

The Depository Trust Company

IMPORTANT

B#: 0266

DATE: July 07, 2000

TO: All Participants

CATEGORY: Reorganization

FROM: DTC Proxy Department

ATTENTION: Proxy/Reorganization Manager

SUBJECT: Inner Systems, Inc.
CUSIP # 45768N 10 6

The Depository Trust Company received materials, including the attached Order indicating that Inner Systems, Inc. is soliciting acceptances by creditors of its Second Amended Plan of Reorganization, dated June 19, 2000 (the "Plan"). DTC has been advised by Counsel that holders of Inner Systems, Inc. Common Stock **have been deemed to reject the Plan \OR| are unimpaired** and their votes are not being solicited on the Plan. A hearing on confirmation of the Plan is scheduled to be held on August 1, 2000. Any written objections to confirmation of the Plan must be filed no later than July 27, 2000. Participants may obtain copies of the materials for voting on the Plan by contacting:

Pryor & Mandelup, LLP
(516) 997-0999

Karl Baker
Manager

Attachment

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

INNER SYSTEMS INC.,

Case No. 899-84310-478

Debtor.

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ORDER: (1) APPROVING SECOND AMENDED DISCLOSURE STATEMENT, (2)
SCHEDULING HEARING FOR CONFIRMATION OF SECOND AMENDED PLAN AND
(3) DEADLINES FOR OBJECTIONS AND BALLOTING

Upon the review of the Second Amended Disclosure Statement (the "Disclosure Statement"), dated June 19, 2000, and the Second Amended Plan of Reorganization (the "Plan"), dated June 19, 2000, filed by Inner Systems, Inc. (the "Debtor"); and where the Court has determined, that the Disclosure Statement contains "adequate information", as that term is defined pursuant to §1125 of the Bankruptcy Code; it is hereby

ORDERED, that the Disclosure Statement be, and hereby is, approved as containing "adequate information", as that term is defined in §1125 of the Bankruptcy Code; and it is further

ORDERED, that the Debtor, be, and it hereby is, authorized pursuant to §1125 of the Bankruptcy Code, to solicit acceptances of the Plan from holders and impaired classes against, and impaired interest in the Debtor, by the transmission of a copy of this Order, the Plan and Disclosure Statement, upon each holder of a claim and/or interest or administrative expense and a ballot to each holder of a Claim or Interest; and it is further

ORDERED, that the form of the ballot, substantially in the

form annexed hereto as Exhibit "1", be, and it hereby is, approved in all respects and may be used by the Debtor in conjunction with the solicitation of votes on the Plan; and it is further

ORDERED, that all ballots with respect to the Plan must be received by Pryor & Mandelup, L.L.P. counsel for the Debtor, 675 Old Country Road, Westbury, New York 11590, attn: Eric J. Snyder, Esq., on or before 5:00 p.m. on July 27, 2000 (the "Ballot Date"), and that any ballot which is received after such time will not be counted; and it is further

ORDERED, that any ballot which is executed by the holder of an Allowed Claim or Allowed Interest (as defined in the Plan) which (i) indicates acceptance of the Plan, or (ii) does not indicate an acceptance or rejection of the Plan, shall be deemed to be acceptance of the Plan; and it is further

ORDERED, that pursuant to §1128 of the Bankruptcy Code and Bankruptcy Rule 3020, a hearing shall be held before the Honorable Dorothy Eisenberg, United States Bankruptcy Judge, on August 1, 2000 at 11:00 a.m. or as soon thereafter can be heard at the United States Bankruptcy Court, Eastern District of New York, 1635 Privado Road Westbury, New York 11590 (the "Confirmation Hearing") to consider confirmation of the Plan; and it is further

ORDERED, that any objection to the confirmation of the Plan must be filed with the Clerk of the Bankruptcy Court, 1635 Privado Road, Westbury New York 11590 and a copy thereof served upon Pryor & Mandelup, L.L.P., 675 Old Country Road, Westbury, New York 11590,

(attn: Eric J. Snyder, Esq.) and the Office of the United States Trustee, 825 East Gate Boulevard, Garden City New York 11530 (attn: Stan Yang, Esq.), so as to be received on or before July 27, 2000 and must set forth with particularity the ground(s) of such objection, and it is further

ORDERED, that the Debtor shall serve on or before June 27, 2000, by regular mail upon every entity, (A) that was listed as a creditor in the Debtor's Schedules of Assets and Liabilities which have been filed with this Court; (B) as a party to an executory contract which the Debtor whose claim has not been expunged by the Bankruptcy Court; and (C) every other entity which has, as of the date hereof, filed a proof of claim against the Debtor whose claim has not been expunged by the Court; (i) a copy of the Disclosure Statement (including the Plan) and (ii) a ballot, where applicable and (iii) a copy of this Order and (D) the shareholders, by the registered agent: and it is further

ORDERED, that service of this Order and the Plan and Disclosure Statement, shall be deemed good and sufficient notice of the time within its acceptances and rejections of the Plan must be filed, and of the Confirmation Hearing and; it is further

ORDERED, that the Confirmation Hearing described above may be adjourned from time to time without further notice to creditors or interested parties other than the announcement of the adjourned date of said Confirmation Hearing.

Dated: Westbury, New York
June 20, 2000

\S\ HONORABLE DOROTHY EISENBERG
THE HONORABLE DOROTHY EISENBERG
UNITED STATES BANKRUPTCY JUDGE