

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.*,¹ : Case No. 20-10290 (LSS)

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Debtors. : (Jointly Administered)

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: Re: D.I. 9

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INTERIM ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE THEIR INSURANCE PROGRAM, AND (II) PAY PREPETITION AND POSTPETITION OBLIGATIONS IN RESPECT THEREOF

Upon the *Motion of the Debtors for Entry of Interim and Final Orders Authorizing the Debtors to (I) Continue Their Insurance Program, and (II) Pay Prepetition and Postpetition Obligations In Respect Thereof* (the "Motion"),² filed by the above-captioned debtors (collectively, the "Debtors") for entry of an interim order (this "Interim Order") (i) authorizing, but not directing, the Debtors, in their sole discretion, to (a) to continue their insurance program and pay prepetition and postpetition obligations in respect thereof, and (b) renew, supplement, modify, terminate, or purchase insurance coverage in the ordinary course of business; (ii) authorizing the Debtors' financial institutions to honor and process checks and transfers related to such insurance obligations; and (iii) granting related relief, 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

¹ 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.

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



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, (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), (iv) venue of the 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 Interim 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, 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 Debtors are authorized, but not required, to pay, in their sole discretion, all Insurance Obligations in connection with the Insurance Program, attached to this Interim Order as **Schedule 1** to the Motion, and those Insurance Obligations that were due and payable as of the Petition Date, or will become due and payable prior to entry of a final order on the Motion.
3. The Debtors are authorized and empowered to maintain their Insurance Program without interruption on the same basis and to the extent consistent with their practices and procedures that were in effect prior to the Petition Date.

4. The Debtors are hereby authorized, but not directed, to pay any such undisputed prepetition amounts that are later determined to be due and owing as a result of an audit, including any additional fees and costs imposed as a result of any audit.

5. Without further order of this or any other Court, the Debtors are authorized to honor their Insurance Obligations under the Insurance Program and to renew the existing Commercial Insurance Policies or enter into new insurance arrangements in the ordinary course of business, as may be required as the annual terms of existing arrangements expire.

6. The Banks shall be and hereby are authorized and directed to receive, process, honor and pay all checks and fund transfers on account of the Insurance Obligations that had not been honored and paid as of the Petition Date, *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments. The Banks are authorized to rely on the representations of the Debtors as to which checks and fund transfers are authorized to be honored and paid pursuant to this Interim Order.

7. This Interim Order is without prejudice to the rights of the Debtors and their estates to contest the validity, priority or amounts of any Insurance Obligations on any grounds they deem appropriate, and any rights of the Debtors and their estates with respect to such matters shall be reserved.

8. To the extent that any Insurance Program or any related contract or agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Interim Order nor any payments made in accordance with this Interim Order shall constitute the postpetition assumption of any such Insurance Program or any related contract or agreement pursuant to section 365 of the Bankruptcy Code.

9. Notwithstanding the relief granted in this Interim Order and any actions taken hereunder, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' rights to subsequently dispute ^{any unpaid portion of} such claim or lien, (c) an undertaking, obligation, or commitment to pay any claims hereunder, or (d) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

10. The final hearing (the "Final Hearing") on the Motion shall be held on **March 12, 2020 at 2:00 p.m. (EST)**. Any objections or responses to entry of a final order on the Motion (each, an "Objection") shall be filed on or before **4:00 p.m. (EST) on March 5, 2020**, and served on the following parties: (i) the Debtors, 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807 (Attn.: John E. Timberlake, President and CEO); (ii) proposed counsel for the Debtors, DLA Piper LLP (US), 1201 N. Market Street, Suite 2100, Wilmington, Delaware 19801 (Attn.: Maris J. Kandestin, Esq., maris.kandestin@us.dlapiper.com), and 1251 Avenue of the Americas, New York, New York 10020 (Attn.: Rachel Ehrlich Albanese, Esq., rachel.albanese@us.dlapiper.com); (iii) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King St., Lockbox 35, Wilmington, Delaware 19801 (Attn.: Richard L. Schepacarter, Esq., Richard.Schepacarter@usdoj.gov); (iv) counsel to the official committee of unsecured creditors appointed in these Chapter 11 Cases, if any; (v) counsel to the Debtors' prepetition secured lenders, Venable LLP, 1201 N. Market Street, Suite 1400, Wilmington, Delaware 19801 (Attn.: Daniel A. O'Brien, Esq., dao'brien@venable.com), and 1042 Rockefeller Center, 1270 Avenue of the Americas, 24th Floor, New York, New York 10020 (Attn.: Carol Weiner Levy, Esq. and Jeffrey S. Sabin, Esq., cweinerlevy@venable.com and

jssabin@venable.com); and (vi) counsel to the HB Fund LLC, Proskauer Rose LLP, Eleven Times Square, New York, New York 10036 (Attn: Peter Antoszyk, Esq. and Lucy F. Kweskin, Esq., pantoszyk@proskauer.com and lkweskin@proskauer.com), and Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19081 (Attn: Adam G. Landis, Esq. and Kerri Mumford, Esq., landis@lrclaw.com and mumford@lrclaw.com). 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.

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


12. The requirements of Bankruptcy Rule 6004(a) are waived.

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

14. The Debtors are hereby authorized to take all actions they deem necessary to effectuate the relief granted in this Interim Order.

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

Dated: Feb. 12, 2020
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

Commercial Insurance Policies

COMMERCIAL INSURANCE POLICIES			
INSURER	COVERAGE	LAST 4 DIGITS OF POLICY NUMBER	EXPIRATION DATE
Trinet Group, Inc. 9000 Town Center Parkway Bradenton, FL 34202	Workers' Compensation	3261	07/01/2020
StarNet Insurance Company Berkley Life Sciences 200 Princeton South Corporate Center Suite 250 Ewing NJ, 08628	Products/General Liability	72-15	07/01/2020
Continental Casualty Company P.O. Box 8317 Chicago IL 60680-8317	Ocean Cargo	7133	07/01/2020
Gemini Insurance Company Berkley Life Sciences 200 Princeton South Corporate Center Suite 250 Ewing NJ, 08628	Package-Berkeley (Products & Clinical Trials)	353-6	07/01/2020
Berkley Regional Insurance Company 11201 Douglas Avenue Urbandale, IA 50322	Commercial Automobile	14-10	07/01/2020
Federal Insurance Company Chubb Specialty Insurance One Financial Center 22nd Floor Boston, MA 02111	Crime	0022	05/03/2020
NAS Insurance Service 16501 Ventura Blvd. Encino, CA 91436	Cyber Liability	6505	05/03/2020
National Union Fire Insurance Company of Pittsburgh, PA 175 Water Street, New York, NY 10038	Employment Practices/Fiduciary Liability	46-27	05/03/2020
National Union Fire Insurance Company of Pittsburgh, PA (Primary) 175 Water Street, New York, NY 10038	Directors' & Officers' Liability	01-94	05/03/2020
Berkley National Insurance Company (Excess) Berkley Life Sciences 200 Princeton South Corporate Center Suite 250 Ewing NJ, 08628		58-12	05/03/2020
National Union Fire Insurance Company of Pittsburgh, PA (Excess A-Side) 175 Water Street, New York, NY 10038		04-77	05/03/2020
XL Specialty Insurance Company		92-19	05/03/2020

<p>AXA XL -Professional Insurance (Excess A-Side) 100 Constitution Plaza 17th Floor Hartford, CT 06103</p>			
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