

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

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In re:)	Chapter 11
)	
AKORN, INC.,)	Case No. 20-11177 (___)
)	
Debtor.)	
)	
Tax I.D. No. 72-0717400)	
<hr/>)	
In re:)	Chapter 11
)	
10 EDISON STREET LLC,	)	Case No. 20-11178 (___)
)	
Debtor.)	
)	
Tax I.D. No. 77-0657890)	
<hr/>)	
In re:	)	Chapter 11
)	
13 EDISON STREET LLC,	)	Case No. 20-11180 (___)
)	
Debtor.)	
)	
Tax I.D. No. N/A)	
<hr/>)	
In re:	)	Chapter 11
)	
ADVANCED VISION RESEARCH, INC.,	)	Case No. 20-11182 (___)
)	
Debtor.)	
)	
Tax I.D. No. 04-2989046)	
<hr/>)	
In re:)	Chapter 11
)	
AKORN (NEW JERSEY), INC.,)	Case No. 20-11183 (___)
)	
Debtor.)	
)	
Tax I.D. No. 36-4301474)	
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In re:) Chapter 11
)
AKORN ANIMAL HEALTH, INC.,) Case No. 20-11185 (___)
)
Debtor.)
)
Tax I.D. No. 46-2986645)

In re:) Chapter 11
)
AKORN OPHTHALMICS, INC.,) Case No. 20-11186 (___)
)
Debtor.)
)
Tax I.D. No. 45-3466266)

In re:) Chapter 11
)
AKORN SALES, INC.,) Case No. 20-11174 (___)
)
Debtor.)
)
Tax I.D. No. 46-4527866)

In re:) Chapter 11
)
CLOVER PHARMACEUTICALS CORP.,) Case No. 20-11187 (___)
)
Debtor.)
)
Tax I.D. No. 26-3813735)

In re:) Chapter 11
)
COVENANT PHARMA, INC.,) Case No. 20-11188 (___)
)
Debtor.)
)
Tax I.D. No. 20-1140115)

In re:)
) Chapter 11
)
HI-TECH PHARMACAL CO., INC.,) Case No. 20-11189 (___)
)
Debtor.)
)
Tax I.D. No. 11-2638720)

In re:) Chapter 11
)
INSPIRE PHARMACEUTICALS, INC.,) Case No. 20-11190 (___)
)
Debtor.)
)
Tax I.D. No. 04-3209022)

In re:) Chapter 11
)
OAK PHARMACEUTICALS, INC.,) Case No. 20-11192 (___)
)
Debtor.)
)
Tax I.D. No. 45-2776647)

In re:) Chapter 11
)
OLTA PHARMACEUTICALS CORP.,) Case No. 20-11191 (___)
)
Debtor.)
)
Tax I.D. No. 26-3813621)

In re:) Chapter 11
)
VERSAPHARM INCORPORATED,) Case No. 20-11194 (___)
)
Debtor.)
)
Tax I.D. No. 58-2146739)

In re:)	
	)	Chapter 11
VPI HOLDINGS CORP.,)	
	)	Case No. 20-11193 (___)
Debtor.)	
)	
Tax I.D. No. 26-1356716)	
)	
In re:	)	Chapter 11
)	
VPI HOLDINGS SUB, LLC,	)	Case No. 20-11195 (___)
)	
Debtor.)	
)	
Tax I.D. No. N/A)	

**DEBTORS’ MOTION SEEKING ENTRY OF AN
ORDER (I) DIRECTING JOINT ADMINISTRATION OF THEIR
RELATED CHAPTER 11 CASES AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state as follows in support of this motion:¹

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”): (a) directing procedural consolidation and joint administration of their related chapter 11 cases; and (b) granting related relief. Specifically, the Debtors request that the United States Bankruptcy Court for the District of Delaware (the “Court”) maintain one file and

¹ A detailed description of the Debtors and their business, and the facts and circumstances supporting the Debtors’ chapter 11 cases, are set forth in greater detail in the *Declaration of Duane Portwood in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), on May 20, 2020 (the “Petition Date”) and incorporated by reference herein. Capitalized terms used but not otherwise defined in this motion shall have the meanings ascribed to them in the First Day Declaration.

one docket for all of these chapter 11 cases under the case of Akorn, Inc., and that these chapter 11 cases be administered under the following caption:

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

In re:)	
	)	Chapter 11
)	
AKORN, INC., <i>et al.</i> , ¹	)	Case No. 20-11177 (___)
)	
Debtors.	)	(Jointly Administered)
)	

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, if any, are: Akorn, Inc. (7400); 10 Edison Street LLC (7890); 13 Edison Street LLC; Advanced Vision Research, Inc. (9046); Akorn (New Jersey), Inc. (1474); Akorn Animal Health, Inc. (6645); Akorn Ophthalmics, Inc. (6266); Akorn Sales, Inc. (7866); Clover Pharmaceuticals Corp. (3735); Covenant Pharma, Inc. (0115); Hi-Tech Pharmacal Co., Inc. (8720); Inspire Pharmaceuticals, Inc. (9022); Oak Pharmaceuticals, Inc. (6647); Olta Pharmaceuticals Corp. (3621); VersaPharm Incorporated (6739); VPI Holdings Corp. (6716); and VPI Holdings Sub, LLC. The location of the Debtors’ service address is: 1925 W. Field Court, Suite 300, Lake Forest, Illinois 60045.

2. The Debtors further request that the Court order that the foregoing caption satisfies the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

3. Additionally, the Debtors request that an entry be made on the docket of each of the Debtors’ chapter 11 cases, other than on the docket of the case of Akorn, Inc., that is substantially similar to the following:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware directing joint administration of the chapter 11 cases of: Akorn, Inc., Case No. 20-11177 (___); 10 Edison Street LLC, Case No. 20-11178 (___); 13 Edison Street LLC, Case No. 20-11180 (___); Advanced Vision Research, Inc., Case No. 20-11182 (___); Akorn (New Jersey), Inc., Case No. 20-11183 (___); Akorn Animal Health, Inc., Case No. 20-11185 (___); Akorn Ophthalmics, Inc., Case No. 20-11186 (___); Akorn Sales, Inc., Case No. 20-11174 (___); Clover Pharmaceuticals Corp., Case No. 20-11187 (___); Covenant Pharma, Inc., Case No. 20-11188 (___); Hi-Tech Pharmacal Co., Inc., Case No. 20-11189 (___); Inspire Pharmaceuticals, Inc., Case No. 20-11190 (___);

Oak Pharmaceuticals, Inc., Case No. 20-11192 (___); Olta Pharmaceuticals Corp., Case No. 20-11191 (___); VersaPharm Incorporated, Case No. 20-11194 (___); VPI Holdings Corp., Case No. 20-11193 (___); and VPI Holdings Sub, LLC, Case No. 20-11195 (___). All further pleadings and other papers shall be filed in and all further docket entries shall be made in Case No. 20-11177 (___).

Jurisdiction and Venue

4. 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 February 29, 2012. The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and 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”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

5. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The bases for the relief requested herein are sections 105(a) and 342 of the Bankruptcy Code, Bankruptcy Rule 1015(b), and Local Rules 1015-1 and 9013-1(m).

Background

7. Akorn, Inc., together with its Debtor and non-Debtor subsidiaries (collectively, “Akorn”) is a specialty pharmaceutical company that develops, manufactures, and markets generic and branded prescription pharmaceuticals, branded as well as private-label over-the-counter consumer health products, and animal health pharmaceuticals. Akorn is an industry leader in the development, manufacturing, and marketing of specialized generic

pharmaceutical products in alternative dosage forms. Headquartered in Lake Forest, Illinois, Akorn has approximately 2,180 employees worldwide and maintains a global manufacturing presence, with pharmaceutical manufacturing facilities located in Illinois, New Jersey, New York, Switzerland, and India. Akorn's operations generated approximately \$682 million in revenue and approximately \$124 million of Adjusted EBITDA in 2019. The Debtors commenced these chapter 11 cases to conduct an orderly sale process that will position the Debtors for sustained future success by right-sizing their balance sheet and addressing their litigation overhangs.

8. On the Petition Date, each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner in these chapter 11 cases, and no committees have been appointed or designated.

Basis for Relief

9. Bankruptcy Rule 1015(b) provides, in pertinent part, that “[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015. The seventeen Debtor entities that commenced chapter 11 cases are “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code. Accordingly, the Bankruptcy Code and Bankruptcy Rules authorize the Court to grant the relief requested herein.

10. Further, Local Rule 1015-1 provides additional authority for the Court to order joint administration of these chapter 11 cases:

An order of joint administration may be entered, without notice and an opportunity for hearing, upon the filing of a motion for joint administration pursuant to Fed. R. Bankr. P. 1015, supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties. An order of joint administration entered in accordance with this Local Rule may be reconsidered upon motion of any party in interest at any time. An order of joint administration under this Local Rule is for procedural purposes only and shall not cause a “substantive” consolidation of the respective debtors’ estates.

Del. Bankr. L.R. 1015-1.

11. Joint administration is generally non-controversial, and courts in this district routinely order joint administration in cases with multiple related debtors. *See, e.g., In re Bluestem Brands, Inc.*, No. 20-10566 (MFW) (Bankr. D. Del. March 10, 2020) (directing joint administration of chapter 11 cases); *In re Art Van Furniture, LLC*, No. 20-10553 (CSS) (Bankr. D. Del. March 10, 2020) (same); *In re Clover Techs. Grp., LLC*, No. 19-12680 (KBO) (Bankr. D. Del. December 18, 2019) (same); *In re Anna Holdings, Inc.*, No. 19-12551 (CSS) (Bankr. D. Del. December 3, 2019) (same); *In re Destination Maternity Corp.*, No. 19-12256 (BLS) (Bankr. D. Del. Oct. 22, 2019) (same).²

12. Given the integrated nature of the Debtors’ operations, joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these chapter 11 cases will affect each and every Debtor entity. The entry of the Order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration also will allow the United States Trustee for the District of

² Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtors’ proposed counsel.

Delaware (the “U.S. Trustee”) and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency.

13. Moreover, joint administration will not adversely affect the Debtors’ respective constituencies because this motion seeks only administrative, not substantive, consolidation of the Debtors’ estates. Parties in interest will not be harmed by the relief requested herein; instead, parties in interest will benefit from the cost reductions associated with the joint administration of these chapter 11 cases. Accordingly, the Debtors submit that the joint administration of these chapter 11 cases is in the best interests of their estates, their creditors, and all other parties-in-interest.

Notice

14. The Debtors will provide notice of this motion to: (a) the U.S. Trustee; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) Wilmington Savings Fund Society, FSB, in its capacity as successor administrative agent under the Term Loan Credit Agreement, or any of its predecessors or successors (the “Term Loan Agent”); (d) counsel to the Term Loan Agent; (e) counsel to the ad hoc group of the Debtors’ Prepetition Lenders (the “Ad Hoc Group”); (f) the United States Attorney’s Office for the District of Delaware; (g) the Internal Revenue Service; (h) the Food and Drug Administration; (i) the Drug Enforcement Administration; (j) the Securities Exchange Commission; (k) the state attorneys general for all states in which the Debtors conduct business; and (l) any party that requests service pursuant to Local Rule 9013-1(m)(iii).

No Prior Request

15. No prior request for the relief sought in this motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A** (a) granting the relief requested herein and (b) granting such other relief as is just and proper.

Wilmington, Delaware
May 21, 2020

/s/ Paul N. Heath

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*Proposed Co-Counsel for the
Debtors and Debtors in Possession*

EXHIBIT A

Proposed Order

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

In re:) Chapter 11
)
AKORN, INC.,) Case No. 20-11177 (____)
)
Debtor.)
)
Tax I.D. No. 72-0717400)

In re:) Chapter 11
)
10 EDISON STREET LLC,) Case No. 20-11178 (____)
)
Debtor.)
)
Tax I.D. No. 77-0657890)

In re:) Chapter 11
)
13 EDISON STREET LLC,) Case No. 20-11180 (____)
)
Debtor.)
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Tax I.D. No. N/A)

In re:) Chapter 11
)
ADVANCED VISION RESEARCH, INC.,) Case No. 20-11182 (____)
)
Debtor.)
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Tax I.D. No. 04-2989046)

In re:) Chapter 11
)
AKORN (NEW JERSEY), INC.,) Case No. 20-11183 (____)
)
Debtor.)
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Tax I.D. No. 36-4301474)

In re:)
AKORN ANIMAL HEALTH, INC.,) Chapter 11
Debtor.) Case No. 20-11185 (___)
Tax I.D. No. 46-2986645)

In re:)
AKORN OPHTHALMICS, INC.,) Chapter 11
Debtor.) Case No. 20-11186 (___)
Tax I.D. No. 45-3466266)

In re:)
AKORN SALES, INC.,) Chapter 11
Debtor.) Case No. 20-11174 (___)
Tax I.D. No. 46-4527866)

In re:)
CLOVER PHARMACEUTICALS CORP.,) Chapter 11
Debtor.) Case No. 20-11187 (___)
Tax I.D. No. 26-3813735)

In re:)
COVENANT PHARMA, INC.,) Chapter 11
Debtor.) Case No. 20-11188 (___)
Tax I.D. No. 20-1140115)

In re:)
) Chapter 11
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HI-TECH PHARMACAL CO., INC.,) Case No. 20-11189 (___)
)
Debtor.)
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Tax I.D. No. 11-2638720)

In re:) Chapter 11
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INSPIRE PHARMACEUTICALS, INC.,) Case No. 20-11190 (___)
)
Debtor.)
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Tax I.D. No. 04-3209022)

In re:) Chapter 11
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OAK PHARMACEUTICALS, INC.,) Case No. 20-11192 (___)
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)
Tax I.D. No. 45-2776647)

In re:) Chapter 11
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OLTA PHARMACEUTICALS CORP.,) Case No. 20-11191 (___)
)
Debtor.)
)
Tax I.D. No. 26-3813621)

In re:) Chapter 11
)
VERSAPHARM INCORPORATED,) Case No. 20-11194 (___)
)
Debtor.)
)
Tax I.D. No. 58-2146739)

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In re:)	Chapter 11
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VPI HOLDINGS CORP.,)	Case No. 20-11193 (___)
)	
Debtor.)	
)	
Tax I.D. No. 26-1356716)	
)	
In re:)	Chapter 11
)	
VPI HOLDINGS SUB, LLC,	)	Case No. 20-11195 (___)
)	
Debtor.)	
)	
Tax I.D. No. N/A)	
)	

**ORDER (I) DIRECTING JOINT ADMINISTRATION OF THE DEBTORS’
RELATED CHAPTER 11 CASES AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)¹ of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) (a) directing procedural consolidation and joint administration of the Debtors’ related chapter 11 cases, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having 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 February 29, 2012; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be

¹ Capitalized terms used but not defined herein have the meanings given to such terms in the Motion.

provided; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and the First Day Declaration and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is granted as set forth herein.
2. The above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by this Court under Case No. 20-11177 (___).
3. The caption of the jointly administered cases shall read as follows:

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

In re:)	
	)	Chapter 11
)	
AKORN, INC., <i>et al.</i> , ¹	)	Case No. 20-11177 (___)
)	
Debtors.	)	(Jointly Administered)
)	

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, if any, are: Akorn, Inc. (7400); 10 Edison Street LLC (7890); 13 Edison Street LLC; Advanced Vision Research, Inc. (9046); Akorn (New Jersey), Inc. (1474); Akorn Animal Health, Inc. (6645); Akorn Ophthalmics, Inc. (6266); Akorn Sales, Inc. (7866); Clover Pharmaceuticals Corp. (3735); Covenant Pharma, Inc. (0115); Hi-Tech Pharmacal Co., Inc. (8720); Inspire Pharmaceuticals, Inc. (9022); Oak Pharmaceuticals, Inc. (6647); Olta Pharmaceuticals Corp. (3621); VersaPharm Incorporated (6739); VPI Holdings Corp. (6716); and VPI Holdings Sub, LLC. The location of the Debtors’ service address is: 1925 W. Field Court, Suite 300, Lake Forest, Illinois 60045.

4. The foregoing caption satisfies the requirements set forth in section 342(c)(1) of the Bankruptcy Code.
5. An entry shall be made on the docket of each of the Debtors’ cases, other than that of Akorn, Inc., that is substantially similar to the following:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware directing joint administration of the chapter 11 cases of: Akorn, Inc., Case No. 20-11177 (___); 10 Edison Street LLC, Case No. 20-11178 (___); 13 Edison Street LLC, Case No. 20-11180 (___); Advanced Vision Research, Inc., Case No. 20-11182 (___); Akorn (New Jersey), Inc., Case No. 20-11183 (___); Akorn Animal Health, Inc., Case No. 20-11185 (___); Akorn Ophthalmics, Inc., Case No. 20-11186 (___); Akorn Sales, Inc., Case No. 20-11174 (___); Clover Pharmaceuticals Corp., Case No. 20-11187 (___); Covenant Pharma, Inc., Case No. 20-11188 (___); Hi-Tech Pharmacal Co., Inc., Case No. 20-11189 (___); Inspire Pharmaceuticals, Inc., Case No. 20-11190 (___); Oak Pharmaceuticals, Inc., Case No. 20-11192 (___); Olta Pharmaceuticals Corp., Case No. 20-11191 (___); VersaPharm Incorporated, Case No. 20-11194 (___); VPI Holdings Corp., Case No. 20-11193 (___); and VPI Holdings Sub, LLC, Case No. 20-11195 (___). All further pleadings and other papers shall be filed in and all further docket entries shall be made in Case No. 20-11177 (___).

6. The Debtors shall maintain, and the Clerk of the United States Bankruptcy Court for the District of Delaware shall keep, one consolidated docket, one file, and one consolidated service list.

7. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of these chapter 11 cases.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.