

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

IN RE:)	
)	
FEDERATED SPORTS & GAMING, INC.)	Case No. 12-13521-WIL
)	(Chapter 11)
Debtor)	
*****)	
IN RE:)	
)	
FEDERATED HEARTLAND, INC.)	Case No. 12-13523-PM
)	(Chapter 11)
Debtor)	

**JOINT APPLICATION OF DEBTORS FOR AN ORDER,
UNDER 11 U.S.C. §327(a) AND FED. R. BANKR. P. 2014 AND 5002,
AUTHORIZING RETENTION AND EMPLOYMENT OF
SHULMAN, ROGERS, GANDAL, PORDY & ECKER, P.A. AS COUNSEL**

Federated Sports & Gaming, Inc. (“Federated Sports”) and Federated Heartland, Inc. (“Federated Heartland,” collectively, the “Debtors”) in the above-captioned cases, debtors and debtors-in-possession in these cases, hereby apply to the Court for entry of an order authorizing the Debtors to retain and employ Shulman, Rogers, Gandal, Pordy & Ecker, P.A. (“SRGPE”), as their bankruptcy counsel, pursuant to Section 327(a) of Title 11 of the United States Code (the “Bankruptcy Code”). 11 U.S.C. § 327(a). In support of its joint application, the Debtors respectfully represent as follows:

BACKGROUND

1. On February 28, 2012 (the “Petition Date”), the Debtors each filed in this Court their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue in possession of their property and is operating their business as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

JURISDICTION AND VENUE

2. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

BASIS FOR RELIEF

3. The statutory basis for the relief requested herein is 11 U.S.C. § 327 and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

4. The Debtors are Delaware corporations with their principal place of business at 2 Wisconsin Circle, Suite 300, Chevy Chase, Maryland. Federated Sports is a leading gaming and sporting company that serves players and fans through nationally, internationally and regionally televised events, interactive digital programming and social media gaming. Federated Sports, founded in 2010, has broken new ground in gaming industry with the launch of the Epic Poker League – an exclusive tournament series that serves the world’s top-ranking professional poker players as determined by a set of objective analytically rigorous qualifying criteria. The Epic Poker League programming is televised worldwide on various networks. Federated Sports is maintaining and improving its brand by developing a new, high-quality gaming application on Facebook, an industry-leading social media website. Federated Sports has developed and launched the USA Today Poker Index (GPI) – a proprietary patent-pending ranking systems that is distributed and tracks the weekly performance of the world’s top live-poker tournament players. Federated Heartland operates the Heartland Poker Tour.

5. By this Application, the Debtors seek authority to employ SRGPE as their bankruptcy counsel to represent them in connection with these bankruptcy cases. The Debtors

have selected SRGPE because the firm has considerable experience in complex Chapter 11 bankruptcy cases. SRGPE has agreed to represent the Debtors on the terms set forth in this Application.

Services to be Provided

6. The professional services the Debtors have asked SRGPE to provide include, but are not limited to:

a. To provide the Debtors with legal advice with respect to their powers and duties in the operation of their businesses and the management of their properties pursuant to the Bankruptcy Code;

b. To prepare on behalf of the Debtors all necessary applications, answers, orders, reports and other legal papers;

c. To assist in analyses and representation with respect to lawsuits to which the Debtors are or may be a party;

d. To negotiate, prepare, file and seek confirmation of a plan of reorganization;

e. To represent the Debtors at all hearings, meetings of creditors and other proceedings; and

f. To perform all other legal services for the Debtors which may be necessary to serve the best interests of the Debtors and their bankruptcy estates in this proceeding. Such services may include, at the Debtors' request, legal representation with respect to litigation, securities, transactional, tax and other matters.

7. The Debtors believe it is necessary to employ experienced bankruptcy counsel for such professional services. The Debtors desire to employ SRGPE under a general retainer because of the extensive legal services required.

SRGPE's Qualifications

8. SRGPE is a law firm of more than 90 attorneys, and engages in the practice of law in substantive areas, including bankruptcy/creditors' rights, corporate, litigation, real estate, telecommunications and tax. Because of SRGPE's expertise in bankruptcy matters, together with SRGPE's knowledge regarding the Debtors' business, the Debtors believe that SRGPE is well qualified to represent the Debtors in the matters described above and that SRGPE's employment is in the best interest of the Debtors, their creditors, and their estate.

SRGPE's Representation of the Debtors

9. As of the Petition Date, SRGPE's only pending work for the Debtors was restructuring and bankruptcy advice.

SRGPE's Compensation

10. In connection with retaining SRGPE as their bankruptcy counsel, the Debtors paid to SRGPE an advance retainer of \$99,000.00. Prior to the bankruptcy, the Debtors paid SRGPE a total of \$17,105.92 for pre-petition restructuring and bankruptcy services. As of the Petition Date, SRGPE is holding \$81,894.08 as a retainer for post-petition services (the "Retainer").

11. SRGPE is holding the Retainer in escrow, pending the Court's authorization and approval of this Application. If this Application is not granted and if the payment of the Retainer to SRGPE is not approved, SRGPE has agreed to return the Retainer to the Debtors, and SRGPE will have no obligation to represent the Debtors in this case. If SRGPE is authorized to be employed and the payment of the Retainer to it is approved, SRGPE has agreed to apply the

Retainer to its fees and the reimbursement of its expenses, under procedures approved by the Court. The Debtors have agreed that SRGPE may apply the Retainer to fees and expenses as incurred, subject to applicable bankruptcy law and practice. The Debtors have agreed that if the legal fees, costs and charges of these bankruptcy services exceed the Retainer, they will pay the normal hourly rate charged to bankruptcy clients of the firm for ordinary legal services, and reimburse for costs and charges under procedures approved by the Court.

Disclosures of SRGPE

12. Except as stated in the accompanying Declaration of Stephen A. Metz, to the best of the Debtors' knowledge, SRGPE (i) neither represents nor holds any interest adverse to the Debtors or their estate; (ii) has no connection with the Debtors, their creditors or any other party-in-interest or its respective attorneys and accountants, or with the United States Trustee for this District or any person employed in his office; and (iii) is a disinterested party, as that term is defined in section 101(14) of the Bankruptcy Code. Accordingly, the Debtors believe that the employment of SRGPE as their bankruptcy counsel is in the best interest of the Debtors, their creditors and their estates.

Notice

13. Notice of this Application has been provided to the United States Trustee, the Internal Revenue Service, the Securities and Exchange Commission, parties on the Debtors' list of twenty largest unsecured creditors, and any party who may have requested notice of these proceedings pursuant to Bankruptcy Rule 2002. The Debtors submit that such notice is appropriate and adequate in the particular circumstances, and no further notice is necessary.

WHEREFORE, for these reasons, the Debtors respectfully request that they be authorized to retain and employ the law firm of SRGPE under a general retainer to represent

them as bankruptcy counsel in this proceeding, and that they be granted such other and further relief as the Court deems proper.

Respectfully submitted,

FEDERATED SPORTS & GAMING, INC.

By: /s/ David Goldberg
David Goldberg
Its Co-Chief Executive Officer

Dated: February 28, 2012

FEDERATED HEARTLAND, INC.

By: /s/ David Goldberg
David Goldberg
Its Co-Chief Executive Officer

Dated: February 28, 2012

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing **Application to Employ Shulman Rogers Gandal Pordy & Ecker P.A. as counsel, Declaration of Stephen A. Metz, and proposed Order** were delivered via FedEx (or via first class mail if to a P.O. Box), this 29th day of February, 2012, to:

Office of the United States Trustee
6305 Ivy Lane, Suite 600
Greenbelt, Maryland 20770

Office of the Attorney General of Maryland
200 St. Paul Place
Baltimore, Maryland 21201

Maryland SDAT
301 West Preston Street
Baltimore, Maryland 21201

Security Exchange Commission
100 F Street, NE
Washington, DC 20549
Attn: Bankruptcy Specialist

Internal Revenue Service
Insolvency Unit
31 Hopkins Plaza, Room 1150
Baltimore, MD 21201

To the 20 Largest Unsecured Creditors on the Attached Lists

/s/ Stephen A. Metz
Stephen A. Metz
12505 Park Potomac Avenue, Sixth Floor
Potomac, Maryland 20854
TEL: (301) 230-6564
FAX: (301) 230-2891
Email: smetz@shulmanrogers.com

20 Largest Unsecured Creditors of the Debtors

441 Productions, Inc.
627 Salter Place
Westfield, NJ 07090

Kirkland & Ellis
655 Fifteenth Street, NW
Washington, DC 20005

All Access Staging Productions
1320 Storm Parkway
Torrance, CA 90501

Project Support Team
6 Berkshire Boulevard South
Bethel, CT 06801

All In Production, LLP
4180 58th Street South
Fargo, ND 58104

Rogers & Cowan
8687 Melrose Avenue, 7th Fl
West Hollywood, CA 90069

Amalia Rosen
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

Rothwell Figg Ernst & Manbeck
1425 K Street, NW, Suite 800
Washington, DC 20005

Creativeputty
89 Hendrickson Avenue
Rockville Centre, NY 11570

Sandeep Aggarwal
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

Digitaria Interactive, Inc.
350 Tenth Avenue, Suite 1200
San Diego, CA 92101

Savage Tournaments, Inc.
6648 Samba Avenue
Las Vegas, NV 89139

Eric Faulkner
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

Scott Becher
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

Daniel Perini
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

SportsBlogs, Inc.
1740 N Street, NW
Washington, DC 20036

Joanne Priam
32 Prince Crd
Brampton ON L7A 2C9
CANADA

Vito Iaia
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

Katherine Kowal
2 Wisconsin Circle, Suite 300
Chevy Chase, MD 20815

Wiener & Garg
6000 Executive Boulevard, #520
Rockville, MD 20852

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Debtor)	

**DECLARATION OF STEPHEN A. METZ IN SUPPORT OF
JOINT APPLICATION FOR AUTHORITY TO EMPLOY
SHULMAN, ROGERS, GANDAL, PORDY & ECKER, P.A.,
AS BANKRUPTCY COUNSEL FOR THE DEBTORS**

I, Stephen A. Metz, state:

1. I am a shareholder in the law firm of Shulman, Rogers, Gandal, Pordy & Ecker, P.A. (“SRGPE”), which maintains offices for the practice of law at 12505 Park Potomac Avenue, Sixth Floor, Potomac, Maryland 20854. I am admitted to practice law before the Bars of the District of Columbia and the State of Maryland, the United States Bankruptcy Courts and District Courts in these jurisdictions and the United States Court of Appeals for the Fourth Circuit.

2. Federated Sports & Gaming, Inc. and Federated Heartland, Inc. (collectively, the “Debtors”) each filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code on February 28, 2012 (the “Petition Date”). The Debtors are submitting a Joint Application (the “Joint Application”) for authority to employ SRGPE as bankruptcy counsel in these proceedings

as of the Petition Date. I make this declaration in support of the Joint Application pursuant to Sections 327 and 329 of the Bankruptcy Code and Bankruptcy Rules 2014, 2016 and 5002.

3. Except as is otherwise indicated below, the facts set forth in this Declaration are based upon my own personal knowledge or records maintained by SRGPE in the ordinary course of its business which have been reviewed by me and/or by other shareholders or employees of SRGPE at my direction, or upon information known by other shareholders or employees of SRGPE and conveyed to me.

SRGPE's Qualifications and the Scope of SRGPE's Retention

4. SRGPE is a firm of approximately 90 lawyers engaged in the general practice of law with its primary offices in Potomac, Maryland. SRGPE has a regional practice in bankruptcy and restructuring matters, as well as corporate, litigation, real estate, and estate planning matters, among others. SRGPE's bankruptcy and restructuring lawyers have extensive experience representing clients involved in all aspects of Chapter 11 proceedings, as well as in non-judicial restructurings and work-outs.

5. In February, 2012, the Debtors asked SRGPE to provide legal services and advice relating to financial difficulties which they were experiencing. As a result, since February 10, 2012, SRGPE has represented and advised the Debtors in connection with such financial difficulties and ultimately with these Chapter 11 proceedings. SRGPE did not represent the Debtors prior to February, 2012.

6. The Debtors have asked SRGPE to continue to represent them and to render the following services in connection with these Chapter 11 cases:

a. To provide legal advice with respect to the Debtors' powers and duties in the operation of their businesses and the management of their properties pursuant to the Bankruptcy Code.

b. To prepare and file on behalf of the Debtors all applications, schedules, motions, responses, reports, objections and other pleadings as may be necessary and as the Debtors authorize;

c. To provide such other bankruptcy and restructuring advice and representation, and such corporate, litigation, tax and other advice and representation, as the Debtors request;

d. To appear on behalf of and represent the Debtors at hearings, meetings of creditors and other meetings and proceedings, as appropriate;

e. To represent and advise the Debtors with respect to any adversary proceedings, lawsuit or other proceeding in which they may be a party or otherwise become involved; and

f. To perform all other legal services as may be necessary and appropriate in connection with these Chapter 11 cases and in connection with the preparation, confirmation and implementation of one or more plans of reorganization or liquidation.

Subject to the Court's approval of the Joint Application, SRGPE is willing to serve as the Debtors' bankruptcy counsel and to perform the services described above.

Connections with Creditors and Other Parties-In-Interest

7. In preparing this Declaration, I utilized a set of procedures established by SRGPE to insure compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules (and the Maryland Lawyers Rules of Professional Conduct as to potential or actual conflicts of

interest). SRGPE has taken various steps to determine whether any conflict of interest exists that would preclude SRGPE's service as bankruptcy counsel. In connection with SRGPE's proposed representation of the Debtors in these cases, I instructed the employees responsible for maintaining SRGPE's computerized databases of client matters to review such databases to determine whether the databases reflect that SRGPE has or had any significant connection with any of the Debtors' creditors, professionals, equity holders, lessors, lenders or vendors (the "Identified Party"). Once the database identified a potential connection between SRGPE and an Identified Party, I or an attorney or legal assistant working under my supervision contacted the attorney(s) responsible for such other matter and elicited information to discern the nature and scope of the representation or connection for appropriate disclosure in this Declaration.

8. Based upon the initial review of the computerized database described above and the resulting inquiries, and based upon responses elicited by the memorandum described above and received to date from individual attorneys, I have been advised of the following:

a. SRGPE does not now represent and has not previously represented any of the Debtors' directors or executive officers.

b. SRGPE checked against its database the names of the Debtors' twenty (20) largest unsecured creditors filed with each voluntary petition, as well as the lists the Debtors provided to SRGPE of the Debtors' secured lenders and landlords. SRGPE does not represent any of them.

9. SRGPE's shareholders and employees may have business associations with, professional, familiar or social relationships with, or interests aligned with or adverse to, creditors, shareholders or parties-in-interest, or their attorneys or agents; as far as I have been able to ascertain, none of these associations or interests has any connection with the Debtors or

these cases that would cause SRGPE not to be disinterested. As part of its practice, SRGPE regularly appears in cases, proceedings and transactions in many jurisdictions, and works together with or adverse to many different parties, which may include creditors, shareholders or parties-in-interest, or attorneys or accountants which may represent creditors, shareholders or parties-in-interest, in these cases.

10. To the best of my knowledge, neither SRGPE nor any shareholder of the firm is:

- a. A creditor, an equity security holder or an insider of the Debtors;
- b. Within two years before the Petition Date, a director, officer or employee

of the Debtors.

11. To the best of my knowledge, SRGPE does not have an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

12. To the best of my knowledge, no attorney at SRGPE is related to any United States District Judge or United States Bankruptcy Judge for the District of Maryland or to the United States Trustee or any employee of the Office of the United States Trustee for such district.

13. As far as I have been able to ascertain to date, based upon the due diligence described above; SRGPE (a) is a disinterested person as that term is defined in 11 U.S.C. § 101(14); (b) does not hold or represent an interest adverse to the estate; and (c) except as set forth herein, has no connections with the Debtors or, to the extent identified to SRGPE and included in the inquiries described, any creditor, any other party-in-interest, their respective

attorneys and accountants, the Office of the United States Trustee for this District or anyone employed in that Office.

SRGPE's Compensation

14. Prior to the filing of the Chapter 11 cases, and in contemplation thereof, the Debtors and SRGPE entered into an engagement letter dated as of February 10, 2012 (the "Engagement Letter"), pursuant to which the Debtors engaged SRGPE to represent them in connection with financial difficulties which they were experiencing and possibly Chapter 11 proceedings if Debtors' management determined that such proceedings were advisable in their business judgment. In connection with that pre-petition work, SRGPE received an advance retainer in the aggregate amount of \$99,000.00. By agreement with the Debtors, the retainer was applied first to SRGPE's fees and expenses for services rendered and expenses incurred prior to the Petition Date, with any balance remaining after such application to be held by SRGPE as an advance retainer for post-petition fees and expenses (the "Retainer"). As of the Petition Date, SRGPE is holding a Retainer in the amount of \$81,894.08, and has been paid a total of \$14,735.00 of fees and \$2,370.92 of costs for pre-petition services.

15. The Debtors have agreed that, to the extent the legal fees, costs and charges of SRGPE's bankruptcy services approved by this Court exceed the Retainer, they will pay SRGPE its normal hourly rates charged to clients of the firm for legal services of this nature, and they will reimburse for SRGPE's out-of-pocket costs and charges incurred in the performance of those services. SRGPE's hourly rates for legal services provided by attorneys range from 250.00 to \$525.00 per hour and \$165.00 per hour to \$175.00 per hour for legal assistants and law clerks. The principal attorneys whom I presently believe will be called upon to render material services in connection with these Chapter 11 cases (and their hourly rates) are myself, Stephen A. Metz

(whose current hourly rate is \$385.00), John D. Sadler (whose current hourly rate is \$325.00), and Jessica Hepburn Sadler (whose current hourly rate is \$295.00). Such rates are subject to change annually as of January 1st to reflect, among other things, increasing seniority within the firm. SRGPE may assign different or additional attorneys to this matter (including other bankruptcy, corporate, tax or litigation attorneys), depending upon the needs of the Debtors and these cases.

16. The hourly rates set forth above are SRGPE's current, customary hourly rates for work of this nature. It is SRGPE's policy to charge its clients for photocopying charges, travel expenses, computerized research, transcription costs and non-ordinary overhead expenses. SRGPE intends to apply for compensation for professional services rendered in connection with these cases on an hourly basis, and for reimbursement of expenses incurred, in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and Orders of this Court.

17. To the best of my knowledge, no promises have been received by SRGPE nor any shareholder or associate thereof as to payment or compensation in connection with the above-captioned cases other than in accordance with applicable provisions of the Bankruptcy Code. SRGPE has no agreement with any other entity to share with such entity any compensation received by SRGPE in connection with the Debtors' bankruptcy cases, except as permitted by Bankruptcy Rule 2016(b).

18. SRGPE intends to periodically review its database during the pendency of these Chapter 11 cases to ensure, to the extent reasonably possible, that no conflict or other disqualifying circumstance exists or arises. If any new relevant fact or relationship is discovered

or arises, SRGPE will, as soon as reasonably practicable after identifying such a matter, file a supplemental declaration with the Court in accordance with Bankruptcy Rule 2014(a).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

/s/ Stephen A. Metz
Stephen A. Metz
12505 Park Potomac Avenue, Sixth Floor
Potomac, Maryland 20854
TEL: (301) 230-6564
FAX: (301) 230-2891
Email: smetz@shulmanrogers.com

Dated: February 28, 2012

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

IN RE:)	
)	
FEDERATED SPORTS & GAMING, INC.)	
)	Case No. 12-13521-WIL
)	(Chapter 11)
Debtor)	
*****)	
IN RE:)	
)	
FEDERATED HEARTLAND, INC.)	
)	Case No. 12-13523-PM
)	(Chapter 11)
Debtor)	

**ORDER PURSUANT TO SECTION 327(a) OF THE
BANKRUPTCY CODE FOR RETENTION OF SHULMAN, ROGERS,
GANDAL, PORDY & ECKER, P.A. AS COUNSEL TO THE DEBTORS**

Upon the Application to Employ Shulman, Rogers, Gandal, Pordy & Ecker, P.A. (“SRGPE”) as counsel to the Debtors, Federated Sports & Gaming, Inc. and Federated Heartland, Inc. (collectively, the “Debtors”) (the “Application”), and based upon the Affidavit of Stephen A. Metz, a SRGPE shareholder, in support thereof (the “Metz Affidavit”); and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 2 U.S.C. § 158(a); and the Court being satisfied based on the representations made in the Application and in the Metz Affidavit that said attorneys represent no interest adverse to the Debtors’ estate with

respect to the matters upon which they are to be engaged, that they are disinterested persons as that term is defined under § 101(14) of the Bankruptcy Code, as modified by § 1107(b) of the Bankruptcy Code, and that their employment is necessary and in the best interests of the Debtors, its creditors and other parties-in-interest; and after due deliberation, it is by the United States Bankruptcy Court for the District of Maryland,

ORDERED, that the Application is granted; and it is further

ORDERED, in accordance with § 327(a) of the Bankruptcy Code and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Debtors are authorized and empowered to retain and employ SRGPE as bankruptcy counsel to the Debtors, and SRGPE is authorized to provide any necessary and appropriate services related thereto as may be required by the Debtors; and it is further

ORDERED, SRGPE shall seek compensation and reimbursement of expenses upon proper applications for allowance of interim and final compensation in accordance with the procedures set forth in §§ 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and the rules and orders of this Court that the Debtors are authorized to employ SRGPE to act as an counsel to the Debtors in its capacities as debtors/debtors-in-possession.

Copies to:

Stephen A. Metz, Esquire
Shulman, Rogers, Gandal, Porcy & Ecker, P.A.
12505 Park Potomac Avenue, Sixth Floor
Potomac, Maryland 20854

END OF ORDER