-80609
	§	
DSS SECURITY D/B/A EAGLE BROADBAND SECURITY	§	CASE NO. 07-80610
	§	
EAGLE BROADBAND SERVICES, INC.	§	CASE NO. 07-80611
	§	
ETOOLZ, INC.	§	CASE NO. 07-80612
	§	
LINK-TWO COMMUNICATIONS, INC.	§	CASE NO. 07-80613
	§	
NORTHPOINTE TELECOM SERVICES, LLC	§	CASE NO. 07-80614
	§	
UCGI CORPORATION	§	CASE NO. 07-80615
	§	
UNITED COMPUTING GROUP, INC.	§	CASE NO. 07-80616
	§	
Debtors.	§	CHAPTER 11
	§	
	§	JOINT ADMINISTRATION REQUESTED
	§	

**MOTION FOR ORDER PURSUANT TO 11 U.S.C. § 366
(A) PROHIBITING UTILITIES FROM ALTERING, REFUSING OR
DISCONTINUING SERVICES AND (B) DETERMINING ADEQUATE
ASSURANCES OF PAYMENT FOR FUTURE SERVICES**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN TWENTY (20) DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Eagle Broadband, Inc. (“EBI”) files this *Motion for Order Pursuant to 11 U.S.C. § 366 (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services and (B) Determining Adequate Assurances of Payment For Future Services* (“Utilities Motion”), and would respectfully show as follows:

JURISDICTION

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This Court may hear and determine this Motion under the standing order of reference issued by the United States District Court for the Southern District of Texas under 28 U.S.C. § 157. Consideration of this Motion is a core proceeding under 28 U.S.C. § 157(b). Venue of this proceeding is proper in this district under 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On the date hereof, EBI filed its voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court.

3. On the date hereof, eleven wholly-owned subsidiaries of EBI (collectively “Subsidiaries” and together with EBI, the “Debtors”) also filed their voluntary petitions for chapter 11 relief. EBI filed a Notice of Designation as Complex Chapter 11 Bankruptcy Case, and a motion for joint administration is currently pending.

4. The Debtors remain in possession of their property and are operating their businesses as debtors-in-possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code. No committee has been appointed in any of the Debtors’ cases at this time.

5. EBI is a provider of broadband, Internet Protocol and satellite communications technology and equipment with related software and broadband products. Eagle Broadband Services, Inc. (“EBS”) provides broadband services to residential and business customers in select communities.

6. D.S.S. Security, Inc. d/b/a Eagle Broadband Security (“DSS”) remains active to the extent necessary to pay a 36 month note expiring in February 2009 which facilitated the February 2006 sale of DSS’s assets and customer security accounts.

7. The remaining wholly-owned subsidiaries of EBI have ceased operations or are substantially inactive: Atlantic Pacific Communications, Inc.; Clearworks Communications, Inc.; Clearworks Home Systems, Inc.; Clearworks.Net, Inc.; EToolz, Inc.; Link-Two Communications, Inc.; Northpointe Telecom Services, LLC; UCGI Corporation; and United Computing Group, Inc.

RELIEF REQUESTED & BASIS FOR RELIEF

8. By this Utilities Motion, the Debtors seek entry of an order prohibiting utilities from altering, refusing or discontinuing services, and determining that the proposed cash deposit

constitutes adequate assurance to the Debtors' utility providers of payment for future services as required under 11 U.S.C. § 366 should the Utilities request adequate assurance.

9. In the normal conduct of their businesses, the Debtors use gas, water, electric telephone and other services provided by various utility companies (the "Utilities"). In addition, as a provider of broadband, Internet Protocol and satellite communications technology and a provider of broadband services to residential and business customers, the uninterrupted use of utilities is vital to the Debtors' business and reorganization. Any interruption of utility services would severely disrupt the Debtors' business operations.

10. Prior to filing for bankruptcy relief, the Debtors endeavored to pay the Utilities in a timely manner and are current on those payments as of the date of filing, except for those payments that would have been made in the ordinary course of the Debtors' businesses but for the filing of this chapter 11 case.

11. Pursuant to 11 U.S.C. § 366(b), a utility may alter, refuse, or discontinue service to a debtor only if, within twenty days after the filing of a petition commencing a case under chapter 11, such utility has not been provided with adequate assurance of payment for services provided post-petition. Further, pursuant to 11 U.S.C. § 366(c), a utility may alter, refuse, or discontinue service to a debtor only if, within thirty days after the filing of a petition commencing a case under chapter 11, such utility has not received from the debtor adequate assurance of payment for utility service that is satisfactory to the utility.

12. The Debtors are concerned that the Utilities may terminate, alter, or refuse to provide service, or may demand an unreasonably large deposit in order to continue providing service. Section 366(c)(3)(A) allows a court, after notice and a hearing, to order the modification of the amount of adequate assurance of payment under § 366(c)(2). Accordingly, by this

Motion, the Debtors respectfully request the entry of an order (i) prohibiting the Utilities from discontinuing, altering, or refusing service to the Debtors, and (ii) determining that the proposed cash deposit constitutes adequate assurances of payment for future services under 11 U.S.C. § 366.

PROPOSED ADEQUATE ASSURANCE

13. Section 366(c) defines “assurance of payment” to mean:

- (i) a cash deposit;
- (ii) a letter of credit;
- (iii) a certificate of deposit;
- (iv) a surety bond;
- (v) a prepayment of utility consumption; or
- (vi) another form of security that is mutually agreed on between the utility and the debtor or trustee.

11 U.S.C. § 366(c).

14. Debtors propose that providing each Utility with a one-month cash deposit based on the average monthly amount billed, for the last six months as detailed on the attached Exhibit “A” constitutes adequate assurance.

15. To the extent any Utility seeks other or additional assurances, the Debtors respectfully request that this Court enter an order pursuant to 11 U.S.C. § 366(c)(3) establishing procedures for determining requests for adequate assurance of future payment. The Debtors will serve the order within five (5) business days of its entry on all of the Utilities listed on Exhibit “A”.

16. If any of the Utilities object to the order and seek additional assurances within twenty (20) days of the date that the order is entered, and the Debtors believe that the assurances

requested are unreasonable, the Debtors shall schedule a prompt hearing to determine adequate assurance as to the objecting Utility (the “Determination Hearing”). Pending resolution of any such Determination Hearing, any objecting Utility shall be restrained from discontinuing, altering, or refusing service to the Debtors on account of unpaid charges for pre-petition services. If a Utility does not seek a Determination Hearing, then the proposed form of assurance of payment shall be deemed to satisfy the requirements of 11 U.S.C. § 366(b) and (c).

17. The Debtors believe that granting the relief requested will not prejudice the rights of the Utilities under 11 U.S.C. § 366.

18. The Debtors will provide copies of this Utilities Motion and notice of the hearing on same by telephone, facsimile, electronic mail, overnight delivery service, hand delivery or by regular mail to the following: (i) the office of the United States Trustee for the Southern District of Texas; (ii) the Securities Exchange Commission; (iii) the Internal Revenue Service; (iv) the Debtors’ twenty (20) largest unsecured creditors; (v) all secured creditors; (vi) the Utilities; and (vii) any party who has filed an appearance and served same on the Debtors prior to service of this Motion.

WHEREFORE, the Debtors respectfully request that the Court enter an order (i) prohibiting Utilities from altering, refusing or discontinuing services, (ii) determining adequate assurance of payment for future services, and (iii) granting such other and further relief, legal or equitable, special or general to which the Debtors may show themselves justly entitled.

Dated: November 15, 2007.

Respectfully submitted,

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