

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

|                              |   |                                |
|------------------------------|---|--------------------------------|
| IN RE:                       | : | CHAPTER 11                     |
|                              | : |                                |
| MAXXIS GROUP, INC.,          | : |                                |
| MAXXIS 2000, INC.,           | : | CASE NO. 03-77243 through      |
| MAXXIS NUTRITIONALS, INC.,   | : | CASE NO. 03-77245 and CASE NO. |
| MAXXIS RESOURCE AND          | : | 03-77247 through 03-77248      |
| DEVELOPMENT, INC.,           | : | (Jointly Administered under    |
| MAXXIS COMMUNICATIONS, INC., | : | Case No. 03-77243)             |
|                              | : |                                |
| Debtors.                     | : | JUDGE DIEHL                    |
|                              | : |                                |

**ORDER CONVERTING CASES TO CHAPTER 7**

This matter came before the Court on January 19, 2006, on the Motion to Convert Cases to Chapter 7 and to Continue to Operate Business of Maxxis Communications, Inc. (the "Motion") filed by the Chapter 11 Trustee, S. Gregory Hays (the "Trustee"). Notice of the hearing on the Motion was served on all creditors and parties in interest. The only objection to the Motion was in the form of a letter from a creditor, Walter A. Gregory. In his letter, Mr. Gregory states essentially that he is opposed to the Motion to the extent it relieves the Trustee from the obligation to pay his claim. Neither Mr. Gregory nor his attorney appeared at the hearing to prosecute the objection. The Court finds that the objection has no merit since the Motion to Convert has no effect on the Trustee's obligation to pay allowed claims in these cases to the extent funds are available to pay such claims. Furthermore, based upon Mr. Gregory's failure to appear at the hearing, the Court finds that he has abandoned his objection. Accordingly, the objection is overruled. Based upon the foregoing, and for all of the reasons stated in the record, it is

**ORDERED**, as follows:

- (a) that the above-styled cases be, and hereby are, converted to cases under Chapter 7 of the Bankruptcy Code;
- (b) that following conversion, these cases will continue to be jointly administered by a single Chapter 7 Trustee;
- (c) that the United States Trustee be, and hereby is, directed to appoint an interim Chapter 7 Trustee to convene and preside over a jointly held Section 341 Meeting of Creditors;
- (d) that, in the event the United States Trustee appoints S. Gregory Hays as interim Chapter 7 Trustee, as is the custom in this District, continued employment by the Interim Trustee of

the same professionals that previously were employed in the Chapter 11 cases, including Scroggins & Williamson, as Counsel for the Trustee; Lamberth, Cifelli, Stokes & Stout, P.A., as Special Counsel for the Trustee; and Hays Financial Consulting, LLC, as Accountants to the Trustee, be, and hereby is, approved under the same terms and conditions as previously authorized by the Court;

(e) that the Chapter 7 Trustee be, and hereby is, automatically substituted as the true party-in-interest for the estate in any pending litigation or contested matters in this case;

(f) that the Chapter 7 Trustee is authorized to continue to operate the business of Maxxis Communications, Inc. until such time as he files notice that such business operations are no longer necessary or beneficial to the estate;

(g) that the Clerk is directed to enter a copy of this Order in each of the above-captioned Debtor's cases.

IT IS SO ORDERED, this 19<sup>th</sup> day of January, 2006.

Mary Grace Diehl  
MARY GRACE DIEHL  
UNITED STATES BANKRUPTCY JUDGE

**Prepared and presented by:**  
LAMBERTH, CIFELLI, STOKES  
& STOUT, P.A.  
Special Counsel to the Trustee

By: A. Alexander Teel  
A. Alexander Teel

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**Identification of Parties to be served pursuant to BLR 9013-3(c):**

A. Alexander Teel, Lamberth, Cifelli, Stokes & Stout, P.A., 3343 Peachtree Road NE, Suite 550, Atlanta, GA 30326-1022

Leroy Culton, Office of U.S. Trustee, 362 U.S. Courthouse, 75 Spring Street SW, Atlanta, GA 30303

(Service list continued on following page)

S. Gregory Hays, Hays Financial Consulting, LLC, Suite 750, 3343 Peachtree Road, NE, Atlanta, GA 30326

J. Robert Williamson, Scroggins & Williamson, 127 Peachtree Street NE, Suite 1500, Atlanta, GA 30303