

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

In re:)
) Chapter 11
PLASTIQ INC., *et al.*,¹)
) Case No. 23-10671 ()
Debtors.)
) (Joint Administration Requested)

DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS, PURSUANT TO SECTIONS 105(a), 363, AND 364 OF THE BANKRUPTCY CODE, (I) AUTHORIZING PAYMENT OF PREPETITION OBLIGATIONS INCURRED IN THE ORDINARY COURSE OF BUSINESS IN CONNECTION WITH INSURANCE PROGRAMS AND BONDING PROGRAM, INCLUDING PAYMENT OF POLICY PREMIUMS, COSTS, AND BROKER FEES, (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO, (III) AUTHORIZING MAINTENANCE OF POSTPETITION INSURANCE COVERAGE AND BONDING PROGRAM, AND (IV) SCHEDULING A FINAL HEARING

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) hereby submit this motion (this “**Motion**”) for the entry of interim and final orders, substantially in the form attached hereto as Exhibit C (the “**Proposed Interim Order**”) and Exhibit D (the “**Proposed Final Order**,” and together with the Proposed Interim Order, the “**Proposed Orders**”), pursuant to sections 105(a), 363(b), and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), (a) authorizing, but not directing, the Debtors to continue and, to the extent necessary, renew liability, property, and other insurance programs, surety bonds, and pay policy premiums, costs, and broker fees arising thereunder or in connection therewith, including prepetition obligations arising in the ordinary course of business, (b) authorizing banks and other financial institutions (collectively, the “**Banks**”) to honor and process check and electronic transfer requests related to the foregoing, and (c) scheduling a final hearing with

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PlastiQ Inc. (6125), PLV Inc. d/b/a/ PLV TX Branch Inc. (5084), and Nearside Business Corp. (N/A). The corporate headquarters and the mailing address for the Debtors is 1475 Folsom Street, Suite 400, San Francisco, California 94103.



respect to the foregoing. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Vladimir Kasparov in Support of Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”),² filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. 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 as of February 29, 2012 (the “**Amended Standing Order**”). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief sought herein are sections 105(a), 363(b), and 364 of the Bankruptcy Code and rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

BACKGROUND

I. General

2. On the date hereof (the “**Petition Date**”), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No official committees have been appointed in these chapter 11 cases and no request has been made for the appointment of a trustee or an examiner.

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

3. Additional information regarding the Debtors' business, their capital structure, and the circumstances leading to the filing of these chapter 11 cases is set forth in the First Day Declaration.

II. Insurance Programs³

4. In connection with the operation of their business, the Debtors maintain, among others, insurance programs for directors and officers, employment practices and fiduciary liability, general liability, property, automobile liability, and cyber liability as described below (collectively, the "**Insurance Programs**"), through several different insurance carriers (each, an "**Insurance Carrier**," and collectively, the "**Insurance Carriers**"), including under the insurance contracts listed on Exhibit A attached hereto.⁴

A. Management Liability Insurance Program and Excess Directors' and Officers' Liability Insurance Program

5. As is common with business of this kind, the Debtors maintain primary and excess insurance coverage for all of their directors and officers that covers, among other things, defense costs, settlements, and court awards from claims brought by third parties alleging that an insured

³ The descriptions of the Insurance Programs provided herein are intended only as a summary, and the actual terms of the foregoing shall govern in the event of any inconsistency with the descriptions set forth herein.

⁴ In addition to the Insurance Programs discussed herein, the Debtors maintain an insurance policy with respect to the Debtors' workers' compensation program (the "**Workers' Compensation Program**"), which is listed on Exhibit A attached hereto. This policy is described in further detail in the *Debtors' Motion for Entry of Interim and Final Orders, Pursuant to Sections 105(a), 363(b), 507(a)(4) and 507(a)(5) of the Bankruptcy Code, (A) Authorizing (I) Payment of Accrued Prepetition Employee Wages, Salaries, and Other Compensation; (II) Payment of Accrued Prepetition Obligations Owed to Independent Contractors; (III) Continuation of Bonus Obligations to be Paid in the Ordinary Course; (IV) Payment of Prepetition Employee Business Expenses; (V) Contributions to Prepetition Employee Benefit Programs and Continuation of Such Programs in the Ordinary Course; (VI) Payment of Severance Obligations; (VII) Payment of Workers' Compensation Obligations; (VIII) Payments for Which Prepetition Payroll Deductions Were Made; (IX) Payment of All Costs and Expenses Incident to the Foregoing Payments and Contributions; and (X) Payment to Third Parties of All Amounts Incident to the Foregoing Payments and Contributions; and (B) Authorizing Banks to Honor and Process Check and Electronic Transfer Requests Related Thereto* (the "**Employee Wage Motion**") filed contemporaneously herewith. Any relief required with respect to the Workers' Compensation Program is requested in the Employee Wage Motion.

is liable for an error, misstatement, misleading statement, improper act, omission, neglect, or breach of duty (collectively, the “**Management Liability Insurance Program**”).

6. Prior to the Petition Date, the policies underlying the Management Liability Insurance Program were renewed until September 14, 2023. The annual premiums for the Management Liability Insurance Program are approximately \$166,233.00 in the aggregate. The Debtors believe that there are no outstanding amounts under any of the policies comprising the Management Liability Insurance Program as of the Petition Date.

7. Similarly, the Debtors also maintain an excess liability insurance policy that insures the Debtors’ directors and officers for certain losses in excess of the coverage provided by the Management Liability Insurance Program (the “**Excess Directors’ and Officers’ Liability Insurance Program**”). Prior to the Petition Date, the Excess Directors’ and Officers’ Liability Insurance Program was renewed until September 14, 2023. The annual premium for the Excess Liability Insurance Program is approximately \$90,000. The Debtors believe that there are no outstanding amounts under the Excess Directors’ and Officers’ Liability Insurance Program as of the Petition Date.

B. General Liability, Property, Cyber, Umbrella, and Automobile Insurance Programs

8. The Debtors maintain a general commercial lines liability insurance policy, which insures the Debtors for, among other things, products, accident, premises, and personal injury liability (the “**General Liability Insurance Program**”). Prior to the Petition Date, the General Liability Insurance Program was renewed until September 21, 2023. The annual premium for the General Liability Insurance Program is approximately \$3,735. The Debtors believe that there are no outstanding amounts under the General Liability Insurance Program as of the Petition Date.

9. The Debtors also maintain a property insurance policy that insures the Debtors for, among other things, certain losses related to damages to the Debtors' personal and real property (the "**Property Insurance Program**"). Prior to the Petition Date, the Property Insurance Program was renewed until September 21, 2023. The annual premium for the Property Insurance Program is included in the General Liability Insurance Program, and therefore, the Debtors believe that there are no outstanding amounts under the Property Insurance Program as of the Petition Date.

10. The Debtors also maintain a cyber liability insurance policy that insures the Debtors for, among other things, certain losses related to damages caused by information technology system failures or breaches and other security or privacy violations (the "**Cyber Insurance Program**"). Prior to the Petition Date, the Cyber Insurance Program was renewed until July 25, 2023. The annual premium for the Cyber Insurance Program is approximately \$154,875.00. The Debtors believe that there are no outstanding amounts under the Cyber Insurance Program as of the Petition Date.

11. The Debtors also maintain an umbrella insurance policy that insures the Debtors for certain losses in excess of the coverage provided by the Debtors' primary insurance policies (the "**Umbrella Insurance Program**"). Prior to the Petition Date, the Umbrella Insurance Program was renewed until September 21, 2023. The annual premium for the Umbrella Insurance Program is approximately \$1,500. As of the Petition Date, the Debtors believe \$1,500 in premiums under the Umbrella Insurance Program are outstanding.

12. The Debtors also maintain automobile insurance (the "**Automobile Insurance Program**"). Prior to the Petition Date, the Automobile Insurance Program was renewed until September 21, 2023. The annual premium for the Automobile Insurance Program is included in

the General Liability Insurance Program and is approximately \$3,735. The Debtors believe that there are no outstanding amounts under the Automobile Insurance Program as of the Petition Date.

III. Bonding Program

13. In the ordinary course of business, the Debtors are required by certain applicable statutes, rules, and regulations to maintain bonds in favor of certain third parties to secure the Debtors' payment or performance of certain obligations, often to governmental units or other public agencies (the "**Bonding Program**"). The Bonding Program covers a range of obligations, including, among other things, obligations related to the Debtors' money transfer licenses (the "**Covered Obligations**"). The bond that is currently maintained by the Debtors is attached hereto as Exhibit B.⁵ The Debtors believe that the Bonding Program provides coverage that is typical in scope and amount for businesses within the Debtors' industry.

14. As of the Petition Date, the Debtors have outstanding one (1) surety bond (the "**Surety Bond**") totaling approximately \$20,000. The Surety Bond renews on a yearly basis, and the premium is paid on renewal. The total amount paid in annual premiums and payments associated with all of the surety bonds is approximately \$20,000.

15. Platte River Insurance Company through Machaen Enterprises, Inc. serves as the Debtors' Broker for Surety Bonds and manages the Debtors' relationships with the Sureties. Among other things, the Broker assists the Debtors in selecting the appropriate Sureties (subject to the Debtors' approval) and represents the Debtors in negotiations with the Sureties. The Broker has allowed the Debtors to obtain the bonding coverage necessary to operate their businesses in a reasonable and prudent manner, and to realize savings in the procurement of such policies. The

⁵ The Debtors request authority to honor obligations and renew all bonds, as applicable, notwithstanding any failure of the Debtors to include a particular bond on Exhibit B.

Broker is paid by commission for Surety Bond placements, and such commissions are paid from the premium payments the Debtors make under the Bonding Program.

16. The issuance of a Surety Bond shifts the risk of the Debtors' nonperformance or nonpayment of their obligations covered by the Surety Bond from the beneficiary of the surety to the surety (the "**Surety**"). If the Debtors fail to pay Covered Obligations, the Surety will pay the Debtors' obligations up to a specified amount. Unlike an insurance policy, if a Surety incurs a loss on a Surety Bond, the Surety is entitled to recover the full amount of that loss from the Debtors.

17. To continue their business operations, the Debtors must be able to provide financial assurances to federal and state governments, regulatory agencies, and other third parties. This in turn requires the Debtors to maintain the existing Bonding Program, including paying the premiums and any related fees as they come due, as well as renewing or potentially acquiring additional bonding capacity as needed in the ordinary course of their businesses, requesting releases from obsolete bonding obligations, and executing other agreements in connection with the Bonding Program. The success of the Debtors' efforts to operate effectively and efficiently will depend on the maintenance of the Bonding Program on an uninterrupted basis. No feasible alternative to maintaining the Bonding Program exists.

18. As of the Petition Date, the Debtors believe that all premium payments due and owing under the Bonding Program have been paid in full and the Debtors are not aware of any pending requests for payment by the Surety. However, the Debtors request that they be authorized to maintain the Bonding Program in the same manner as they did prepetition and to pay any prepetition claims arising under the Bonding Program (the "**Prepetition Bonding Obligations**"). The Debtors further request authority to honor the current bonds in place and revise, extend,

supplement, or change the Bonding Program as needed, including through the issuance of new surety bonds, postpetition.

IV. Brokers' Fees

19. In connection with the Insurance and Bonding Programs, the Debtors obtain brokerage and risk management services from Woodruff-Sawyer, Vouch, and CAC Specialty (each, a “**Broker**” and collectively, the “**Brokers**”). The Brokers assist the Debtors in obtaining comprehensive insurance for the Debtors’ operations by, among other things, assisting the Debtors with the design and development of the Insurance Programs, the procurement and negotiation of the Insurance Programs, and enabling the Debtors to obtain those policies on advantageous terms at competitive rates. As of the Petition Date, the Debtors believe that no fees to the Brokers for their services (collectively, the “**Brokers’ Fees**”) remain outstanding. To the extent that the Debtors incur Brokers’ Fees on account of postpetition services provided by the Brokers, the Debtors seek authority to pay such Brokers’ Fees in the ordinary course of business.

RELIEF REQUESTED

20. By this Motion, the Debtors request that the Court enter the Proposed Orders, (a) authorizing, but not directing, the Debtors to continue and, to the extent necessary, renew the Insurance Programs and Bonding Programs, and pay premiums and costs related thereto, and Brokers’ Fees arising thereunder or in connection therewith, including such prepetition obligations arising in the ordinary course of business, (b) authorizing the Banks to honor and process check and electronic transfer requests related thereto, and (c) scheduling a final hearing with respect to the foregoing.

BASIS FOR RELIEF

I. The Court Should Authorize, But Not Direct, the Debtors, in Their Discretion, to Make Necessary Payments Related to the Insurance Programs and Bonding Program, and to Maintain Existing Coverages

21. Maintaining the Debtors' Insurance Programs and Bonding Program is a crucial ordinary-course-of-business transaction. Authority to pay any prepetition amounts that may be due and owing related to the Insurance Programs and the Bonding Program—to the extent that the Debtors determine that such payment is necessary to avoid cancellation, default, alteration, assignment, attachment, lapse, or any form of impairment of the coverage, benefits, or proceeds provided under the Insurance Programs and Bonding Program—is necessary, as the insurance coverage provided under the Insurance Programs, and the coverage provided by the Bonding Program, is essential for preserving the value of the Debtors' assets and, in most cases, such coverage is required by the various contracts and state and federal laws that govern the Debtors. *See, e.g.*, 28 U.S.C. § 959(b) (chapter 11 debtor obligated under federal law to operate chapter 11 business according to the laws of the states where business and properties are located). Further, under the chapter 11 operating guidelines issued by the United States Trustee for Region 3 pursuant to 28 U.S.C. § 586, the Debtors are obligated to maintain certain types of insurance coverage during these chapter 11 cases, which coverage is provided by certain of the policies included in the Insurance Programs.

22. In addition, the Debtors may need to renew or replace certain of their Insurance Programs and Bonding Program during the pendency of these chapter 11 cases. The nonpayment of any premiums, deductibles, or related fees under any of the Insurance Programs or Bonding Program could result in one or more of the Insurance Carriers increasing future insurance premiums, declining to renew the insurance policies or refusing to enter into new insurance agreements with the Debtors. If the Insurance Programs or Bonding Program lapse without

renewal, the Debtors may be exposed to substantial liability for first party property claims and third party liability claims, to the detriment of all parties in interest.

23. Similarly, the services provided by the Brokers are critical to ensuring that the Debtors obtain the necessary insurance coverage on advantageous terms at competitive rates, and the Brokers have significant institutional knowledge regarding the Debtors' insurance needs. If the Debtors were forced to replace any of the Brokers, the Debtors would necessarily be required to spend time, energy, and resources getting any new insurance broker up to speed on the Debtors' insurance and bonding needs.

24. Section 105(a) of the Bankruptcy Code empowers the Court 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). A bankruptcy court may use its equitable powers under section 105 of the Bankruptcy Code to permit a debtor in possession to pay prepetition claims when payment is necessary to effectuate a debtor's bankruptcy goals and essential to the continued operation of the business. *See Miltenberger v. Logansport. C. & S.W.R. Co.*, 106 U.S. 286 (1882); *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981); *In re Just for Feet, Inc.*, 242 B.R. 821, 825 (D. Del. 1999) (under necessity of payment doctrine prepetition claims may be paid if essential to the continued operation of the business during reorganization); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 192 (Bankr. D. Del. 1994) (recognizing that necessity of payment doctrine authorizes payment of prepetition claims when "such payment is essential to the continued operation of the business").

25. In addition, the Court may authorize the Debtors to pay prepetition premiums to maintain insurance coverage and surety bonds under section 363(b) of the Bankruptcy Code. In particular, section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and

a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” Thus, under this section, a court may authorize a debtor to pay certain prepetition claims. *See Ionosphere Clubs*, 98 B.R. 174, 175-77 (S.D.N.Y. 1989) (affirming lower court order authorizing payment of prepetition wages pursuant to section 363(b) of the Bankruptcy Code); *In re UAL Corp.*, Case No. 02-48191 (ERW) (Bankr. N.D. Ill. Dec. 9, 2002) (authorizing payment of prepetition claims under section 363 of the Bankruptcy Code as an out-of-the-ordinary-course transaction); *In re Jillian’s Entm’t Holdings, Inc.*, Case No. 04-33192 (DTS) (Bankr. W.D. Ky. June 22, 2004).

26. Furthermore, the debtor is generally only required to “show that a sound business purpose” justifies the proposed use of property. *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *see also In re Phx. Steel Corp.*, 82 B.R. 334, 335-36 (Bankr. D. Del. 1987) (requiring “good business reason” for use under section 363(b) of the Bankruptcy Code). This standard generally bars other parties from second-guessing the debtor’s business judgment if the debtor has shown that a use of property will benefit the debtor’s estate. *See In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.”); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (“Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task.”).

27. The Debtors’ sound business judgment supports paying the prepetition premiums to maintain insurance coverage and the Prepetition Bonding Obligations because the failure to pay the obligations could result in: (a) the cancellation of the insurance policies or the surety bonds; (b) the Debtors’ inability to obtain renewal of the insurance policies or surety bonds on terms that

are as competitive; and (c) the violation of the chapter 11 operating guidelines, applicable laws and regulations, various contractual commitments, or the fiduciary duties of the Debtors as debtors in possession. Each of these outcomes would be detrimental to the Debtors, their creditors, and their estates and would create unnecessary risks that far outweigh the cost of paying the applicable prepetition amounts. Accordingly, the Debtors should be authorized to pay the prepetition premiums and Prepetition Bonding Obligations under section 363(b) of the Bankruptcy Code.

II. The Court Should Authorize the Banks to Honor and Process the Debtors' Payments Related to the Insurance Programs, Bonding Program, and the Brokers' Fees

28. The Debtors also request the Court to authorize the Banks, when requested by the Debtors, in their discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations described herein, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Debtors further request that all of the Banks be authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved pursuant to this Motion.

SATISFACTION OF BANKRUPTCY RULE 6003(b)

29. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code or to satisfy prepetition claims within twenty-one (21) days of the Petition Date requires the Debtors to demonstrate that such relief "is necessary to avoid immediate and irreparable harm." As set forth throughout this Motion, any disruption of the Insurance Programs, and the related services received by the Debtors from the Brokers would substantially diminish or impair the Debtors' efforts in these chapter 11 cases to preserve and maximize the value of their estates.

30. For this reason and those set forth above, the Debtors respectfully submit that Bankruptcy Rule 6003(b) has been satisfied, and the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(h)

31. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As provided herein, and to implement the foregoing successfully, the Debtors request that the Proposed Orders include a finding that the Debtors have established cause to exclude such relief from the fourteen (14)-day stay period under Bankruptcy Rule 6004(h).

32. For this reason and those set forth above, the Debtors submit that ample cause exists to justify a waiver of the fourteen (14)-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable to the Proposed Orders.

RESERVATION OF RIGHTS

33. Nothing in the Proposed Orders or this Motion: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay a claim.

NOTICE

34. Notice of this Motion has been provided to: (a) the Office of the United States Trustee for the District of Delaware (Attn: Richard L. Schepacarter); (b) the Debtors’ twenty (20) largest unsecured creditors (excluding insiders); (c) counsel to the DIP Lenders; (d) the Internal

Revenue Service; (e) the Securities and Exchange Commission; (f) the Office of the United States Attorney for the District of Delaware; (g) the Banks; (h) the Insurance Carriers and Surety; (i) the Brokers; and (j) all parties that have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Rule 9013-1(m) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, the Debtors request entry of the Proposed Orders, granting the relief requested herein and such other and further relief as is just and proper.

Dated: May 24, 2023
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Joseph M. Mulvihill

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Proposed Counsel for Debtors and Debtors in Possession

EXHIBIT A**List of Insurance Contracts**

| INSURER | COVERAGE | LAST 4 DIGITS OF POLICY NUMBER | EXPIRATION DATE |
|----------------------------|----------------------|---------------------------------------|------------------------|
| Hanover/Massachusetts Bay | Automobile | 2911 | 09/21/2023 |
| Hanover/Massachusetts Bay | Property | 2911 | 09/21/2023 |
| Hanover/Massachusetts Bay | General Liability | 2911 | 09/21/2023 |
| Hanover | Umbrella Liability | 0900 | 09/21/2023 |
| Travelers | Workers Compensation | 242G | 06/21/2023 |
| Associated Industries | Management Liability | 096A | 09/14/2023 |
| Starr | Excess D&O | 9221 | 09/14/2023 |
| XL Specialty | Excess D&O | 7823 | 01/31/2024 |
| Everest | Excess D&O | 2231 | 01/31/2024 |
| XL Specialty/Indian Harbor | Cyber Liability | 2101 | 7/25/2023 |
| Hiscox | Crime | 9822 | 9/14/2023 |

EXHIBIT B

Bonding Program

| Debtor | Obligee | Expiration Date | Description |
|---------------|---|------------------------|------------------------------|
| Plastiq Inc. | Machaen Enterprises, Inc. via Platte River Insurance Company | 3/21/2024 | Licensed Money Transfer Bond |

EXHIBIT C

Proposed Interim Order

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

| | | |
|--|---|-------------------------|
| In re: |) | |
| |) | Chapter 11 |
| PLASTIQ INC., <i>et al.</i> , ¹ |) | |
| |) | Case No. 23-10671 (___) |
| Debtors. |) | |
| |) | (Jointly Administered) |
| |) | |
| |) | Re: Docket No. _____ |

**INTERIM ORDER PURSUANT TO SECTIONS 105(a), 363, AND 364 OF THE
BANKRUPTCY CODE, (I) AUTHORIZING PAYMENT OF PREPETITION
OBLIGATIONS INCURRED IN THE ORDINARY COURSE OF BUSINESS IN
CONNECTION WITH INSURANCE PROGRAMS AND BONDING PROGRAM,
INCLUDING PAYMENT OF POLICY PREMIUMS, COSTS, AND BROKER FEES,
(II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND
ELECTRONIC TRANSFER REQUESTS RELATED THERETO, (III) AUTHORIZING
MAINTENANCE OF POSTPETITION INSURANCE COVERAGE AND BONDING
PROGRAM, AND (IV) SCHEDULING A FINAL HEARING**

Upon consideration of the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for the entry of this interim order (the “**Interim Order**”), pursuant to sections 105(a), 363(b), and 364 of the Bankruptcy Code, (a) authorizing, but not directing, the Debtors to continue and, to the extent necessary, renew the Insurance Programs and Bonding Program, and pay policy premiums, costs, and brokers’ fees arising thereunder or in connection therewith, including prepetition obligations arising in the ordinary course of business, and (b) authorizing the Banks to honor and process check and electronic transfer requests related to the foregoing; and upon consideration of the First Day Declaration; and due and proper notice of the Motion having been given; and it appearing that no

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PlastiQ Inc. (6125), PLV Inc. d/b/a/ PLV TX Branch Inc. (5084), and Nearside Business Corp. (N/A). The corporate headquarters and the mailing address for the Debtors is 1475 Folsom Street, Suite 400, San Francisco, California 94103.

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

other or further notice of the Motion is required except as otherwise provided herein; and it appearing that this Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and provided for herein is in the best interests of the Debtors, their estates, and their creditors; 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 herein.
2. A final hearing on the relief sought in the Motion shall be conducted on _____, 2023 at _____ (ET) (the “**Final Hearing**”). Any party objecting to the relief sought at the Final Hearing or the Proposed Final Order shall file and serve a written objection, which objection shall be served upon proposed counsel for the Debtors, in each case so as to be received no later than _____, 2023 at 4:00 p.m. (ET). If no objections to the entry of the Proposed Final Order are timely filed, this Court may enter the Proposed Final Order without further notice or a hearing.
3. The Debtors are authorized, but not directed, to maintain the Insurance Programs without interruption, and to renew, supplement, modify, or extend (including through obtaining “tail” coverage) the Insurance Programs or enter into new insurance policies, and to incur and pay policy premiums and broker fees arising thereunder or in connection therewith, in accordance with the same practices and procedures as were in effect prior to the Petition Date.
4. The Debtors are authorized, but not directed, to revise, extend, supplement, or change their Bonding Program as needed and to enter into new surety bonds through renewal or purchase of new surety bonds.

5. The Debtors are authorized, but not directed, in their discretion, to pay, honor, or otherwise satisfy premiums, claims, deductibles, retrospective adjustments, administrative fees, broker fees (including, without limitation, the Brokers' Fees), related to the Insurance Program and the Bonding Program, and any other obligations that were due and payable or related to the period prior to the Petition Date on account of the Insurance Programs and Bonding Program, up to an aggregate amount of \$60,000.

6. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Interim Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Interim Order.

7. Notwithstanding anything to the contrary set forth herein, (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under the Debtors' postpetition financing agreements (the "**DIP Documents**") and any orders approving the DIP Documents and governing the Debtors' use of cash collateral (including with respect to any budgets governing or relating thereto) and (b) to the extent there is any inconsistency between the terms of such orders approving the DIP Documents or the Debtors' use of cash collateral and any action taken or proposed to be taken hereunder, the terms of such orders approving the DIP Documents and use of cash collateral shall control.

8. Nothing in this Interim Order: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay any claim.

9. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted herein.

10. The requirements of Bankruptcy Rule 6003(b) are satisfied.

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

12. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

EXHIBIT D

Proposed Final Order

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

| | | |
|--|---|---------------------------|
| In re: |) | |
| |) | Chapter 11 |
| PLASTIQ INC., <i>et al.</i> , ¹ |) | |
| |) | Case No. 23-10671 (___) |
| Debtors. |) | |
| |) | (Jointly Administered) |
| |) | |
| |) | Re: Docket Nos. ___ & ___ |

**FINAL ORDER PURSUANT TO SECTIONS 105(a), 363,
AND 364 OF THE BANKRUPTCY CODE, (I) AUTHORIZING
PAYMENT OF PREPETITION OBLIGATIONS INCURRED IN THE
ORDINARY COURSE OF BUSINESS IN CONNECTION WITH
INSURANCE PROGRAMS AND BONDING PROGRAM, INCLUDING PAYMENT OF
POLICY PREMIUMS, COSTS, AND BROKER FEES, (II) AUTHORIZING BANKS TO
HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS
RELATED THERETO, AND (III) AUTHORIZING MAINTENANCE OF
POSTPETITION INSURANCE COVERAGE AND BONDING PROGRAM**

Upon consideration of the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for the entry of this final order (the “**Final Order**”), pursuant to sections 105(a), 363(b), and 364 of the Bankruptcy Code, (a) authorizing, but not directing, the Debtors to continue and, to the extent necessary, renew the Insurance Programs and Bonding Program, and pay policy premiums, costs, and brokers’ fees arising thereunder or in connection therewith, including prepetition obligations arising in the ordinary course of business, and (b) authorizing the Banks to honor and process check and electronic transfer requests related to the foregoing; and upon consideration of the First Day Declaration; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PlastiQ Inc. (6125), PLV Inc. d/b/a/ PLV TX Branch Inc. (5084), and Nearside Business Corp. (N/A). The corporate headquarters and the mailing address for the Debtors is 1475 Folsom Street, Suite 400, San Francisco, California 94103.

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

the Motion is required except as otherwise provided herein; and it appearing that this Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and their creditors; 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 herein.
2. The Debtors are authorized to maintain the Insurance Programs without interruption, and to renew, supplement, modify, or extend (including through obtaining “tail” coverage) the Insurance Programs, or enter into new insurance policies, and to incur and pay policy premiums and brokers’ fees arising thereunder or in connection therewith, in accordance with the same practices and procedures as were in effect prior to the Petition Date.
3. The Debtors are authorized, but not directed, to revise, extend, supplement, or change their Bonding Program as needed and to enter into new surety bonds through renewal or purchase of surety bonds.
4. The Debtors are authorized, but not directed, in their discretion, to pay, honor, or otherwise satisfy premiums, claims, deductibles, retrospective adjustments, administrative fees, broker fees (including, without limitation, the Brokers’ Fees), under the Insurance Program and the Bonding Program, and any other obligations that were due and payable or related to the period prior to the Petition Date on account of the Insurance Program and Bonding Program.

5. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Final Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Final Order.

6. Notwithstanding anything to the contrary set forth herein, (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under the Debtors' postpetition financing agreements (the "**DIP Documents**") and any orders approving the DIP Documents and governing the Debtors' use of cash collateral (including with respect to any budgets governing or relating thereto) and (b) to the extent there is any inconsistency between the terms of such orders approving the DIP Documents or the Debtors' use of cash collateral and any action taken or proposed to be taken hereunder, the terms of such orders approving the DIP Documents and use of cash collateral shall control.

7. Nothing in this Final Order: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay a claim.

8. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted herein.

9. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be effective and enforceable immediately upon its entry.

10. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Final Order.