

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

AKORN, INC.,¹

Debtor.

)
) Chapter 11
)
) Case No. 20-11177 (KBO)
)
)
)
)
)

**CERTIFICATION OF COUNSEL REGARDING THE
ORDER APPROVING STIPULATION BETWEEN THE DEBTORS AND
NEW JERSEY DIVISION OF TAXATION RESOLVING TAX CLAIMS**

The undersigned hereby certifies as follows:

1. On May 20, 2020 (the “Petition Date”), the above-captioned post-effective date debtor (the “Debtor”) and its affiliated debtors and debtors in possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, commencing their chapter 11 cases (the “Chapter 11 Cases”).

2. On September 4, 2020, the Bankruptcy Court entered an order [D.I. 673] confirming the *Modified Joint Chapter 11 Plan of Akorn, Inc. and its Debtor Affiliates* [D.I. 673-1] (the “Plan”).

3. On October 1, 2020, the Plan became effective pursuant to its terms and DriveTrain LLC was appointed as Plan Administrator pursuant thereto.

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Akorn, Inc. (7400). The Chapter 11 Cases of the following entities, formerly administratively consolidated with the foregoing case, have been closed: 10 Edison Street LLC (7890); 13 Edison Street LLC; Advanced Vision Research, Inc. (9046); Akorn (New Jersey), Inc. (1474); Akorn Animal Health, Inc. (6645); Akorn Ophthalmics, Inc. (6266); Akorn Sales, Inc. (7866); Clover Pharmaceuticals Corp. (3735); Covenant Pharma, Inc. (0115); Hi-Tech Pharmacal Co., Inc. (8720); Inspire Pharmaceuticals, Inc. (9022); Oak Pharmaceuticals, Inc. (6647); Olta Pharmaceuticals Corp. (3621); VersaPharm Incorporated (6739); VPI Holdings Corp. (6716); and VPI Holdings Sub, LLC. The location of the Debtor’s service address is: 1925 W. Field Court, Suite 300, Lake Forest, Illinois 60045.



4. On October 14, 2020, the New Jersey Division of Taxation (the “Division of Taxation”) filed proofs of claim numbers 678, 679, 680, 681, 682, 683, 684 and 685 (collectively, the “Proofs of Claim”) asserting tax claims against certain Debtors.

5. On August 29, 2022, the Debtors and the Division of Taxation, by and through their respective counsel, entered into that certain *Stipulation Between the Debtors and New Jersey Division of Taxation Resolving Tax Claims* (the “Stipulation”),² whereby the Proofs of Claim shall be considered satisfied in full and expunged upon the Division of Taxation’s receipt of the Payment from the Debtors.

6. A copy of the Stipulation is attached as **Exhibit 1** to the proposed form of order approving the Stipulation (the “Order”) which is attached hereto as **Exhibit A**.

² Capitalized terms used but not otherwise defined shall have the meaning ascribed to such terms in the Stipulation.

WHEREFORE, the Debtor respectfully requests that the Order, substantially in the form attached hereto as **Exhibit A**, be entered at the earliest convenience of the Bankruptcy Court.

Wilmington, Delaware
August 29, 2022

/s/ Emily R. Mathews

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EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
AKORN, INC., <i>et al.</i> , ¹)	
)	Case No. 20-11177 (KBO)
Debtors.)	
)	

**ORDER APPROVING STIPULATION BETWEEN THE DEBTORS
AND NEW JERSEY DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION RESOLVING TAX CLAIMS**

Upon consideration of the *Certification of Counsel Regarding Order Approving Stipulation Between the Debtors and New Jersey Department of the Treasury Division of Taxation Resolving Tax Claims* (the “Stipulation”)², attached hereto as Exhibit 1; it is HEREBY ORDERED THAT:

1. The Stipulation is approved.

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Akorn, Inc. (7400). The Chapter 11 Cases of the following entities, formerly administratively consolidated with the foregoing case, have been closed: 10 Edison Street LLC (7890); 13 Edison Street LLC; Advanced Vision Research, Inc. (9046); Akorn (New Jersey), Inc. (1474); Akorn Animal Health, Inc. (6645); Akorn Ophthalmics, Inc. (6266); Akorn Sales, Inc. (7866); Clover Pharmaceuticals Corp. (3735); Covenant Pharma, Inc. (0115); Hi-Tech Pharmacal Co., Inc. (8720); Inspire Pharmaceuticals, Inc. (9022); Oak Pharmaceuticals, Inc. (6647); Olta Pharmaceuticals Corp. (3621); VersaPharm Incorporated (6739); VPI Holdings Corp. (6716); and VPI Holdings Sub, LLC. The location of the Debtor’s service address is: 1925 W. Field Court, Suite 300, Lake Forest, Illinois 60045.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Stipulation.

2. The Parties are authorized to take all actions necessary to effectuate the terms of the Stipulation.

EXHIBIT 1

Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

AKORN, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 20-11177 (KBO)
)
)
)

**STIPULATION BETWEEN THE DEBTORS AND NEW JERSEY DIVISION OF
TAXATION RESOLVING TAX CLAIMS**

The above-captioned post-effective date debtors (collectively, the “Debtors”) in these chapter 11 cases (the “Chapter 11 Cases”) and the New Jersey Division of Taxation (the “Division of Taxation” and, together with the Debtors, the “Parties”), by and through their respective counsel, hereby enter into this stipulation (the “Stipulation”)² and stipulate and agree as follows:

WHEREAS, on May 20, 2020, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

WHEREAS, on September 4, 2020, the Bankruptcy Court entered an order [D.I. 673] confirming the *Modified Joint Chapter 11 Plan of Akorn, Inc. and its Debtor Affiliates* [D.I. 673-1] (the “Plan”).

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor’s federal tax identification number, is: Akorn, Inc. (7400). The Chapter 11 Cases of the following entities, formerly administratively consolidated with the foregoing case, have been closed: 10 Edison Street LLC (7890); 13 Edison Street LLC; Advanced Vision Research, Inc. (9046); Akorn (New Jersey), Inc. (1474); Akorn Animal Health, Inc. (6645); Akorn Ophthalmics, Inc. (6266); Akorn Sales, Inc. (7866); Clover Pharmaceuticals Corp. (3735); Covenant Pharma, Inc. (0115); Hi-Tech Pharmacal Co., Inc. (8720); Inspire Pharmaceuticals, Inc. (9022); Oak Pharmaceuticals, Inc. (6647); Olta Pharmaceuticals Corp. (3621); VersaPharm Incorporated (6739); VPI Holdings Corp. (6716); and VPI Holdings Sub, LLC. The location of the Debtor’s service address is: 1925 W. Field Court, Suite 300, Lake Forest, Illinois 60045.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Plan.

WHEREAS, on October 1, 2020, the Plan became effective pursuant to its terms and DriveTrain LLC was appointed as Plan Administrator pursuant thereto.

WHEREAS, on October 14, 2020, the Division of Taxation filed the following proofs of claim:

- a. proof of claim number 678 asserting unsecured priority claims in the amount of \$536.50 against Debtor entity Akorn Inc. in connection with use tax for the period May 21, 2020 through June 30, 2020;
- b. proof of claim number 679 asserting unsecured priority claims in the amount of \$20,485,417.64 against Debtor entity Akorn (New Jersey) Inc. in connection with use tax for the tax period January 2013 through May 20, 2020, and corporation business tax for the 2019 tax year;
- c. proof of claim number 680 asserting against Debtor entity Akorn, Inc. (i) a secured claim in the amount of \$15,178.19 in connection with sales and use taxes for the tax period October 1, 2008 through September 30, 2012, (ii) unsecured priority claims in the amount of \$8,752,185.70 in connection with sales and use taxes for the period January 1, 2012 through June 30, 2019, corporation business taxes for the period January 1, 2017 through December 31, 2019, and a sales tax audit for the period January 1, 2014 through May 20, 2020, and (iii) a general unsecured claim in the amount of \$3,612,076.21 in connection with corporation business taxes for the 2006, 2009, and 2016 tax years, and costs related to the secured claim;
- d. proof of claim number 681 asserting unsecured priority claims in the amount of \$233,668.89 against Debtor entity Akorn (New Jersey) Inc. in connection with use taxes for the tax period May 21, 2020 through June 30, 2020;
- e. proof of claim number 682 asserting against Debtor entity Inspire Pharmaceuticals Inc. an unsecured priority claim in the amount of \$6,000.00 in connection with corporation business taxes for the tax periods January 1, 2017 through December 31, 2019; and a general unsecured claim in the amount of \$7,624.77 in connection with corporation business taxes for the tax period January 1, 2013 through December 31, 2016;
- f. proof of claim number 683 asserting an unsecured priority claim in the amount of \$2,000.00 against Debtor entity Akorn Sales Inc. in connection with corporation business taxes for the tax year ending December 31, 2019;
- g. proof of claim number 684 asserting an unsecured priority claim in the amount of \$240,000.00 against Debtor entity VersaPharm Incorporated in connection with corporation business taxes for the tax period January 1, 2013 through December 31, 2016; and

- h. proof of claim number 685 asserting unsecured priority claims in the amount of \$2,000.00 against Debtor entity Advanced Vision Research Inc. in connection with corporation business taxes for the tax year ending December 31, 2019.

WHEREAS, notwithstanding anything to the contrary in proofs of claim 678, 679, 680, 681, 682, 683, 684, and 685 (collectively, the “Proofs of Claim”), the Parties have agreed to consensually resolve all matters between the Parties, including the Proofs of Claim, on the terms set forth in this Stipulation.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the Parties to this Stipulation that:

1. The above recitals are true and correct and are incorporated herein by reference.
2. Upon entry of an order from the Bankruptcy Court approving this Stipulation (the “**Order**”), the Debtors shall pay \$3,750,000.00 to the Division of Taxation (the “**Payment**”). The Debtors have 90 days after entry of the Order to make the Payment to the Division of Taxation. If the Debtors fail to make the Payment to the Division of Taxation, this Stipulation shall be null and void.
3. Upon receipt of the Payment, the Proofs of Claim shall be considered satisfied in full and expunged. The Debtors may adjust the claims register consistent with the terms of this Stipulation.
4. Each of the Parties understands and agrees that this Stipulation reflects a compromise of disputed claims and does not constitute, nor shall it be construed as, in any way, an admission of liability, fault, violation, responsibility, or wrongdoing by any of the Parties hereto such liability and wrongdoing being expressly denied.
5. This Stipulation is governed by the law of the State of Delaware, exclusive of its choice-of-law provisions. Each Party irrevocably consents to the jurisdiction of the Bankruptcy

Court with respect to any action to enforce the terms and provisions of this Stipulation. Each Party waives any right to commence any such action in any other forum.

6. The undersigned persons represent and warrant that they have full authority to execute this Stipulation.

7. This Stipulation constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the matters addressed herein.

8. This Stipulation has been drafted through a cooperative effort of the Parties, and no Party shall be considered the drafter of this Stipulation so as to give rise to any presumption or convention regarding construction of this Stipulation.

9. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile or electronic mail, and each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

STIPULATED AND AGREED TO:

/s/ Amanda R. Steele

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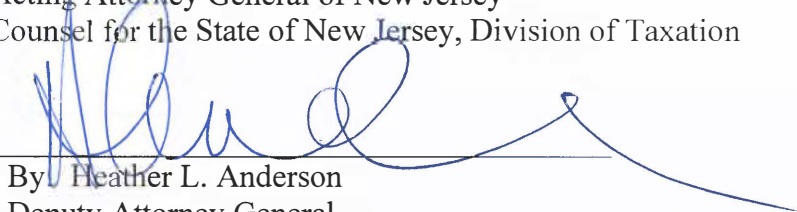
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