

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
  
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VALERITAS HOLDINGS, INC., *et al.*,<sup>1</sup> : Case No. 20-10290 (\_\_\_\_)
  
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Debtors. : (Joint Administration Requested)
  
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**MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING  
THE DEBTORS TO FILE (I) A CONSOLIDATED LIST OF CREDITORS IN LIEU  
OF SUBMITTING A SEPARATE MAILING MATRIX FOR EACH DEBTOR,  
AND (II) A CONSOLIDATED LIST OF THE DEBTORS’  
THIRTY LARGEST UNSECURED CREDITORS**

Valeritas Holdings, Inc. and its affiliated debtors (collectively, the “Debtors”), by and through their proposed counsel, DLA Piper LLP (US), hereby submit this motion (the “Motion”) for entry of an order (the “Order”), substantially in the form attached hereto as **Exhibit A**, authorizing, but not directing, the Debtors to file (i) a single, consolidated list of creditors (the “Creditor Matrix”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) in lieu of submitting a mailing matrix for each Debtor, and (ii) a single, consolidated list of the Debtors’ thirty (30) largest unsecured creditors that are not insiders (the “Top 30 List”). In support of this Motion, the Debtors rely upon, and incorporate by reference, the *Declaration of John E. Timberlake in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”),<sup>2</sup> filed contemporaneously with this Motion. In further support of this Motion, the Debtors respectfully state as follows:

<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Valeritas Holdings, Inc. (8907); Valeritas, Inc. (1056); Valeritas Security Corporation (9654); Valeritas US, LLC (0007). The corporate headquarters and the mailing address for the debtors is 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807.

<sup>2</sup> Capitalized terms used but not otherwise defined in this Motion shall have the meaning ascribed to them in the First Day Declaration.



**JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over these Chapter 11 Cases, the Debtors, property of the Debtors’ estates and this matter under 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. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. 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”), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue of these Chapter 11 Cases in this District is proper under 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested in the Motion are section 521 of title 11 of the United States Code (the “Bankruptcy Code”), rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rules 1001-1 and 1007-2.

**BACKGROUND**

5. On the date hereof (the “Petition Date”), each Debtor filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

6. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee, examiner, or official committee of unsecured creditors has been appointed in these Chapter 11 Cases. No date has been set for a meeting pursuant to section 341 of the Bankruptcy Code.

7. Additional factual background regarding the Debtors, including their business operations, capital structure and the events leading to the filing of these Chapter 11 Cases, is set forth in detail in the First Day Declaration, which is fully incorporated into this Motion by reference.

**RELIEF REQUESTED**

8. By this Motion, the Debtors seek entry of an order, pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and Local Rules 1001-1 and 1007-2, substantially in the form attached to this Motion as **Exhibit A**, authorizing the Debtors to file (i) a consolidated Creditor Matrix in lieu of submitting an individual matrix for each Debtor, and (ii) a consolidated Top 30 List in lieu of a list of the largest thirty (30) unsecured creditors for each individual Debtor.

**BASIS FOR RELIEF**

**I. Ample Cause Exists to Authorize the Debtors to File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor.**

9. The Debtors have identified hundreds of entities and individuals to which notice of certain proceedings in these Chapter 11 Cases must be provided. The Debtors anticipate that such notices could include, among others: (i) the filing of the Debtors' voluntary petitions under chapter 11 of the Bankruptcy Code, (ii) the initial meeting of the Debtors' creditors in accordance with section 341 of the Bankruptcy Code, (iii) applicable bar dates for the filing of claims, (iv) the hearing on the adequacy of a disclosure statement in respect of a chapter 11 plan, and (v) the hearing to confirm a chapter 11 plan.

10. Local Rule 1007-2(a) provides that, in a voluntary chapter 11 case, the debtor must file "a list containing the name and complete address of each creditor in such format as directed by the Clerk's Office Procedures." Local Rule 2002-1(f)(v) further requires "a separate

claims register and separate creditor mailing matrix for each debtor in jointly administered cases.” However, Local Rule 1001-1(c) permits the modification of the Local Rules by the Court “in the interest of justice.” The Debtors submit that modifying Local Rule 2002-1(f)(v) and authorizing the Debtors to file and maintain the consolidated Creditor Matrix in these Chapter 11 Cases, in lieu of individual matrices for each Debtor, is warranted in the interest of justice.

11. Although the Debtors maintain computerized records, certain Debtors do not presently maintain lists of the names and addresses of their creditors on a Debtor-specific basis. Conforming each Debtor’s records into the creditor matrix format as required under Local Rule 1007-2(a) would be an unnecessarily burdensome task given the size and scope of these Chapter 11 Cases and the number of creditors. Furthermore, because some creditors may be creditors of multiple Debtors, the consolidated Creditor Matrix will reduce administrative costs by eliminating duplicates of each mailing.

12. Courts in this jurisdiction have granted similar relief in other recent cases. *See, e.g., In re Melinta Therapeutics, Inc., et al.*, Case No. 19-12748 (LSS) (Bankr. D. Del. Jan. 2, 2020), ECF No. 76; *In re Celadon Grp., Inc., et al.*, Case No. 19-12606 (KBO) (Bankr. D. Del. Dec. 10, 2019), ECF No. 55; *In re Destination Maternity Corp., et al.*, Case No. 19-12256 (BLS) (Bankr. D. Del. Oct. 22, 2019), ECF No. 76; *In re Forever 21, Inc., et al.*, Case No. 19-12122 (KG) (Bankr. D. Del. Oct. 1, 2019), ECF No. 100; *In re THG Holdings LLC, et al.*, Case No. 19-11689 (JTD) (Bankr. D. Del. July 31, 2019), ECF No. 45.<sup>3</sup>

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<sup>3</sup> In accordance with Local Rule 7007-2, the Debtors’ proposed counsel has copies of each of the above-referenced orders and will make them available to this Court and to any party that requests them. The orders are also available on this Court’s CM/ECF PACER site at the cited docket numbers and on the dates specified above.

**II. Ample Cause Exists to Authorize the Debtors to File a Consolidated List of the Debtors' Thirty Largest Unsecured Creditors.**

13. Bankruptcy Rule 1007(d) provides that a debtor shall file “a list containing the name, address and claim of the creditors that hold the 20 largest unsecured claims, excluding insiders.” Fed. R. Bankr. P. 1007(d). This list is primarily used by the Office of the United States Trustee (the “U.S. Trustee”) to evaluate the types and amounts of unsecured claims against a debtor and thus identify potential candidates to serve on the official committee of unsecured creditors appointed under section 1102 of the Bankruptcy Code. *See, e.g., In re Dandy Doughboy Donuts, Inc.*, 66 B.R. 457, 458 (Bankr. S.D. Fla. 1986) (“The purpose of the separate list of 20 largest creditors required by this provision in the rules is to enable the clerk to identify members and the court to appoint immediately an unsecured creditors’ committee in compliance with 11 U.S.C. § 1102(a)(1).”); 9 *Collier on Bankruptcy* ¶ 1007.04 (16th ed. 2018) (“[T]he larger [unsecured creditor] list and information about the claims of the creditors on the list enables the United States trustee to determine the different types of claims existing in order to assure that a fully representative committee is appointed.”).

14. The Debtors request authority to file the Top 30 List, consisting of the creditors who are not insiders and who hold the thirty (30) largest unsecured claims, on a consolidated basis. Many creditors are shared among several Debtors and certain of the Debtors may have fewer than thirty (30) identifiable unsecured creditors. Therefore, the Debtors submit that filing separate lists would be of limited utility, particularly since the exercise of sorting through the Debtors’ many creditors and unsecured claims to create individual lists would consume an excessive amount of the Debtors’ scarce time and resources. Further, the Top 30 List will be more helpful to the U.S. Trustee and will help to facilitate the U.S. Trustee’s efforts to communicate with these creditors.

15. Courts in this jurisdiction frequently grant similar relief. *See, e.g., In re Celadon Group, Inc., et al.*, Case No. 19-12606 (KBO) (Bankr. D. Del. Dec. 10, 2019), ECF No. 55; *In re Destination Maternity Corp., et al.*, Case No. 19-12256 (BLS) (Bankr. D. Del. Oct. 22, 2019), ECF No. 76; *In re Forever 21, Inc., et al.*, Case No. 19-12122 (KG) (Bankr. D. Del. Oct. 1, 2019), ECF No. 100; *In re THG Holdings LLC, et al.*, Case No. 19-11689 (JTD) (Bankr. D. Del. July 31, 2019), ECF No. 45.<sup>4</sup>

16. Accordingly, the Debtors submit that filing the Top 30 List is consistent with the applicable provisions of the Local Rules and appropriate under the facts and circumstances present here.

**NOTICE**

17. Notice of this Motion will be provided in accordance with the Local Rules to: (a) the Office of the United States Trustee for Region 3; (b) the Debtors' Prepetition Secured Lenders; (c) HB Fund LLC, the proposed DIP Lender; (d) the Internal Revenue Service; (e) the Securities and Exchange Commission; (f) the parties included on the Debtors' consolidated list of their 30 largest unsecured creditors; (g) the United States Attorney for the District of Delaware; (h) the Food and Drug Administration; and (i) all parties entitled to notice pursuant to Local Rule 2002-1(b). As this Motion is seeking "first day" relief, notice of this Motion and any order entered in connection with this Motion will be served on all parties required by Local Rule 9013-1(m). Due to the urgency of the circumstances surrounding this Motion and the nature of the relief sought, the Debtors respectfully submit that no further notice of this Motion is required.

*[Remainder of Page Intentionally Left Blank]*

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<sup>4</sup> In accordance with Local Rule 7007-2, the Debtors' proposed counsel has copies of each of the above-referenced orders and will make them available to this Court and to any party that requests them. The orders are also available on this Court's CM/ECF PACER site at the cited docket numbers and on the dates specified above.

**WHEREFORE**, the Debtors respectfully request that this Court (i) enter an Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in this Motion, and (ii) grant such other and further relief as this Court may deem just and proper.

Dated: February 9, 2020  
Wilmington, Delaware

Respectfully submitted,

**DLA PIPER LLP (US)**

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*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**

**Proposed Order**

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

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 In re: : Chapter 11  
 :  
 VALERITAS HOLDINGS, INC., *et al.*,<sup>1</sup> : Case No. 20-10290 (\_\_\_\_)  
 :  
 Debtors. : (Jointly Administered)  
 :  
 : **Re: D.I. \_\_**  
 -----X

**ORDER AUTHORIZING THE DEBTORS TO FILE (I) A CONSOLIDATED LIST OF CREDITORS IN LIEU OF SUBMITTING A SEPARATE MAILING MATRIX FOR EACH DEBTOR, AND (II) A CONSOLIDATED LIST OF THE DEBTORS’ THIRTY LARGEST UNSECURED CREDITORS**

Upon the *Motion of the Debtors for the Entry of an Order Authorizing the Debtors to File (I) a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor, and (II) a Consolidated List of the Debtors’ Thirty Largest Unsecured Creditors* (the “Motion”), filed by the above-captioned debtors (collectively, the “Debtors”) for entry of an order (this “Order”)<sup>2</sup> authorizing the Debtors (i) to file a single, consolidated list of creditors (the “Creditor Matrix”) in lieu of submitting a mailing matrix for each Debtor, and (ii) to file a consolidated list of the Debtors’ thirty largest unsecured creditors, all as further described in the Motion; and upon consideration of the First Day Declaration and the record of these Chapter 11 Cases; and this Court having found that (i) this Court has jurisdiction over the Debtors, their estates, property of their estates and to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United*

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Valeritas Holdings, Inc. (8907); Valeritas, Inc. (1056); Valeritas Security Corporation (9654); Valeritas US, LLC (0007). The corporate headquarters and the mailing address for the debtors is 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807.

<sup>2</sup> Capitalized terms used but not otherwise defined in this Order shall have the meaning ascribed to them in the Motion.

*States District Court for the District of Delaware*, dated February 29, 2012, (ii) this Court may enter a final order consistent with Article III of the United States Constitution, (iii) this is a core proceeding under 28 U.S.C § 157(b)(2)(A), (iv) venue of this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409, and (v) no further or other notice of the Motion is required under the circumstances; and this Court having reviewed the Motion and having heard the statements in support of the relief requested in the Motion at a hearing before this Court; and having determined that the legal and factual bases set forth in the Motion and the First Day Declaration establish just cause for the relief granted in this Order; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth in this Order.
2. The requirement that separate mailing matrices be submitted for each Debtor is waived, and the Debtors are authorized to submit a consolidated list of creditors; *provided, however*, that if any of the bankruptcy cases convert to a case under chapter 7 of the Bankruptcy Code, the applicable Debtor shall file its own separate creditor mailing matrix following the entry of an order converting the bankruptcy case.
3. The Debtors are hereby authorized to file a consolidated list of their thirty (30) largest unsecured creditors in lieu of each Debtor filing a list of its thirty largest unsecured creditors.
4. The Debtors are hereby authorized to take all actions they deem necessary to effectuate the relief granted in this Order.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Order.