

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

-----X
:

In re: : Chapter 11

:

VALERITAS HOLDINGS, INC., *et al.*,¹ : Case No. 20-10290 (LSS)

:

Debtors. : (Jointly Administered)

:

X Re: D.I. 10, 55

-----X

CERTIFICATION OF COUNSEL REGARDING MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION TAXES

I, Maris J. Kandestin, an attorney with DLA Piper LLP (US), as proposed counsel to Valeritas Holdings, Inc. and its affiliated debtors (collectively, the “Debtors”) in the above-captioned chapter 11 cases, hereby certify as follows:

1. On February 9, 2020, the Debtors filed the *Motion of the Debtors for Entry of Interim and Final Orders Authorizing the Debtors to Pay Certain Prepetition Taxes* [D.I. 10] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. On February 12, 2020, the Court held a hearing to consider, among other things, the relief requested in the Motion. At the hearing, the Court directed the Debtors to make certain revisions to the proposed form of order and subsequently entered the *Interim Order Authorizing the Debtors to Pay Certain Prepetition Taxes* [D.I. 55] (the “Interim Order”).

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.



3. Any objections or responses to the relief requested in the Motion on a final basis were to be filed with the Court and served upon the undersigned proposed counsel no later than 4:00 p.m. (prevailing Eastern Time) on March 5, 2020.

4. The Debtors prepared a revised proposed form of order (the “Revised Proposed Order”), granting the relief requested in the Motion on a final basis. The Revised Proposed Order incorporates the Court-ordered revisions to the Interim Order. The Debtors circulated the Revised Proposed Order to the Office of the United States Trustee for Region 3, the Debtors’ prepetition secured lenders, the debtor-in-possession financing lender, and the Official Committee of Unsecured Creditors, none of which have indicated that they object to the entry of the Revised Proposed Order. A copy of the Revised Proposed Order is attached hereto as Exhibit A. For the convenience of the Court and parties in interest, a redline of the Revised Proposed Order marked against the proposed form of final order attached as an exhibit to the Motion is attached hereto as Exhibit B.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Revised Proposed Order, attached hereto as **Exhibit A**, granting the relief requested, and grant such other and further relief as the Court may deem just and proper.

Dated: March 10, 2020
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

/s/ Maris J. Kandestin

Maris J. Kandestin (DE 5294)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Telephone: (302) 468-5700
Facsimile: (302) 394-2341
Email: maris.kandestin@us.dlapiper.com

-and-

Rachel Ehrlich Albanese (admitted *pro hac vice*)
1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 335-4500
Facsimile: (212) 335-4501
Email: rachel.albanese@us.dlapiper.com

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

(Revised Proposed Final Order)

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

-----X
 :
 In re: : Chapter 11
 :
 VALERITAS HOLDINGS, INC., *et al.*,¹ : Case No. 20-10290 (LSS)
 :
 Debtors. : (Jointly Administered)
 :
 : **Re: D.I. 10, 55**
 :
 -----X

**FINAL ORDER AUTHORIZING THE DEBTORS
TO PAY CERTAIN PREPETITION TAXES**

Upon the *Motion of the Debtors for Entry of an Order Authorizing the Debtors to Pay Certain Prepetition Taxes* (the “Motion”)² filed by the above-captioned debtors (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and final order (the “Final Order”), authorizing, but not directing, the Debtors to pay, in their discretion, certain prepetition taxes and related obligations; 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 (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 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

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.

further or other notice of the Motion is required under the circumstances; the Court having reviewed the Motion and the First Day Declaration and having considered the statements of counsel and the evidence adduced with respect to the Motion; and this Court having granted the interim relief requested in the Motion [D.I. 55]; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted in this Final Order; and any objections to the requested relief having been withdrawn or overruled;

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 pay prepetition Taxes to the Taxing Authorities in the ordinary course of their business, including, without limitation, all Taxes subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, subject to an aggregate maximum of \$9,190.
3. This Final Order is without prejudice to the rights of the Debtors and their estates to contest the validity, priority or amounts of any Taxes or audit amounts on any grounds they deem appropriate, and any rights of the Debtors and their estates with respect to such matters shall be reserved.
4. Notwithstanding the relief granted in this Motion and any actions taken hereunder, nothing contained in the Motion, this Final Order, or any payment made pursuant to this Final Order shall constitute, nor is it intended to constitute: (i) an admission as to the validity or priority of any claim or lien against the Debtors, (ii) an admission or consent by any Taxing Authority as to the amount of its claim, (iii) a waiver of the Debtors' rights to subsequently dispute any unpaid portion of such claim or lien, (iv) an undertaking, obligation, or commitment

to pay any claims hereunder, or (v) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

5. 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 Taxes 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 Final Order.

6. The Debtors retain the sole discretion whether to pay any claim that the Court authorizes under this proposed Final Order.

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

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

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

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

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

Exhibit B

(Redline)

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

----- ---	X	
	:	
	:	
In re:	:	Chapter 11
	:	
VALERITAS HOLDINGS, INC., <i>et al.</i> , ¹	:	Case No. 20-10290 (--- LSS)
	:	
Debtors.	:	(Jointly Administered)
	:	
	X	Re: D.I. --- & --- 10.55

**FINAL ORDER AUTHORIZING THE DEBTORS
TO PAY CERTAIN PREPETITION TAXES**

Upon the *Motion of the Debtors for Entry of an Order Authorizing the Debtors to Pay Certain Prepetition Taxes* (the “Motion”)² filed by the above-captioned debtors (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and final order (the “Final Order”), authorizing, but not directing, the Debtors to pay, in their discretion, certain prepetition taxes and related obligations; 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 (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 States District Court for the District of Delaware*, dated February 29, 2012, (ii) this Court may enter a final order consistent with Article

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.

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; the Court having reviewed the Motion and the First Day Declaration and having considered the statements of counsel and the evidence adduced with respect to the Motion; and this Court having granted the interim relief requested in the Motion [D.I.— [55](#)]; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted in this Final Order; and any objections to the requested relief having been withdrawn or overruled;

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 pay prepetition Taxes to the Taxing Authorities in the ordinary course of their business, including, without limitation, all Taxes subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, subject to an aggregate maximum of \$9,190.
3. This Final Order is without prejudice to the rights of the Debtors and their estates to contest the validity, priority or amounts of any Taxes or audit amounts on any grounds they deem appropriate, and any rights of the Debtors and their estates with respect to such matters shall be reserved.
4. Notwithstanding the relief granted in this Motion and any actions taken hereunder, nothing contained in the Motion, this Final Order, or any payment made pursuant to this Final Order shall constitute, nor is it intended to constitute: (i) an admission as to the validity or priority of any claim or lien against the Debtors, (ii) an admission or consent by any Taxing Authority as to the amount of its claim, (iii) a waiver of the Debtors' rights to subsequently

dispute [any unpaid portion of](#) such claim or lien, (iv) an undertaking, obligation, or commitment to pay any claims hereunder, or (v) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

5. 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 Taxes 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 Final Order.

6. ~~Payments made pursuant to this Final Order are not intended and shall not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.~~ The Debtors retain the sole discretion whether to pay any claim that the Court authorizes under this proposed Final Order.

~~7. Notwithstanding anything set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed under the Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief and any related final order (each as amended, modified or supplemented in accordance with the terms thereof, the "DIP Order"), including the Approved Budget (as defined in the DIP Order); and (b) to the extent there is any inconsistency between the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order and the Approved Budget shall control.~~

7. ~~8.~~ The requirements of Bankruptcy Rule 6003(b) are satisfied.

8. ~~9.~~ The requirements of Bankruptcy Rule 6004(a) are waived.

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

10. ~~11.~~ The Debtors are hereby authorized to take all actions they deem necessary to effectuate the relief granted in this Final Order.

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

Summary report:	
Litéra® Change-Pro TDC 10.1.0.700 Document comparison done on 3/8/2020 1:39:40 PM	
Style name: DLA Piper	
Intelligent Table Comparison: Active	
Original DMS: iw://USDMS.PIPER.ROOT.LOCAL/EAST/172449402/1	
Modified DMS: iw://USDMS.PIPER.ROOT.LOCAL/EAST/172449402/2	
Changes:	
Add	13
Delete	13
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	26