Docket #0092 Date Filed: 8/26/2022

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
CARESTREAM HEALTH, INC., *et al.*,[1]	)	Case No. 22-10778 (JKS)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket Nos. 7, 74**

Objection Deadline: September 21, 2022 at 4:00 p.m. (ET)
Hearing Date: September 28, 2022 at 2:00 p.m. (ET)

NOTICE OF ENTRY OF INTERIM ORDER AND FINAL HEARING REGARDING DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) MAINTAIN INSURANCE AND SURETY COVERAGE ENTERED INTO PREPETITION AND PAY RELATED PREPETITION OBLIGATIONS, AND (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE AND SURETY COVERAGE, AND (II) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that on August 23, 2022, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage Entered Into Prepetition and Pay Related Prepetition Obligations, and (B) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage, and (II) Granting Related Relief* (the "Motion") [Docket No. 7] with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). A copy of the Motion is attached hereto as **Exhibit 1**.

PLEASE TAKE FURTHER NOTICE that the Debtors presented certain first-day motions at a hearing before the Honorable J. Kate Stickles at the Bankruptcy Court on August 24, 2022. The Bankruptcy Court granted the relief requested by the Motion on an

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Debtors' service address is: 150 Verona Street, Rochester, New York 14608.

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interim basis and entered the *Interim Order (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage Entered Into Prepetition and Pay Related Prepetition Obligations, and (B) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage, and (II) Granting Related Relief* (the "Interim Order") [Docket No. 74], attached hereto as **Exhibit 2**.

PLEASE TAKE FURTHER NOTICE that any response or objection to the entry of a final order with respect to the relief sought in the Motion must be filed with the Bankruptcy Court on or before **September 21, 2022 at 4:00 p.m. prevailing Eastern Time**.

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon: (i) the proposed counsel to the Debtors, (a) Kirkland & Ellis LLP, Kirkland & Ellis International LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Patrick J. Nash, Jr., P.C. (patrick.nash@kirkland.com), Tricia Schwallier Collins, Esq. (tricia.schwallier@kirkland.com), and Yusuf U. Salloum, Esq. (yusuf.salloum@kirkland.com), (b) Kirkland & Ellis LLP, Kirkland & Ellis International LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Nicole L. Greenblatt, P.C. (nicole.greenblatt@kirkland.com) and Rachael M. Bentley, Esq. (rachael.bentley@kirkland.com), and (c) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Laura Davis Jones, Esq. (ljones@pszjlaw.com), Timothy P. Cairns, Esq. (tcairns@pszjlaw.com), and Edward Corma, Esq. (ecorma@pszjlaw.com); (ii) counsel to JPMorgan Chase Bank, N.A., (a) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attn: Sandeep Qusba, Esq. (squsba@stblaw.com) and Jonathan Mitnick, Esq. (jonathan.mitnick@stblaw.com) and (b) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801,

Attn: Adam G. Landis, Esq. (landis@lrclaw.com), Matthew B. McGuire, Esq. (mcguire@lrclaw.com), and Matthew R. Pierce, Esq. (pierce@lrclaw.com); (iii) counsel to the Credit Suisse AG, Cayman Island Branch, (a) Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, 31st Floor, New York, New York 10022, Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com), Scott D. Talmadge, Esq. (scott.talmadge@freshfields.com), Samantha S. Braunstein, Esq. (samantha.braunstein@freshfields.com), Lacey Nemergut, Esq. (lacey.nemergut@freshfields.com), and Skyler Splinter, Esq. (skyler.splinter@freshfields.com) and (b) Potter Anderson & Corroon LLP, 1313 N. Market Street, 6th Floor, Wilmington, Delaware 19801, Attn: Jeremy W. Ryan, Esq. (jryan@potteranderson.com), L. Katherine Good, Esq. (kgood@potteranderson.com), Elizabeth R. Schlecker, Esq. (eschlecker@potteranderson.com); (iv) counsel to the Crossover Group, (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, New York 10036-6745, Attn: Philip C. Dublin (pdublin@akingump.com), Naomi Moss (nmoss@akingump.com), and Gary A. Ritacco (gritacco@akingump.com) and (b) Troutman Pepper Hamilton Sanders LLP, Hercules Plaza, Suite 5100, 1313 N. Market Street, Wilmington, Delaware 19899-1709, Attn: Evelyn J. Meltzer (evelyn.meltzer@troutman.com), Marcy J. McLaughlin Smith (marcy.smith@troutman.com), and Kenneth A. Listwak (ken.listwak@troutman.com); (v) the Office of The United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Janes M. Leamy, Esq. (jane.m.leamy@usdoj.gov); and (vi) counsel to any statutory committee appointed in these chapter 11 cases.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE FINAL RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE FINAL RELIEF SOUGHT IN THE MOTION WILL BE HELD ON **SEPTEMBER 28, 2022 AT 2:00 P.M. PREVAILING EASTERN TIME** BEFORE THE HONORABLE J. KATE STICKLES, UNITED STATES BANKRUPTCY COURT JUDGE, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.

Dated: August 26, 2022
Wilmington, Delaware

/s/ Laura Davis Jones

Laura Davis Jones (DE Bar No. 2436)
Timothy P. Cairns (DE Bar No. 4228)
Edward Corma (DE Bar No. 6718)
PACHULSKI STANG ZIEHL & JONES LLP
919 North Market Street, 17th Floor
P.O. Box 8705
Wilmington, Delaware 19801
Telephone: (302) 652-4100
Facsimile: (302) 652-4400
Email: ljones@pszjlaw.com
tcairns@pszjlaw.com
ecorma@pszjlaw.com

-and-

Patrick J. Nash, Jr., P.C. (*pro hac vice* pending)
Tricia Schwallier Collins (*pro hac vice* pending)
Yusuf U. Salloum (*pro hac vice* pending)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: patrick.nash@kirkland.com
tricia.schwallier@kirkland.com
yusuf.salloum@kirkland.com

-and-

Nicole L. Greenblatt, P.C. (*pro hac vice* pending)
Rachael M. Bentley (*pro hac vice* pending)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: nicole.greenblatt@kirkland.com
Email: rachael.bentley@kirkland.com

Proposed Co-Counsel for the Debtors and Debtors in Possession

Exhibit 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
CARESTREAM HEALTH, INC., *et al.*,[1]	)	Case No. 22-10778 (___)
Debtors.	)	(Joint Administration Requested)

DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) MAINTAIN INSURANCE AND SURETY COVERAGE ENTERED INTO PREPETITION AND PAY RELATED PREPETITION OBLIGATIONS, AND (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE AND SURETY COVERAGE, AND (II) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion:[2]

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the "Interim Order" and "Final Order"), (a) authorizing the Debtors to (i) maintain coverage under the Insurance Policies and the Surety Bonds (each as defined herein) and pay related obligations, and (ii) renew, supplement, modify, or

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Debtors' service address is: 150 Verona Street, Rochester, New York 14608.

[2] A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors' chapter 11 cases, is set forth in the *Declaration of Scott H. Rosa, Chief Financial Officer of Carestream Health, Inc., in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith. Capitalized terms used but not defined in this motion have the meanings ascribed to them in the First Day Declaration or in the contemporaneously filed *Joint Prepackaged Chapter 11 Plan of Reorganization of Carestream Health, Inc. and Its Debtor Affiliates* (as amended, supplemented, or otherwise modified from time to time, the "Plan"), as applicable.

purchase insurance and surety coverage in the ordinary course of business; and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing approximately thirty-five days after the commencement of these chapter 11 cases to consider entry of the Final Order.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. The Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), rules 2002, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rules 2002-1 and 9013-1.

Background

5. The Debtors, together with their non-Debtor affiliates (collectively, "Carestream" or the "Company"), are a leading provider of medical imaging and non-destructive testing products with over 100 years of industry experience. The Company is a partner of choice to approximately 8,000 direct customers and approximately 900 dealers in more than 130 countries. Its products

are used by prominent health systems, hospitals, imaging centers, specialty practices and industrial companies worldwide. Headquartered in Rochester, New York, Carestream employs a global workforce of approximately 3,410 employees with approximately 180 contractors.

6. Carestream, like many businesses, faced significant headwinds in 2020, principally as a result of changing product and customer trends and the global COVID-19 pandemic, which, in light of the Debtors' capital structure, placed substantial strain on the Debtors' businesses. To alleviate the strain, the Debtors executed a voluntary amend-and-extend transaction in early 2020 that extended the maturities of their first lien revolver and term loan and second lien term loan debt. The amend-and-extend transaction provided the Debtors with time to meaningfully examine various strategic alternatives, including sale transactions and debt-for-equity exchanges to deleverage the Company.

7. Ultimately, the Debtors determined that a substantial deleveraging combined with new capital investment was the best path forward for their business. To implement the foregoing, the Debtors negotiated, and ultimately agreed, with a majority of their prepetition secured lenders and their equity sponsor on the terms of a comprehensive financial restructuring. The terms of the proposed restructuring are memorialized in a restructuring support agreement (the "RSA") that serves as the foundation of the Debtors' prepackaged Plan. Under the RSA, the Debtors will eliminate approximately $470 million of prepetition funded debt and raise up to $75 million of new equity capital, while also leaving general unsecured claims unimpaired. As of August 23, 2022 (the "Petition Date"), the Debtors have fully solicited their Plan, which was accepted by all creditor classes entitled to vote, including lenders collectively holding approximately 73% of the Debtors' prepetition first lien revolver and term loan debt and approximately 98% of the Debtors' prepetition second lien term loan debt.

8. On the Petition Date, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have also filed a motion requesting joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

The Insurance Policies, the Surety Bonds, and Related Payment Obligations

9. In the ordinary course of business, the Debtors maintain thirty-eight insurance policies (collectively, the "Insurance Policies") administered by various third-party insurance carriers (collectively, the "Insurance Carriers"), as well as twenty surety bonds (collectively, the "Surety Bonds") issued by Atlantic Specialty Insurance Company (the "Surety"). The Insurance Policies provide coverage for, among other things, the Debtors' property, general liability, automobile liability, transportation liability, cyber liability, workers' compensation, umbrella coverage, casualty liability, and directors' and officers' liability. The Surety Bonds are issued in favor of various federal, state, and industry regulatory agencies to guarantee certain obligations related to U.S. Customs imports and drawbacks, and various state licenses and permits.

10. The Insurance Policies and the Surety Bonds, each of which is listed in **Exhibit C** attached hereto, are essential to the ongoing operation of the Debtors' business.[3] The Insurance

[3] The Debtors also maintain certain self-insurance policies that are not reflected in **Exhibit C** and for which relief is sought through the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* (the "Wages Motion") filed contemporaneously herewith. The attached **Exhibit C** includes an Insurance Policy related to the Debtors' workers' compensation program, which program is described in the Wages Motion. For the avoidance of doubt, this motion asks the

Policies generally are one-year in length, with no obligation to renew upon expiration of any of the Insurance Policies. The annual premiums for the Insurance Policies and the Surety Bonds total approximately $3.96 million, not including applicable deductibles.[4] The majority of Insurance Policy premiums are paid in a single lump sum shortly after the Insurance Policy inception date.[5] The Debtors estimate that approximately $650,000 in prepetition premiums are outstanding on account of the Insurance Policies or the Surety Bonds. The Debtors seek authority to pay any prepetition obligations owing on account of the Insurance Policies and the Surety Bonds in the ordinary course of business as they become due to ensure uninterrupted coverage thereunder.

11. The Debtors' ability to maintain the Insurance Policies and the Surety Bonds, to renew, supplement, and modify the same as needed, and to enter into new insurance policies and surety bonds as needed in the ordinary course of business, is essential to preserving the value of the Debtors' businesses, operations, and assets. Moreover, in many instances, insurance or surety coverage is required by statutes, rules, regulations, and contracts that govern the Debtors' commercial activities, including the requirements of the Office of the United States Trustee for the

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Court to authorize the Debtors' payment of any prepetition obligations on account of the related Insurance Policy to the extent not covered by the relief requested in the Wages Motion.

4 Some of the Insurance Policies require the Debtors to pay a per-incident deductible (collectively, "Deductibles"). Generally, if a claim is made against such Insurance Policies, the applicable Insurance Carrier will administer the claim and make payments in connection therewith. As of the Petition Date, the Debtors believe that there is approximately $615,000 of accrued but unpaid amounts outstanding on account of the Deductibles, none of which has been invoiced. Out of an abundance of caution, the Debtors seek authority, but not direction, to pay all prepetition amounts that may be due and owing on account of the Deductibles and to continue honoring all payment obligations under the Deductibles in the ordinary course of business to ensure uninterrupted coverage thereunder.

5 The following Insurance Policies are paid in installments, based on estimated exposures, and are subject to audit after the expiration of such policy: (i) the U.S. Automobile Liability policy, by and among the Debtors and Everest Denali Insurance Company (RM5CA 00001-221, RM5CA 00002-221); (ii) the Commercial General Liability policy, by and among, the Debtors and Everest National Insurance Company (RM5GL 00001-221); and (iii) the Worker's Compensation and Employer's Liability policies, by and among, the Debtors and Everest Premier Insurance Company (RM5WC 00001-221, RM5WC 00013-221 & RM5WC 00015-221). The premiums are recalculated based upon the actual exposures during the policy period resulting in an additional or return premium.

District of Delaware (the "U.S. Trustee") that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors seek authorization to maintain the Insurance Policies and the Surety Bonds, to pay related prepetition obligations, to renew, supplement, or modify the Insurance Policies and the Surety Bonds as needed, and to enter into new insurance policies and surety bonds in the ordinary course of business.

The Debtors' Insurance and Surety Brokers

12. The Debtors obtain all of their Insurance Policies and the Surety Bonds through either Willis Towers Watson Northeast, Inc. or Marsh USA Inc. (collectively, the "Brokers"). The Brokers, among other things: (a) assist the Debtors in obtaining comprehensive insurance and surety coverage for their operations in a cost-effective manner; (b) manage renewal data; and (c) provide ongoing support throughout the applicable policy periods for the Insurance Policies and the Surety Bonds. In exchange for these services, the Debtors pay a broker commission and brokerage fees (collectively, the "Broker Fees").

13. As of the Petition Date, the Debtors owe approximately $160,550 to the Brokers on account of Broker Fees.[6] The Debtors request authority to pay the prepetition obligations owed to the Brokers and to continue to pay the Brokers for services rendered in the ordinary course of business to ensure uninterrupted coverage under their Insurance Policies and Surety Bonds.

Basis for Relief

14. The relief requested herein is essential to the Debtors' continuation of ordinary-course operations and, as such, is warranted under sections 105(a) and 363 of the

[6] The Debtors paid Marsh USA, Inc. ("Marsh") an initial Broker Fee at the beginning of 2022. Marsh earns commissions throughout the year in connection with renewal or replacement of certain policies. At the end of 2022, to the extent the initial Broker Fee and commissions paid to Marsh on such policies exceed $260,550, Marsh will remit the excess to the Debtors, up to the amount of the initial Broker Fee.

Bankruptcy Code. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g.*, *In re Just for Feet, Inc.*, 242 B.R. 821, 825–26 (D. Del. 1999); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175–76 (Bankr. S.D.N.Y. 1989); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims.

15. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to "use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). "In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions." *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (collecting cases); *see also Armstrong World*, 29 B.R. at 397 (relying on section 363 to allow contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors); *In re Ionosphere Clubs*, 98 B.R. at 175 (finding that a sound business justification existed to justify payment of certain prepetition wages); *In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring the debtor to show a "good business reason" for a proposed transaction under section 363(b)).

16. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies

a bankruptcy court's inherent equitable powers to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Under section 105(a), courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor's businesses. *See In re Just for Feet*, 242 B.R. at 825−26. Specifically, a court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the "necessity of payment" rule (also referred to as the "doctrine of necessity"). *See, e.g.*, *In re Ionosphere Clubs*, 98 B.R. at 176; *In re Lehigh & New England Ry Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there "is the possibility that the creditor will employ an immediate economic sanction, failing such payment"); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). A bankruptcy court's use of its equitable powers to "authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." *In re Ionosphere Clubs*, 98 B.R. at 175–76 (citing *Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286 (1882)). Indeed, at least one court has recognized that there are instances when a debtor's fiduciary duty can "only be fulfilled by the preplan satisfaction of a prepetition claim." *In re CoServ*, 273 B.R. at 497.

17. For the Debtors, as for many other businesses, maintaining appropriate insurance and surety coverage is essential to the continuation of ordinary-course operations. Failure to do so could, among other things, expose the Debtors to significant economic and operational risk and jeopardize their going-concern value and also violate applicable legal requirements (including the U.S. Trustee's operating guidelines).

18. The relief requested in this motion is necessary to allow the Debtors to maintain appropriate insurance and surety coverage during these chapter 11 cases and thereby continue ordinary-course operations while these cases are pending.

19. Courts in this district have granted relief similar to the relief requested herein under sections 105(a) and 363(b) of the Bankruptcy Code. *See, e.g., In re Riverbed Tech., Inc.,* No. 21-11503 (CTG) (Bankr. D. Del. Nov. 18, 2021) (authorizing debtors on a final basis to continue their current insurance policies, pay prepetition premiums and brokerage fees, enter into new insurance policies, and continue and renew their surety bond program); *In re Alex and Ani, LLC*, No. 21-10918 (CTG) (Bankr. D. Del. Jul. 14, 2021) (authorizing debtors on a final basis to continue their current insurance policies, pay prepetition premiums, brokerage fees, and related financing agreement premiums, and enter into new insurance policies); *In re HighPoint Res. Corp.*, No. 21-10565 (CSS) (Bankr. D. Del. Mar. 26, 2021) (authorizing debtors on an interim basis to continue their current insurance policies, pay prepetition premiums, brokerage fees, and related financing agreement premiums, enter into new insurance policies, and continue and renew their surety bond program); *In re Extraction Oil & Gas, Inc.*, No. 20-11548 (CSS) (Bankr. D. Del. Jun. 16, 2020) (authorizing debtors on a final basis to continue their current insurance policies, pay prepetition premiums, brokerage fees, and related financing agreement premiums, enter into new insurance policies, and continue and renew their surety bond program); *In re Destination Maternity Corp.*, No. 19-12256 (BLS) (Bankr. D. Del. Nov. 12, 2019) (same).[7]

[7] Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtors' proposed counsel.

Processing of Checks and Electronic Fund Transfers Should Be Authorized

20. The Debtors have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to any authorized payment in respect of the relief requested herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

The Requirements of Bankruptcy Rule 6003 Are Satisfied

21. Bankruptcy Rule 6003 empowers a court to grant certain relief within the first 21 days after the petition date only "to the extent that relief is necessary to avoid immediate and irreparable harm." For the reasons discussed above, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations, and the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this important juncture. The requested relief is necessary for the Debtors to operate their businesses in the ordinary course, preserve the ongoing value of their operations, and maximize the value of their estates for the benefit of all stakeholders. The Debtors have demonstrated that the requested relief is "necessary to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003, and the Court should grant the requested relief.

Reservation of Rights

22. Nothing contained in this motion or any order granting the relief requested in this motion, and no action taken pursuant to the relief requested or granted (including any payment

made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

23. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

Notice

24. The Debtors will provide notice of this motion to the following parties or their respective counsel: (a) the U.S. Trustee for the District of Delaware; (b) the holders of the thirty largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the DIP Agent; (d) counsel to the First Lien Agent and Second Lien Agent; (e) counsel to the Crossover

Group; (f) the office of the attorney general for each of the states in which the Debtors operate; (g) the United States Attorney's Office for the District of Delaware; (h) the Internal Revenue Service; (i) the Insurance Carriers; (j) the Surety; (k) the Brokers; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this motion is seeking "first day" relief, within two business days of the hearing on this motion, the Debtors will serve copies of this motion and any order entered in respect to this motion as required by Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

25. No prior request for the relief sought in this motion has been made to this or any other court.

[*Remainder of page intentionally left blank*]

WHEREFORE, the Debtors respectfully request entry of the Interim Order and Final Order, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, (a) granting the relief requested herein and (b) granting such other relief as is just and proper.

Dated: August 23, 2022
Wilmington, Delaware

/s/ Laura Davis Jones

Laura Davis Jones (DE Bar No. 2436)
Timothy P. Cairns (DE Bar No. 4228)
Edward Corma (DE Bar No. 6718)
PACHULSKI STANG ZIEHL & JONES LLP
919 North Market Street, 17th Floor
P.O. Box 8705
Wilmington, Delaware 19801
Telephone: (302) 652-4100
Facsimile: (302) 652-4400
Email: ljones@pszjlaw.com
tcairns@pszjlaw.com
ecorma@pszjlaw.com

-and-

Patrick J. Nash, Jr., P.C. (*pro hac vice* pending)
Tricia Schwallier Collins (*pro hac vice* pending)
Yusuf U. Salloum (*pro hac vice* pending)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: patrick.nash@kirkland.com
tricia.schwallier@kirkland.com
yusuf.salloum@kirkland.com

-and-

Nicole L. Greenblatt, P.C. (*pro hac vice* pending)
Rachael M. Bentley (*pro hac vice* pending)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: nicole.greenblatt@kirkland.com
Email: rachael.bentley@kirkland.com

Proposed Co-Counsel for the Debtors and Debtors in Possession

Exhibit A

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
CARESTREAM HEALTH, INC., *et al.*,[1]	)	Case No. 22-10778 (___)
Debtors.	)	(Joint Administration Requested)
	)	**Re: Docket No. _**

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) MAINTAIN INSURANCE AND SURETY COVERAGE ENTERED INTO PREPETITION AND PAY RELATED PREPETITION OBLIGATIONS, AND (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE AND SURETY COVERAGE, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Interim Order"), (a) authorizing the Debtors to (i) maintain coverage under the Insurance Policies and the Surety Bonds and pay related obligations, and (ii) renew, supplement, modify, or purchase insurance and surety coverage in the ordinary course, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Debtors' service address is: 150 Verona Street, Rochester, New York 14608.

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth in this Interim Order.

2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2022, at__:__ _.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on _____, 2022. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors shall serve a copy of the Motion and this Interim Order on each Insurance Carrier and the Surety listed in Exhibit C to the Motion within two business days after the date this Interim Order is entered.

4. The Debtors are authorized, but not directed, to: (a) continue and maintain the Insurance Policies and the Surety Bonds and pay any related prepetition or postpetition amounts or obligations in the ordinary course of business, including any amounts or obligations that may be owed to the Brokers; *provided* that such payments shall not exceed $582,000 in the aggregate with respect to prepetition amounts and obligations, pending entry of the Final Order; and (b) after

consultation with the Required DIP Lenders (as defined in the RSA), renew, amend, supplement, extend, or purchase insurance policies and surety bonds, in each case to the extent that the Debtors determine that such action is in the best interest of their estates.

5. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

6. Nothing contained in the Motion or this Interim Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Interim Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Interim Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

7. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

8. The Debtors have demonstrated that the requested relief is "necessary to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003.

9. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Exhibit B

Proposed Final Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
CARESTREAM HEALTH, INC., *et al.*,[1]	)	Case No. 22-10778 (___)
Debtors.	)	(Joint Administration Requested)
	)	**Re: Docket No. _**

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) MAINTAIN INSURANCE AND SURETY COVERAGE ENTERED INTO PREPETITION AND PAY RELATED PREPETITION OBLIGATIONS, AND (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE AND SURETY COVERAGE, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order"), (a) authorizing the Debtors to (i) maintain coverage under the Insurance Policies and the Surety Bonds and pay related obligations, and (ii) renew, supplement, modify, or purchase insurance and surety coverage in the ordinary course, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Debtors' service address is: 150 Verona Street, Rochester, New York 14608.

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth in this Final Order.

2. The Debtors are authorized, but not directed, to: (a) continue and maintain the Insurance Policies and the Surety Bonds and pay any related prepetition or postpetition amounts or obligations in the ordinary course of business, including any amounts or obligations that may be owed to the Brokers; and (b) after consultation with the Required DIP Lenders (as defined in the RSA), renew, amend, supplement, extend, or purchase insurance policies and surety bonds, in each case to the extent that the Debtors determine that such action is in the best interest of their estates.

3. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

4. Nothing contained in the Motion or this Final Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Final Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Final Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

5. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

6. Nothing in this Final Order authorizes the Debtors to accelerate any payments not otherwise due.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Exhibit C

Insurance Policies and Surety Bonds

Type of Coverage	Insurance Carrier	Policy Number	Policy Term	Approximate Annual Premium
Automobile Liability	Everest Denali Insurance Company	RM5CA 00001-221	April 30, 2022 - April 30, 2023	$93,286
Automobile Liability	Everest Denali Insurance Company	RM5CA 00002-221	April 30, 2022 - April 30, 2023	$1,209
Business Travel Accident	ACE American Insurance Company	ADD N18234567	August 1, 2022 - August 1, 2025	$99,114
Commercial General Liability	Everest National Insurance Company	RM5GL 00001-221	April 30, 2022 - April 30, 2023	$54,170
Crime Bond	Federal Insurance Company	8261-2796	December 1, 2021 - December 1, 2022	$ 33,084
Crime Bond	Endurance American Insurance Company	CRX30002174901	December 1, 2021 - December 1, 2022	$24,813
Crime Bond	Everest National Insurance Company	PC8EX00012-211	December 1, 2021 - December 1, 2022	$18,610
Crime Bond - Supplement	Federal Insurance Company	8221-4405	December 1, 2019 - December 1, 2022	$14,340
Defense Base Acts Workers Compensation	Insurance Company of the State of PA	15721421	April 30, 2022 - April 30, 2023	$5,500
Directors & Officers Liability	Federal Insurance Company	8261-2796	December 1, 2021 - December 1, 2022	$77,537
Directors & Officers Liability	Endurance American Insurance Company	DOX30002174801	December 1, 2021 - December 1, 2022	$58,152
Directors & Officers Liability	Everest National Insurance Company	PC8EX00012-211	December 1, 2021 - December 1, 2022	$43,614
Directors & Officers Liability	National Union Fire Insurance Company of Pittsburgh, PA - AIG	02-156-41-48	December 1, 2021 - December 1, 2022	$32,710
Directors & Officers Liability	Ironshore Indemnity Inc.	DO6GAB5DSK002	December 1, 2021 - December 1, 2022	$29,930
Directors & Officers Liability	Allianz Global Risks US Insurance Company	USF00226521	December 1, 2021 - December 1, 2022	$23,944
Directors & Officers Liability Side “A” Excess Policy	Marsh Alpha – Lloyd’s of London	B0509FINMN2150418	December 1, 2021 - December 1, 2022	$58,161
Employment Practices Liability	Federal Insurance Company	8261-2796	December 1, 2021 - December 1, 2022	$75,557
Employment Practices Liability	Endurance American Insurance Company	EPX30002175501	December 1, 2021 - December 1, 2022	$56,668

Type of Coverage	Insurance Carrier	Policy Number	Policy Term	Approximate Annual Premium
Employment Practices Liability Punitive Damages	Chubb Bermuda Insurance Ltd.	PD11562-001-A	December 1, 2021 - December 1, 2022	$7,556
Employment Practices Liability Punitive Damages	Magna Carta Insurance, Ltd.	MCEN208370	December 1, 2021 - December 1, 2022	$5,667
Excess Casualty Liability	Allianz Global Risks US Insurance Company	USL00191822	April 30, 2022 - April 30, 2023	$271,500
Excess Casualty Liability	Endurance American Insurance Company	XSC30000318305	April 30, 2022 - April 30, 2023	$160,000
Excess Casualty Liability	Great American Spirit Insurance Company	EXC 4138517	April 30, 2022 - April 30, 2023	$149,000
Excess Casualty Liability	Indemnity Insurance Company of North America	XSM G71803661 003	April 30, 2022 - April 30, 2023	$92,600
Fiduciary Liability	Federal Insurance Company	8261-2796	December 1, 2021 - December 1, 2022	$24,263
Fiduciary Liability	Everest National Insurance Company	PC8EX00012-211	December 1, 2021 - December 1, 2022	$21,838
Foreign Business Auto Liability	The Insurance Company of the State of Pennsylvania	800278918	April 30, 2022 - April 30, 2023	$2,000
Foreign Commercial General Liability	The Insurance Company of the State of Pennsylvania	800278917	April 30, 2022 - April 30, 2023	$16,705
Foreign Voluntary Compensation and Employers Liability	The Insurance Company of the State of Pennsylvania	8374968	April 30, 2022 - April 30, 2023	$4,606
Group Personal Umbrella Liability	Federal Insurance Company	79595278	May 1, 2022 - May 1, 2023	$25,848
Group Personal Umbrella - Errors & Omissions Liability	Chubb Custom Insurance Company (Non-Admitted)	79951289	May 1, 2022 - May 1, 2023	$519
Marine Cargo	Zurich American Insurance Company	OC-5416218	July 1, 2021 - July 1, 2022	$190,413
Professional Liability, Media Technology E&O, Cyber Risk	Beazley Insurance Company	V15UPG221601	August 1, 2022 - August 1, 2023	$241,250
Professional Liability, Media Technology E&O, Cyber Risk	Indian Harbor Insurance Company - XL	MTE9043828 01	August 1, 2022 - August 1, 2023	$245,935
Property Damage & Business Interruption	Factory Mutual Insurance Company	1090135	November 1, 2021 - November 1, 2022	$1,305,727

Type of Coverage	Insurance Carrier	Policy Number	Policy Term	Approximate Annual Premium
Workers Compensation & Employer's Liability	Everest Premier Insurance Company	RM5WC00001-221	April 30, 2022 - April 30, 2023	$323,266
Workers Compensation & Employer's Liability	Everest Premier Insurance Company	RM5WC 00013-221	April 30, 2022 - April 30, 2023	$1,340
Workers Compensation & Employer's Liability	Everest Premier Insurance Company	RM5WC 00015-221	April 30, 2022 - April 30, 2023	$8,094

Bond Number	Principal	Obligee	Surety	Nature of Bond	Expiration Date
800001019	Carestream Health, Inc.	Colorado Department of Public Health and Environment, Hazardous Materials and Waste Management Division	Atlantic Specialty Insurance Company	Closure/Post closure - EPA #110031306272	1/22/2023
800037222	Carestream Health, Inc.	U.S. Customs and Border Protection	Atlantic Specialty Insurance Company	US Customs Importer Bond	10/27/2022
800031085	Carestream Health, Inc.	State of Alaska	Atlantic Specialty Insurance Company	Alaska Construction Contractor Surety Bond	12/31/2022
800001035	Carestream Health, Inc.	Arizona State Board of Pharmacy	Atlantic Specialty Insurance Company	Arizona Prescription Drug Wholesale Distributor	8/7/2023
800053720	Carestream Health, Inc.	California State Board of Pharmacy	Atlantic Specialty Insurance Company	California Wholesaler or Nonresident Wholesaler Surety Bond - Out of State Prescription Drug Wholesaler	3/12/2023
800001036	Carestream Health, Inc.	State of Florida, Department of Business and Professional Regulation	Atlantic Specialty Insurance Company	Florida Out of State Prescription Drug Wholesale Distributor	8/7/2023
800031122	Carestream Health, Inc.	State of Iowa, Division of Labor	Atlantic Specialty Insurance Company	Iowa Out of State Contractor License	3/6/2023
800031086	Carestream Health, Inc.	Iowa Board of Pharmacy	Atlantic Specialty Insurance Company	Iowa Drug Distribution License	11/1/2022
800122453	Carestream Health, Inc.	Kentucky Board of Pharmacy	Atlantic Specialty Insurance Company	Kentucky Wholesale Distributor Pharmacy Bond	8/30/2023
800001039	Carestream Health, Inc.	Maryland Board of Pharmacy	Atlantic Specialty Insurance Company	Maryland Wholesale Drug Distributor	12/15/2022
800001093	Carestream Health, Inc.	Mississippi Board of Pharmacy	Atlantic Specialty Insurance Company	Mississippi Pharmaceutical Drug Facility Surety Bond	12/5/2022
800001038	Carestream Health, Inc.	Nebraska Department of Health and Human Services	Atlantic Specialty Insurance Company	Nebraska Wholesaler Drug Distributor	7/16/2023
800056038	Carestream Health, Inc.	Nevada State Board of Pharmacy	Atlantic Specialty Insurance Company	Nevada Pharmaceutical Wholesaler Surety Bond	9/23/2022
800053723	Carestream Health, Inc.	State of Oregon Board of Pharmacy	Atlantic Specialty Insurance Company	Oregon Drug Wholesaler	3/24/2023
800031079	Carestream Health, Inc.	State of Washington	Atlantic Specialty Insurance Company	Washington State Contractor's License Bond	10/19/2022

Bond Number	Principal	Obligee	Surety	Nature of Bond	Expiration Date
800053702	Carestream Health, Inc.	Wisconsin Prescription Drug Wholesale Distributor	Atlantic Specialty Insurance Company	Wisconsin Department of Safety and Professional Services (DSPS)	2/24/2023
800137577	Carestream Health, Inc.	Single entry bond	Atlantic Specialty Insurance Company	U.S. Customs and Border Protection	6/15/2023
800137575	Carestream Health, Inc.	Single entry bond	Atlantic Specialty Insurance Company	U.S. Customs and Border Protection	5/18/2023
800137576	Carestream Health, Inc.	Single entry bond	Atlantic Specialty Insurance Company	U.S. Customs and Border Protection	5/18/2023
800137578	Carestream Health, Inc.	Single entry bond	Atlantic Specialty Insurance Company	U.S. Customs and Border Protection	6/15/2023

Exhibit 2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
CARESTREAM HEALTH, INC., *et al.*,[1]	)	Case No. 22-10778 (JKS)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 7**

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) MAINTAIN INSURANCE AND SURETY COVERAGE ENTERED INTO PREPETITION AND PAY RELATED PREPETITION OBLIGATIONS, AND (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE AND SURETY COVERAGE, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Interim Order"), (a) authorizing the Debtors to (i) maintain coverage under the Insurance Policies and the Surety Bonds and pay related obligations, and (ii) renew, supplement, modify, or purchase insurance and surety coverage in the ordinary course, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Carestream Health, Inc. (0334); Carestream Health Acquisition, LLC (0333); Carestream Health Canada Holdings, Inc. (7700); Carestream Health Holdings, Inc. (7822); Carestream Health International Holdings, Inc. (5771); Carestream Health International Management Company, Inc. (0532); Carestream Health Puerto Rico, LLC (8359); Carestream Health World Holdings, LLC (1662); and Lumisys Holding Co. (3232). The location of the Debtors' service address is: 150 Verona Street, Rochester, New York 14608.

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth in this Interim Order.

2. The final hearing (the "Final Hearing") on the Motion shall be held on September 28, 2022, at 2:00 p.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on September 21, 2022. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors shall serve a copy of the Motion and this Interim Order on each Insurance Carrier and the Surety listed in Exhibit C to the Motion within two business days after the date this Interim Order is entered.

4. The Debtors are authorized, but not directed, to: (a) continue and maintain the Insurance Policies and the Surety Bonds and pay any related prepetition or postpetition amounts or obligations in the ordinary course of business, including any amounts or obligations that may be owed to the Brokers; *provided* that such payments shall not exceed $582,000 in the aggregate

with respect to prepetition amounts and obligations, pending entry of the Final Order; and (b) after consultation with the Required DIP Lenders (as defined in the RSA), renew, amend, supplement, extend, or purchase insurance policies and surety bonds, in each case to the extent that the Debtors determine that such action is in the best interest of their estates.

5. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

6. Nothing contained in the Motion or this Interim Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Interim Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Interim Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors

or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

7. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

8. The Debtors have demonstrated that the requested relief is "necessary to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003.

9. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: August 24th, 2022
Wilmington, Delaware

KATE STICKLES
UNITED STATES BANKRUPTCY JUDGE