

**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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X Re: D.I. 9, 54

CERTIFICATION OF COUNSEL REGARDING MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING THE DEBTORS TO (I) CONTINUE THEIR INSURANCE PROGRAM, AND (II) PAY ALL PREPETITION AND POSTPETITION OBLIGATIONS IN RESPECT THERETO

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 (I) Continue Their Insurance Program, and (II) Pay All Prepetition and Postpetition Obligations in Respect Thereto* [D.I. 9] (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 (I) Continue Their Insurance Program, and (II) Pay All Prepetition and Postpetition Obligations with Respect Thereto* [D.I. 54] (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

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-and-

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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**

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 In re: : Chapter 11
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 VALERITAS HOLDINGS, INC., *et al.*,¹ : Case No. 20-10290 (LSS)
 :
 Debtors. : (Jointly Administered)
 :
 : **Re: D.I. 9, 54**
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**FINAL 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 a final order (this “Final 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,

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

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), (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 this Court having granted the interim relief requested in the Motion [D.I. 54]; 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 Final 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 a final basis, as set forth in this Final 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 Final Order as **Schedule 1** to the Motion, and those Insurance Obligations that were due and payable, or are related to, the period prior to the Petition Date.
3. The Debtors are authorized and empowered to maintain their Insurance Program without interruption on the same basis and to the extent consistent with the practices and procedures that were in effect prior to the Petition Date.

4. To the extent prosecution by the Debtors' employees of their valid workers' compensation claims is barred by the automatic stay provision of section 362 of the Bankruptcy Code, the stay shall be lifted solely to permit such employees to liquidate their workers' compensation claims in the appropriate judicial or administrative forum.

5. The Debtors are hereby authorized, but not directed to pay any 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.

6. Without further order of this 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 coverage arrangements, broker agreements, and related agreements in the ordinary course of business, as may be required as the annual terms of existing arrangements expire.

7. Without further order of this Court, the Debtors are authorized, but not directed, to amend, supplement, change, or enter into new broker retention agreements in connection with the Insurance Programs and to pay any Broker Fees, whether incurred or due and payable before or after the Petition Date, in the ordinary course of the Debtors' business.

8. 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 Final Order.

9. This Final 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.

10. 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 Final Order nor any payments made in accordance with this Final 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.

11. Notwithstanding the relief granted in this Final Order and any actions taken hereunder, nothing contained in the Motion or this Final Order or any payment made pursuant to this Final 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.

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

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

14. 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.

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

16. 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**

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In re:	:	Chapter 11
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VALERITAS HOLDINGS, INC., <i>et al.</i> , ¹	:	Case No. 20-10290 (--- <u>LSS</u>)
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Debtors.	:	(Jointly Administered)
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	:	Re: D.I. ---<u>& 9, 54</u>
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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 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 this Court having granted the interim relief requested in the Motion [D.I.— [54](#)]; 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 Final 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 a final basis, as set forth in this Final Order.
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representations of the Debtors as to which checks and fund transfers are authorized to be honored and paid pursuant to this Final Order.

9. This Final 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.

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11. Notwithstanding the relief granted in this Final Order and any actions taken hereunder, nothing contained in the Motion or this Final Order or any payment made pursuant to this Final 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.

~~12. 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.~~

12. ~~13.~~ The requirements of Bankruptcy Rule 6003(b) are satisfied.

13. ~~14.~~ The requirements of Bankruptcy Rule 6004(a) are waived.

14. ~~15.~~ 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.

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16. ~~17.~~ 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 1:36:36 PM	
Style name: DLA Piper	
Intelligent Table Comparison: Active	
Original DMS: iw://USDMS.PIPER.ROOT.LOCAL/EAST/172449148/1	
Modified DMS: iw://USDMS.PIPER.ROOT.LOCAL/EAST/172449148/2	
Changes:	
<u>Add</u>	11
Delete	11
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	22