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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

Chapter 11

\_\_\_\_\_  
In re: )  
)  
PARETEUM CORPORATION, *et al.*,<sup>1</sup> )  
)  
Debtors. )  
\_\_\_\_\_ )

Case No. 22-10615 ( )

(Joint Administration Requested)

**DEBTORS' MOTION SEEKING ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO OPERATE THEIR CASH  
MANAGEMENTSYSTEM, INCLUDING EXISTING BANK ACCOUNTS,  
(B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO,  
(C) MAINTAIN EXISTING BANK ACCOUNTS AND UTILIZE EXISTING BUSINESS  
FORMS, AND (D) CONTINUE TO PERFORM INTERCOMPANY TRANSACTIONS,  
AND (II) GRANTING RELATED RELIEF**

<sup>1</sup> The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: Pareteum Corporation (7538); Pareteum North America Corp. (f/k/a Elephant Talk North America Corp.) (9623); Devicescape Holdings, Inc. (2909); iPass, Inc. (4598); iPass IP LLC (2550); Pareteum Europe B.V.; Artidium Group Ltd. (f/k/a Artidium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artidium N.V.). The Debtors' corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.



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

### **Relief Requested**

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and the “Final Order”): (a) authorizing, but not directing, the Debtors to (i) continue to operate their cash management system (the “Cash Management System”) as described herein and as illustrated on Exhibit 1 annexed to **Exhibit A** and **Exhibit B** attached hereto; (ii) honor certain prepetition obligations related thereto; (iii) continue using existing business letterhead, purchase orders, invoices, envelopes, promotional materials and other business forms and correspondence; (b) (i) authorizing the Debtors to continue to perform intercompany transactions with each other on a post-petition basis in the ordinary course of business and consistent with historical practice and (ii) according administrative expense priority status to post-petition intercompany transactions; and (c) granting related relief.

### **Jurisdiction and Venue**

2. The United States Bankruptcy Court for the Southern District of New York (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 Southern District of New York*, dated February 1, 2012. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the Court entering a final order 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.

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

4. The bases for the relief requested herein are sections 105, 345, 363, 364, and 503 of title 11 of the United States Code (the “Bankruptcy Code”), Bankruptcy Rules 6003 and 6004, and rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

### **Background**

5. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description surrounding the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Laura W. Thomas in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”), filed contemporaneously with this Application.<sup>2</sup>

6. The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrent with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

### **The Cash Management System**

#### **I. Overview.**

7. In the ordinary course of business, the Debtors maintain a cash management system (the “Cash Management System”) comprised of 21 bank accounts, of which only 11 are active bank accounts (collectively, the “Bank Accounts”). The active Bank Accounts are maintained at Capital One Bank (“CapOne”), Silicon Valley Bank (“Silicon”), and ABN AMRO Bank N.V.

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<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

(“ABN”, and collectively with CapOne and Silicon, the “Banks”). As further illustrated on Exhibit 1 annexed to Exhibit A and Exhibit B attached hereto, the Cash Management System is comprised of three primary operating accounts, of which two are held at CapOne and one is held at Silicon (such accounts, the “Primary Operating Accounts”); seven customer collection accounts and/or disbursement accounts, of which three are held at Silicon and two are held at ABN (collectively, the “Collection and Disbursement Accounts”); one zero-balance payroll account held at Silicon; one escrow account held by Silicon (the “Escrow Account”); one tax account at Silicon; and 10 inactive bank accounts (the “Inactive Accounts”).<sup>3</sup> The Bank Accounts are identified on Exhibit 2 annexed to Exhibit A and Exhibit B attached hereto.<sup>4</sup>

8. The Debtors have designed the Cash Management System to meet their operating needs, enable management to control and monitor corporate funds, ensure cash availability and liquidity, comply with the requirements of their financing agreements, reduce administrative expenses by facilitating the movement of funds, and enhance the development of accurate account balances.

9. As of the Petition Date, the Debtors had approximately \$192,048 cash on hand, including \$60,000 of restricted cash.

## **II. The Cash Management System.**

10. The Debtors, together with their non-Debtor affiliates that are subsidiaries of Debtor Pareteum Corporation (the “Non-Debtors” and together with the Debtors, the “Company”)

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<sup>3</sup> Because certain of the Inactive Accounts recently went inactive, they may inadvertently receive customer funds immediately postpetition. If any funds are inadvertently deposited into any of the Inactive Accounts, the Debtors shall promptly transfer such funds to the Primary Operating Account with CapOne ending in 6026 and/or the Silicon account ending in 5300.

<sup>4</sup> The Debtors believe that Exhibit 2 is a complete list of their Bank Accounts. The Debtors request that the Interim Order and Final Order apply to all Bank Accounts actually in, or linked to, the Cash Management System. If any bank account has inadvertently been omitted from Exhibit 2, the Debtors request that the Interim Order and Final Order apply to such account.

operate globally and maintain Bank Accounts in four (4) countries, including the United States. The Debtors propose to continue using the active Bank Accounts subject to the Debtors' rights to open<sup>5</sup> and close certain accounts in their discretion.

11. The Cash Management System is largely organized by the Company's various business segments. As set forth in more detail in the First Day Declaration, Debtors Pareteum Corporation, Pareteum Europe B.V., and Pareteum North America Corp. operate in the Company's "Pareteum" business segment, which provides integrated solutions to its customers for a variety of communications methods through, among other things, its leading-edge Communications Platform-as-a-Service ("CPaaS") solutions. CPaaS offers a cloud-based delivery model of real-time communications for customers.

12. Debtor Artidium Group Ltd. operates in the Company's "ARTA" business segment and provides software solutions, which layer over disparate fixed, mobile, and intellectual property networks to enable the deployment of converged communication services and applications to its customers.

13. Debtors iPass, Inc. and iPass IP LLC operate in the Company's "iPass" business segment, which provides customers cloud-based global mobile connectivity, offering Wi-Fi access on any mobile device through its SaaS platform. In its simplest form, this business segment provides an application, downloaded by an end user, to identify and connect to iPass' hotspots throughout the world.

14. As described in further detail below, the Cash Management System is largely centralized in the United States through Debtors Pareteum Corporation and iPass, Inc., and has several main functions: (a) cash collection, including the collection of payments made to the

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<sup>5</sup> The Debtors anticipate opening a bank account with Silicon which will be used to collect customer payments, make payroll, and make vendor disbursements for Pareteum NV.

Debtors from revenue generated in the ordinary course of business; (b) cash disbursements to fund the Debtors’ primary debt obligations and business operations, which primarily consist of payroll, capital expenditures, research and developments costs, maintenance costs and payments to vendors and service providers; and (c) cash transfers and pooling within the Company.

15. The following chart summarizes the roles of the Debtor’s active Bank Accounts:

Account	Account Description
Primary Operating Account (6309)	This account is used for receipt of investor capital contributions and for primary operations. It is used for credit card receipts, customer receipts, Debtor entity intercompany transfers between entities. It also makes disbursements for PEO (JustWorks) payroll, board of director fees, taxes, and operational expenses.
Primary Operating Account (6026)	This operating account collects customer payments, disburses intercompany funding between Debtor entities, board fees and vendor payments.
Disbursement Account (1424 )	This account is primarily utilized for recurring payments relating to US tax balances (sales, use, franchise, income) and any associated penalties/interest. Less frequent charges such as annual 1099 filing fees, FCC registrations, and residency certification requests are also withdrawn from here.
Collection and Disbursement Account (0132)	This operating account collects customer receipts and makes vendor disbursements. Excess funds are transferred to Capital One account ending in 6309.
Collection and Disbursement Account (0882)	Customer collection account and vendor disbursement account for Pareteum Asia PTE.
Collection and Disbursement Account (4237)	This operating account collects customer payments, makes Debtor entity intercompany transfers based on funding needs, makes vendor disbursements, and makes credit card payments.
Collection and Disbursement Account (5300)	This account collects customer receipts and makes vendor disbursements for Pareteum NV. It is also used to remit Pareteum Europe BV payroll, remit Pareteum Asia PTE payroll, and Pareteum Europe BV vendor disbursements.
Escrow Account (5599)	Escrow account established to secure the corporate credit cards; \$60 thousand is the minimum required amount.

Account	Account Description
Primary Operating Account (3668)	This operating account is the primary facility for managing inflows and outflows of cash. It sweeps cash daily from the SVB customer collection account ending in 4078. This account also makes iPass, Inc.'s vendor payments.
Collection, Zero Balance Account ("ZBA") (4078)	A zero-balance account for the purpose of customer electronic and lockbox payments. Funds are swept from this account to the primary operating account on a daily basis (Silicon Valley Bank ending in 3668).
Payroll ZBA (4178)	A zero-balance account used for remitting payroll and the associated taxes for PEO (Trinet) payroll.

16. Because of the nature of the Debtors’ businesses, the volume of transactions processed through the Cash Management System on a daily basis, and the disruption to the businesses that would result if they were forced to close their existing Bank Accounts, it is absolutely critical that the Court permit the Debtors to continue to utilize the Cash Management System in the ordinary course.

**III. Compliance with U.S. Trustee Guidelines and the Bankruptcy Code.**

17. CapOne and Silicon are designated as authorized depositories in the Southern District of New York pursuant to the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees* (the “U.S. Trustee Guidelines”). As authorized depositories, each of these institutions are party to a uniform depository agreement with the U.S. Trustee, and therefore the Debtors believe that the Bank Accounts at these institutions will be collateralized in a manner consistent with the requirements of section 345 of the Bankruptcy Code. However, two of the active Bank Accounts are held at ABN, which is not an authorized depository.

18. The Debtors maintain (i) the Collection and Disbursement Account ending in 0882,

which holds amounts not to exceed \$50,000 with ABN to collect customer receipts and make vendor disbursements and (ii) the Collection and Disbursement Account ending in 0132, which holds amounts not to exceed \$50,000 with ABN to collect customer receipts and make vendor disbursements. While these accounts are not held at an authorized depository, ABN is an internationally-recognized, highly rated (according to Moody's and S&P) and financially stable entity. Accordingly, the Debtors believe that they can maintain these accounts at ABN without jeopardizing any parties-in-interest and that any funds deposited in the Bank Accounts are secure. Therefore, the Debtors respectfully submit that cause exists to continue to allow the Debtors to utilize their existing Bank Accounts.

19. While section 345(b) of the Bankruptcy Code requires that a debtor's bank post a bond unless the debtor's funds are "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," meeting the bond requirements of section 345(b) of the Bankruptcy Code would incur considerable costs to the detriment of the Debtors' estates with little potential risk reduction benefit. A bond secured by undertaking of a corporate surety would likely be unduly expensive, assuming such a bond were available.

20. Requiring the Debtors to transfer the funds held in non-authorized depositories to authorized depositories or for the Debtors to post a bond for these accounts would place a needless administrative and financial burden on the Debtors, imposing unnecessary and avoidable costs on the Debtors' estates.

#### **IV. Bank Account Holds**

21. Because of a judgment entered in the Supreme Court of the State of New York, County of Kings, against Debtor Pareteum Corporation (*Tech Data Corp. v. Pareteum Corporation*, Index No. 525564/21, File No. 269184) relating to the Debtor's failure to pay for

certain goods and services in the amount of \$123,455.49, CapOne placed a hold on the Primary Operating Account ending in 6309 in the amount of \$188,615.75 (the “Tech Data Hold”). The Debtors request that the Court lift the Tech Data Hold and any other holds on the Debtors’ Bank Accounts pursuant to section 362 of the Bankruptcy Code.

**V. Intercompany Transactions.**

22. In the ordinary course of business, the Debtors engage in routine business relationships with each other, including payments and transfers from one Debtor to another (the “Intercompany Transactions”), some of which result in intercompany receivables and payables (the “Intercompany Balances”). Accordingly, at any given time there may be Intercompany Balances owing by one Debtor to another Debtor. The number frequency of Intercompany Transactions, as well as the amounts for each Intercompany Transaction, varies broadly based on the cash needs of each Debtor. Such Intercompany Transactions are typically conducted pursuant to ordinary use of the Debtors’ Cash Management System, joint use of certain shared service platforms, and intercompany ordinary course business transactions, among others.

23. Intercompany Balances are reflected as journal entry receivables and payables, as applicable, in the respective Debtors’ accounting systems. In the ordinary course of business, the Debtors monitor, and will continue to monitor on a postpetition basis, the incurrence of Intercompany Balances and the corresponding settlement of such Intercompany Balances. Discontinuing the Intercompany Transactions would unnecessarily disrupt the Cash Management System and the Debtors’ operations to the detriment of the Debtors, their creditors, and other stakeholders. The Debtors seek the authority to continue the Intercompany Transactions in the ordinary course of business on a postpetition basis, in a manner consistent with prepetition practice.

24. Additionally, the Debtors are party to one or more intercompany service

agreements (the “Intercompany Services Agreements”) through which intercompany services are provided by various non-Debtor entities to one or more Debtor entities. The Debtors would be subjected to adverse consequences if they ceased performing under the Intercompany Services Agreements. Accordingly, the Debtors seek authority to continue performing the transactions and obligations contemplated by the Intercompany Services Agreements in the ordinary course of business on a postpetition basis and in a manner consistent with prepetition practice.

**VI. Bank Fees.**

25. In the ordinary course, the Debtors incur periodic service charges, payment processing fees, and other fees in connection with maintaining the Cash Management System (collectively, the “Bank Fees”). The Debtors incur approximately \$14,000 in Bank Fees each month under the Cash Management System in the aggregate. The Debtors do not believe there are any prepetition Bank Fees outstanding as of the Petition Date (the “Prepetition Bank Fees”). To maintain the integrity of their Cash Management System, the Debtors request authority to pay any prepetition Bank Fees for prepetition transactions that are charged postpetition and to continue to pay the Bank Fees in the ordinary course on a postpetition basis.

**VII. Business Forms.**

26. As part of their Cash Management System, the Debtors use various preprinted business forms (the “Business Forms”), such as letterhead and checks, in the ordinary course. To minimize expenses to their estates and avoid confusion during the pendency of these chapter 11 cases, the Debtors request that the Court authorize the Debtors’ continued use of all existing preprinted correspondence and Business Forms (including, without limitation, letterhead, checks, and other Business Forms) as such forms were in existence immediately before the Petition Date, without reference to the Debtors’ status as debtors in possession, rather than requiring the Debtors to incur the expense, and delay of ordering entirely new Business Forms. The Debtors submit that

once they have exhausted their existing stock of Business Forms, if the Debtors remain in chapter 11, they shall ensure that any new Business Forms are clearly labeled “Debtor In Possession” and, with respect to any Business Forms that exist or are generated electronically, the Debtors shall ensure that such electronic Business Forms are clearly labeled “Debtor In Possession.”

### **Basis for Relief**

#### **I. Maintaining the Existing Cash Management System Is Essential to Maximizing the Value of the Debtors’ Estates**

27. The U.S. Trustee Guidelines require debtors in possession to, among other things: close all existing bank accounts and open new debtor-in-possession bank accounts; establish one debtor-in-possession account for all estate monies required for the payment of taxes, including payroll taxes; (c) physically set aside all monies required by law to be withheld from employees or collected from others for taxes; (d) open a new set of books and records as of the commencement date of the case; (e) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor; and (f) make all disbursements of estate funds by check with a notation representing the reason for the disbursement. *See* U.S. Trustee Guidelines. These requirements are designed to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent inadvertent payment of prepetition claims. Considering, however, the complex Cash Management System that the Debtors have in place for the transfer and distribution of funds, which ties into the Debtors existing corporate accounting and cash forecasting reporting, enforcement of this provision of the U.S. Trustee Guidelines

during these chapter 11 cases would disrupt the Debtors' ability to efficiently administer these chapter 11 cases.

28. Continuation of the Cash Management System is nevertheless permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes the debtor in possession to "use property of the estate in the ordinary course without notice or a hearing." 11 U.S.C. § 363(c)(1). *See, e.g., Med. Malpractice Ins. Ass'n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997) ("Section 363(c)(1) of the Bankruptcy Code authorizes a debtor-in-possession to enter into transactions involving property of the estate within the ordinary course of business without notice or a hearing."); *In re Enron Corp.*, No. 01-16034 (AJG), 2003 WL 1562202, at \*15 (Bankr.S.D.N.Y. Mar. 21, 2003) (stating same). Included within the purview of section 363(c) of the Bankruptcy Code is a debtor's ability to continue the "routine transactions" necessitated by a debtor's cash management system. *In re Frigitemp Corp.*, 34 B.R. 1000, 1010 (S.D.N.Y. 1983), *aff'd*, 753 F.2d 230 (2d Cir. 1985); *see also Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996).

29. Bankruptcy courts routinely treat requests for authority to continue utilizing existing cash management systems as a relatively "simple matter." *See In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). Additionally, courts have noted that an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash." *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff'd in part and rev'd in part*, 997 F.2d 1039 (3d Cir. 1993). As a result, courts have concluded that the requirement to maintain all accounts separately "would be a huge administrative burden and economically inefficient." *Id.* at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (noting

that maintaining an existing cash management system allows debtors “to administer more efficiently and effectively its financial operations and assets”).

30. Here, the Debtors respectfully request that the Court allow them to continue operating each of the Bank Accounts identified on Exhibit 2 annexed to Exhibit A and Exhibit B attached. The Bank Accounts will be maintained in the ordinary course as they were before the Petition Date and are necessary to conduct the Debtors’ routine prepetition transactions. As noted in the cases above, maintaining the Cash Management System and Bank Accounts allows efficient utilization of the Debtors’ cash resources and will enable the Debtors’ businesses to continue operating.

**II. Maintaining the Existing Cash Management System Will Not Harm Parties-in-Interest.**

31. The Debtors’ continued use of their Cash Management System will facilitate the Debtors’ transition into chapter 11 by, among other things, avoiding administrative inefficiencies, expenses, and distraction associated with disrupting this system through which hundreds, if not thousands, of payments are made weekly, and minimizing delays in the payment of postpetition obligations. The Debtors respectfully submit that parties-in-interest will not be harmed by the Debtors’ maintenance of their existing Cash Management System, including maintenance of the Bank Accounts and continuance of the Intercompany Transactions, because the Debtors have developed and implemented appropriate mechanisms to ensure that unauthorized payments will not be made on account of obligations incurred before the Petition Date. Specifically, with the assistance of their advisors, the Debtors have implemented internal control procedures that prohibit payments on account of prepetition debts without the prior approval of the Debtors’ accounting department. In light of such protective measures, the Debtors submit that maintaining the Cash Management System is in the best interests of their estates and creditors.

**III. Authorizing the Debtors to Continue Using Debit, Wire, and ACH Transfers Is Warranted.**

32. The Debtors request that the Court grant further relief from the U.S. Trustee Guidelines to the extent they require the Debtors to make all disbursements by check. The U.S. Trustee Guidelines require that all receipts and all disbursements of estate funds must be made by check with a notation representing the reason for the disbursement. The Debtors conduct a large number of transactions on a daily basis through ACH transfers and other similar methods. If the Debtors' ability to conduct transactions by debit, wire, ACH transfer, or other similar methods is impaired, the Debtors' day-to-day activities may be unnecessarily disrupted, and the estates will incur additional costs. Therefore, the Debtors submit that authorizing the continuation of using debit, wire, and ACH transfers is warranted.

**IV. Authorizing the Banks to Continue to Maintain, Service, and Administer the Bank Accounts in the Ordinary Course is Warranted.**

33. The Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts, without interruption and in the ordinary course. In this regard, the Debtors request that the Banks be authorized to (a) receive, process, honor, and pay any and all checks, ACH transfers, and other instructions and drafts payable through, drawn, or directed on such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto; (b) accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated before or subsequent to the Petition Date; and continue to charge the Debtors the Bank Fees and charge-back returned items to the Bank Accounts, whether such items are dated before, on, or subsequent to the Petition Date, in the ordinary course.

34. The Debtors also request that, to the extent a Bank honors a prepetition check or other item drawn on any account either: (a) at the direction of the Debtors; (b) in a good-faith belief that the Court has authorized such prepetition check or item to be honored; or (c) as a result of an innocent mistake made despite implementation of customary item handling procedures, such Bank will not be deemed to be liable to the Debtors or to the estates on account of such prepetition check or other item honored postpetition. This is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise. The Debtors also request that the Court authorize the Debtors to pay any prepetition Bank Fees for prepetition transactions that are charged postpetition.

35. Courts in this district have regularly waived certain U.S. Trustee Guidelines and allowed the continued use of cash management systems and prepetition bank accounts employed in the ordinary course of a debtor's prepetition business. *See, e.g., In re Deluxe Media*, No. 19-23774 (RDD) (Bankr. S.D.N.Y. Oct. 25, 2019) (allowing debtors to continue using their cash management system); *In re Barneys New York, Inc.*, No. 19-36300 (CGM) (Bankr. S.D.N.Y. Sept. 4, 2019) (same); *In re Hollander Sleep Products, LLC*, No. 19-1608 (MEW) (Bankr. S.D.N.Y. July 2, 2019) (same); *In re Windstream Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Apr. 22, 2019) (same); *In re FULLBEAUTY Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Feb. 7, 2019) (same).<sup>6</sup>

**V. The Court Should Authorize the Debtors to Continue Using Their Existing Business Forms.**

36. To avoid disruption of the Cash Management System and the incurrence of unnecessary expense, pursuant to Local Rule 2015-2(a), the Debtors request that they be

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<sup>6</sup> 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 to the Debtors' proposed counsel.

authorized to continue to use their existing Business Forms (including, without limitation, letterhead, checks, and other Business Forms) substantially in the form existing immediately before the Petition Date, without reference to their status as debtors in possession. The Debtors submit that parties-in-interest will not be prejudiced if they are authorized to continue to use their Business Forms substantially in the forms existing immediately before the Petition Date. Such parties will undoubtedly be aware of the Debtors' status as debtors in possession and, thus, changing Business Forms is unnecessary and would be unduly burdensome. The Debtors further submit that once they have exhausted their existing stock of Business Forms, they will label any new Business Forms "Debtor-In-Possession." With respect to any Business Forms that exist or are generated electronically, the Debtors will label such electronic Business Forms "Debtor-In-Possession."

37. In other chapter 11 cases, courts in this district have allowed debtors to use their prepetition business forms without the "debtor in possession" label. *See, e.g., In re Deluxe Media*, No. 19-23774 (RDD) (Bankr. S.D.N.Y. Oct. 25, 2019) (authorizing use of existing business forms); *In re Barneys New York, Inc.*, No. 19-36300 (CGM) (Bankr. S.D.N.Y. Sept. 4, 2019) (same); *In re Hollander Sleep Products, LLC*, No. 19-1608 (MEW) (Bankr. S.D.N.Y. July 2, 2019) (same); *In re Windstream Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Apr. 22, 2019) (same); *In re FULLBEAUTY Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Feb. 7, 2019) (same).

**VI. The Court Should Authorize the Debtors to Continue Conducting Intercompany Transactions in the Ordinary Course and Grant Superpriority Administrative Expense Status to Postpetition Intercompany Balances Among the Debtors.**

38. The Debtors' funds move through the Cash Management System as described above. At any given time, there may be Intercompany Balances owing among Debtor entities. Intercompany Transactions are made between and among Debtors in the ordinary course as part

of the Cash Management System.<sup>7</sup> The Debtors track all fund transfers in their accounting system and can ascertain, trace, and account for all Intercompany Transactions previously described. The Debtors, moreover, will continue to maintain records of such Intercompany Transactions.

39. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls could be disrupted to the Debtors' and the estates' detriment. In addition, a number of critical services, including centralized management services and cash management services, currently provided to Debtor entities on an intercompany basis would be interrupted. Since these transactions represent extensions of intercompany credit made in the ordinary course of business that are an essential component of the Cash Management System, the Debtors respectfully request the authority to continue conducting the Intercompany Transactions in the ordinary course of business without need for further Court order.

40. To ensure each individual Debtor will not, at the expense of its creditors, fund the operations of another entity, the Debtors respectfully request, pursuant to section 503(b)(1) of the Bankruptcy Code, that all postpetition transfers and payments from a Debtor to another Debtor on account of an Intercompany Transaction be accorded superpriority administrative expense status subject only to any superpriority administrative expense claims provided to the DIP Lenders or to the Debtors' prepetition secured lenders as adequate protection. This relief will ensure that each entity receiving payments from a Debtor will continue to bear ultimate repayment responsibility for such ordinary course transactions, thereby reducing the risk that these transactions would jeopardize the recoveries available to each Debtor's respective creditors.

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<sup>7</sup> Because the Debtors engage in Intercompany Transactions on a regular basis and such transactions are common among enterprises like it, the Debtors submit that the Intercompany Transactions are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code and, thus, do not require the Court's approval. Nonetheless, out of an abundance of caution, the Debtors seek express authority to engage in such transactions on a postpetition basis. Moreover, the continued performance of the ordinary course Intercompany Transactions is integral to ensure the Debtors' ability to operate their businesses as debtors in possession.

41. Similar relief has been granted in other similarly situated chapter 11 cases in this district. *See, e.g., In re Deluxe Media*, No. 19-23774 (RDD) (Bankr. S.D.N.Y. Oct. 25, 2019) (allowing intercompany transactions to continue); *In re Barneys New York, Inc.*, No. 19-36300 (CGM) (Bankr. S.D.N.Y. Sept. 4, 2019) (same); *In re Hollander Sleep Products, LLC*, No. 19-1608 (MEW) (Bankr. S.D.N.Y. July 2, 2019) (same); *In re Windstream Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Apr. 22, 2019) (same); *In re FULLBEAUTY Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Feb. 7, 2019) (same).

**VII. Cause Exists for Waiving the U.S. Trustee Guidelines Regarding Authorized Depositories on an Interim and Final Basis.**

42. To the extent the Cash Management System does not strictly comply with section 345 of the Bankruptcy Code, the Debtors further seek a waiver of the deposit and investment requirements set forth therein.

43. Section 345(a) of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposit or investment of money of estates, such as cash, as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." For deposits that are not "insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code provides that the estate must require from the entity with which the money is deposited or invested a bond in favor of the United States secured by the undertaking of a corporate security, "unless the court for cause orders otherwise." Additionally, under the U.S. Trustee Guidelines, debtors in possession must, among other things, close prepetition bank accounts and open new "debtor in possession" operating, payroll, and tax accounts at one or more approved depositories.

44. Courts may waive compliance with the Bankruptcy Code section 345 and the

U.S. Trustee Guidelines for “cause.” In evaluating whether “cause” exists, courts have considered a number of factors such as:

- (1) the sophistication of the debtor’s business;
- (2) the size of the debtor’s business operations;
- (3) the amount of the investments involved;
- (4) the bank ratings (Moody’s and Standard & Poor) of the financial institutions where the debtor in possession funds are held;
- (5) the complexity of the case;
- (6) the safeguards in place within the debtor’s own business for ensuring the safety of the funds;
- (7) the debtor’s ability to reorganize in the face of a failure of one or more of the financial institutions;
- (8) the benefit to the debtor;
- (9) the harm, if any, to the debtor;
- (10) the harm, if any, to the estate; and
- (11) the reasonableness of the debtor’s request for relief from section 345(b) requirements in light of the overall circumstances of the case.

*See In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

45. Because the Bank Accounts are vital to the Cash Management System, requiring the Debtors (who operate all over the world) to transfer funds to other banks would be unduly burdensome to the Debtors’ operations and potentially cause severe tax consequences to the detriment of the Debtors’ estates. In addition, the Bank Accounts are maintained at well-capitalized, highly-rated banks, and the active Bank Accounts in the non-authorized depository hold funds within the FDIC limit. The Debtors believe that the Bank Accounts provide protections

that are comparable to those contemplated by section 345 of the Bankruptcy Code. Therefore, the Debtors submit that cause exists to waive the U.S. Trustee Guidelines and allow the Debtors to continue to maintain the Bank Accounts in the ordinary course of business.

46. Courts in this district have granted relief similar to that requested herein in other complex chapter 11 cases. *See, e.g., In re Deluxe Media*, No. 19-23774 (RDD) (Bankr. S.D.N.Y. Oct. 8, 2019) (waiving U.S. Trustee Guidelines regarding approved depositories); *In re Barneys New York, Inc.*, No. 19-36300 (CGM) (Bankr. S.D.N.Y. Aug. 7, 2019) (same); *In re Hollander Sleep Products, LLC*, No. 19-1608 (MEW) (Bankr. S.D.N.Y. May 22, 2019) (same); *In re Windstream Holdings, Inc.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Feb. 28, 2019) (same); *In re FULLBEAUTY Brands Holdings Corp.*, No. 19-22185 (RDD) (Bankr. S.D.N.Y. Feb. 7, 2019) (same).

**The Requirements of Bankruptcy Rule 6003(b) Are Satisfied**

47. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. As set forth in this Motion, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors’ operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors’ operations at this critical juncture and imperil the Debtors’ restructuring. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

48. To successfully implement the foregoing, the Debtors request that the Court enter

an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

### **Reservation of Rights**

49. Nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or should be construed as: (a) an admission as to the validity of any particular claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

### **Motion Practice**

50. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of its application to this Motion. Accordingly, the Debtors submit that this Motion satisfies Local Rule 9013-1(a).

### **Notice**

51. The Debtors will provide notice of this Motion to the following parties and/or their

respective counsel, as applicable: (a) the U.S. Trustee; (b) counsel to the administrative agent under the DIP credit facility, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (c) counsel to the administrative agent under the Bridge Loan, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (d) counsel to the administrative agent under the Debtors' Prepetition Senior Notes, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (e) the administrative agent under the Junior Convertible Notes; (f) counsel to the Stalking Horse Bidders, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (g) Channel Ventures Group LLC; (h) counsel to the administrative agent under the Junior Convertible Notes, Becker, Glynn, Muffly, Chassin & Hosinski LLP, 299 Park Avenue, New York, NY 10171, Attn: Alex P. Ostrow (AOstrow@beckerglynn.com); (i) the parties identified on the Debtors' consolidated list of 50 largest unsecured creditors; (j) the United States Attorney's Office for the Southern District of New York; (k) the Internal Revenue Service; (l) the Banks; (m) the Securities and Exchange Commission; (n) the attorneys general for the states where the Debtors conduct

business operations; (o) the Federal Communications Commission; and (p) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

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

*[Remainder of page intentionally left blank.]*

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: May 15, 2022  
New York, New York

*/s/ Frank A. Oswald*

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Frank A. Oswald  
Brian Moore  
Togut, Segal & Segal LLP  
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New York, NY 10119  
Tel: (212) 594-5000  
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Email: frankoswald@teamtogut.com  
bmoore@teamtogut.com

*Proposed Counsel to the Debtors and Debtors in Possession*

**Exhibit A**

**Proposed Interim Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

Chapter 11

	)	
In re:	)	
	)	Case No. 22-10615 ( )
PARETEUM CORPORATION, <i>et al.</i> , <sup>1</sup>	)	
	)	(Jointly Administered)
Debtors.	)	

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS  
TO (A) CONTINUE TO OPERATE THEIR CASH  
MANAGEMENTSYSTEM, (B) HONOR CERTAIN  
PREPETITION OBLIGATIONS  
RELATED THERETO, (C) MAINTAIN EXISTING BUSINESS FORMS, AND (D)  
CONTINUE TO PERFORM INTERCOMPANY TRANSACTIONS, (II) GRANTING  
SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS TO POSTPETITION  
INTERCOMPANY BALANCES, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) authorizing, but not directing, the Debtors to continue to operate their cash management system (the “Cash Management System”); (ii) honor certain prepetition obligations related thereto; (iii) continue using existing business letterhead, purchase orders, invoices, envelopes, promotional materials and other business forms and correspondence; (b) (i) authorizing the Debtors to continue to perform intercompany transactions with each other on a post-petition basis in the ordinary course of business and consistent with historical practice and (ii) according administrative expense priority status to post-petition intercompany transactions; and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction over

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<sup>1</sup> The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, if applicable, are: Pareteum Corporation (7538); Pareteum North America Corp. (f/k/a Elephant Talk North America Corp.) (9623); Devicescape Holdings, Inc. (2909); iPass, Inc. (4598); iPass IP LLC (2550); Pareteum Europe B.V.; Artidium Group Ltd. (f/k/a Artidium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artidium N.V.). The Debtors’ corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

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 Southern District of New York*, dated February 1, 2012; and that the Court may enter a final order consistent with Article III of the United States Constitution; and the 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 the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any, before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, at \_\_: \_\_ .m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on \_\_\_\_\_, and shall be served on: Debtors will provide notice of this Motion to the following parties and/or their respective counsel, as applicable: (a) the U.S. Trustee; (b) counsel to the administrative agent under the DIP credit facility, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (c) counsel to the administrative agent under the Bridge

Loan, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (d) counsel to the administrative agent under the Debtors' Prepetition Senior Notes, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (e) the administrative agent under the Junior Convertible Notes; (f) counsel to the Stalking Horse Bidders, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com); (g) Channel Ventures Group LLC; (h) counsel to the administrative agent under the Junior Convertible Notes, Becker, Glynn, Muffly, Chassin & Hosinski LLP, 299 Park Avenue, New York, NY 10171, Attn: Alex P. Ostrow (AOstrow@beckerglynn.com); (i) the parties identified on the Debtors' consolidated list of 50 largest unsecured creditors; (j) the United States Attorney's Office for the Southern District of New York; (k) the Internal Revenue Service; (l) the Banks; (m) the Securities and Exchange Commission; (n) the attorneys general for the states where the Debtors conduct business operations; (o) the Federal Communications Commission; and (p) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. 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..

3. The Debtors are authorized, on an interim basis and in their sole discretion, to:

(a) continue operating the Cash Management System, substantially as illustrated on Exhibit 1 attached hereto; (b) honor their prepetition obligations related thereto; and (c) continue to perform Intercompany Transactions consistent with historical practice.

4. The Debtors are authorized, on an interim basis and in their sole discretion, to: (a) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those Bank Accounts identified on Exhibit 2 attached hereto; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (d) pay all Prepetition Bank Fees; and (e) pay any ordinary course Bank Fees incurred in connection with the Bank Accounts and Payment Processing Programs, irrespective of whether such fees arose prior to the Petition Date, and to otherwise perform their obligations under the documents governing the Bank Accounts and Payment Processing Programs.

5. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; *provided* that once the Debtors have exhausted their existing stock of Business Forms, the Debtors shall ensure that any new Business Forms are clearly labeled "Debtor-In-Possession"; *provided, further*, with respect to any Business Forms that exist or are generated electronically, to the extent reasonably practicable, the Debtors shall ensure that such electronic Business Forms are clearly labeled "Debtor-In-Possession."

6. All Banks provided with notice of this Interim Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts, or otherwise issued before the Petition Date, absent further direction from the Debtors.

7. The Debtors will maintain records in the ordinary course reflecting transfers of cash, if any, including Intercompany Transactions, so as to permit all such transactions to be ascertainable.

8. In the course of providing cash management services to the Debtors, each of the Banks at which the Bank Accounts are maintained are authorized, without further order of the Court, to deduct the applicable fees and expenses associated with the nature of the deposit and cash management services rendered to the Debtors, whether arising prepetition or postpetition, from the appropriate accounts of the Debtors, and further, to charge back to, and take and apply reserves from, the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, merchant services transactions or other electronic transfers of any kind, regardless of whether such items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

9. Each Bank is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of the Court for: (a) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; and (d) all reversals, returns, refunds, and chargebacks of checks, deposited items, and other debits credited to Debtor's account after the

Petition Date, regardless of the reasons such item is returned or reversed (including, without limitation, for insufficient funds or a consumer's statutory right to reverse a charge).

10. Each of the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

11. Those agreements existing between the Debtors shall continue to govern the postpetition cash management relationship between the Debtors and the Banks and, subject to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with any Bank (including, for the avoidance of doubt, any rights of a Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the extent permitted under the applicable deposit agreement), unless the Debtors and such Bank agree otherwise, and any other legal rights and remedies afforded to the Banks under applicable law shall be preserved, subject to applicable bankruptcy law.

12. Notwithstanding anything to the contrary contained in the Motion or this Final Order, any payment to be made and any relief or authorization granted hereunder shall be limited by, and shall be subject to, the requirements imposed on the Debtors in any orders entered by this Court authorizing the Debtors to obtain debtor-in-possession financing and authorizing the use of cash collateral (any such order, a "DIP Order"). To the extent of any conflict (but solely to the extent of such conflict) between the terms of this Final Order and the terms of any DIP Order, the terms of the DIP Order will govern.

13. The requirement to establish separate bank accounts for cash collateral and/or tax payments is hereby waived.

14. Any and all holds on the Debtors' Bank Accounts, including the Tech Data Hold, are lifted pursuant to the automatic stay under section 362 of the Bankruptcy Code and the cash in such Bank Account(s) shall be immediately available for use by the Debtors without restriction (except as otherwise provided in the Motion or under the DIP Credit Agreement).

15. Notwithstanding anything to the contrary set forth herein, the Debtors are authorized, but not directed, to continue Intercompany Transactions arising from or related to the operation of their businesses in the ordinary course, including their compliance with and performance under the Intercompany Services Agreements; *provided* that each Debtor shall (a) continue to pay its own obligations consistent with such Debtor's past practice with respect to Intercompany Transactions and related obligations, and in no event shall any of the Debtors pay for the prepetition or postpetition obligations incurred or owed by any of the other Debtors in a manner inconsistent with past practices; (b) beginning on the Petition Date, maintain current records of intercompany balances; and (c) provide the advisors to the administrative agent under the DIP credit facility, administrative agent under the Bridge Loan, administrative agent under the Debtors' Prepetition Senior Notes and the administrative agent under the Junior Convertible Notes with (i) reasonable access to such records, (ii) a Debtor by Debtor summary on a monthly basis of any postpetition Intercompany Transactions involving the transfer of cash for the preceding month (to be available on the 21st day of the following month); and (iii) reasonable access to the Debtors' advisors with respect to such records.

16. All postpetition transfers and payments from the Debtors to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded

superpriority administrative expense status under section 503(b) of the Bankruptcy Code.

17. Notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

18. Those certain existing deposit and service agreements between the Debtor and the Banks shall continue to govern the postpetition cash management relationship between the Debtor and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination, chargeback, and fee provisions, shall remain in full force and effect.

19. The Debtors and the Banks may, without further order of the Court, agree to and implement changes to the Cash Management System and procedures in the ordinary course of business, including, without limitation, the opening and closing of bank accounts; *provided* that in the event the Debtors open a new bank account they shall open one at an authorized depository; *provided, further*, that the Debtors shall give notice of the opening of any new bank accounts or closing of any Bank Account to the U.S. Trustee.

20. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Bank Fees.

21. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this

Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights or the rights of any other Person under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

22. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code, the Debtors shall have 45 days, without prejudice to seek an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code; provided that nothing shall prevent the Debtors or the U.S. Trustee from seeking relief from the Court to the extent that an agreement cannot be reached.

23. As soon as practicable after entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on the Banks.

24. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

25. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

26. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

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

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

New York, New York  
Dated: \_\_\_\_\_, 2022

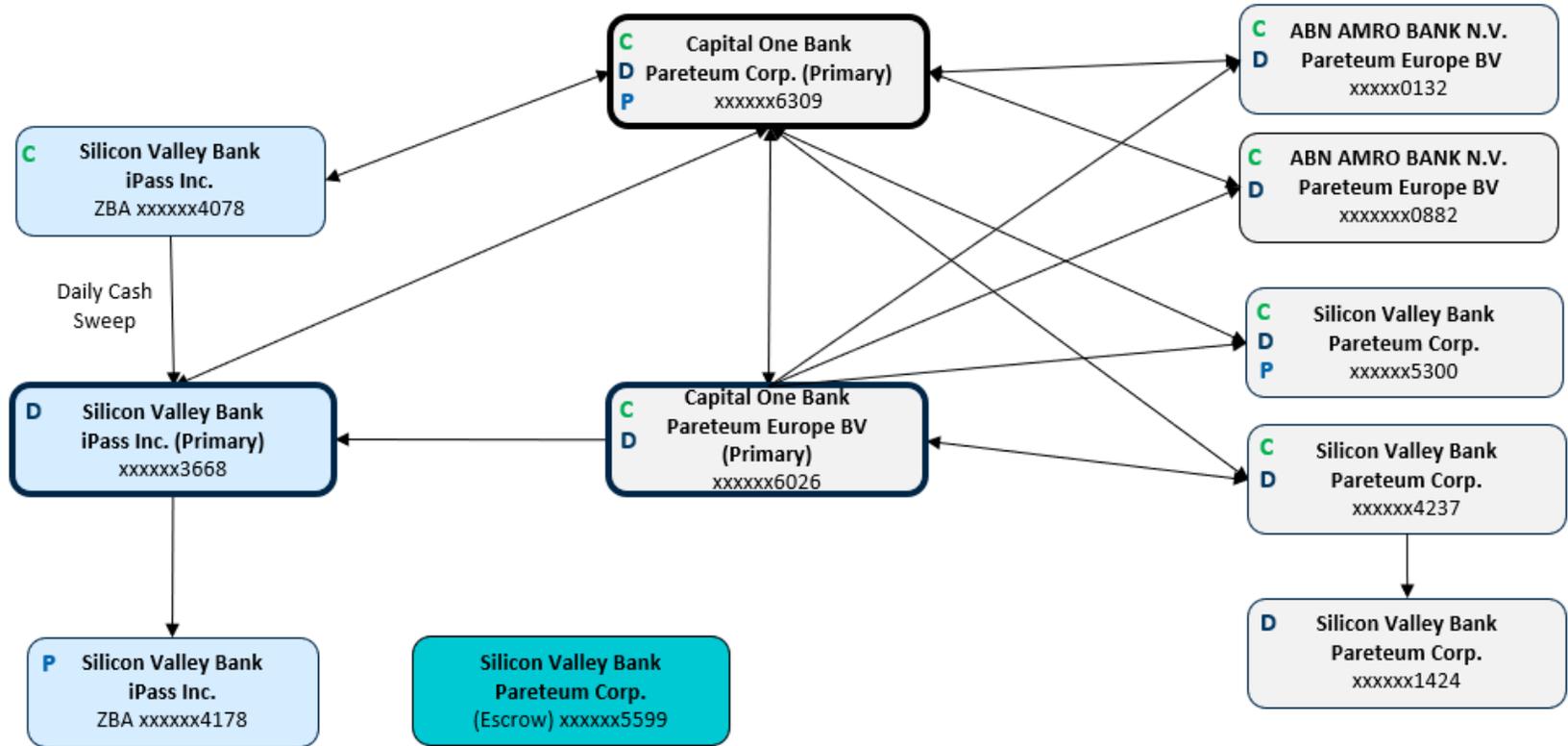
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THE HONORABLE [ \_\_\_\_\_ ]  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Cash Management System Schematic**

## Cash Management System (1)



Legend	
	Primary Operating Accounts
	Pareteum Accounts
	iPass Accounts
	Non-Debtor Accounts
	Customer Collection Account
	Disbursement Account
	Payroll Account
	Escrow / Collateral Accounts

**Not illustrated**  
 (1) The Debtors have ten (10) inactive bank accounts ending in 8481, 3156, 0724, 2899, 2179, 5369, 6245, 9031, 8491, and 7747.

**Exhibit 2**

**Bank Accounts**

<b>Last Four Digits of Account No.</b>	<b>Debtor</b>	<b>Account Type</b>	<b>Description</b>	<b>Bank</b>
<b>6309</b>	Pareteum Corporation	Primary Operating; Customer Collection; Payroll Vendor Disbursement (USD)	This account is used for receipt of investor capital contributions and for primary operations. It is used for credit card receipts, customer receipts, Debtor entity intercompany transfers between entities. It also makes disbursements for PEO (JustWorks) payroll, board of director fees, taxes, and operational expenses.	Capital One Bank
<b>6026</b>	Pareteum Europe BV	Primary Operating; Customer Collection; Vendor Disbursement (USD)	This operating account collects customer payments, disburses intercompany funding between Debtor entities, board fees and vendor payments.	Capital One Bank
<b>1424</b>	Pareteum Corporation	Tax payments (USD)	This account is primarily utilized for recurring payments relating to US tax balances (sales, use, franchise, income) and any associated penalties/interest. Less frequent charges such as annual 1099 filing fees, FCC registrations, and residency certification requests are also withdrawn from here.	Silicon Valley Bank
<b>0132</b>	Pareteum Europe BV	Customer Collection Vendor Disbursement (EUR)	This operating account collects customer receipts and makes vendor disbursements. Excess funds are transferred to Capital One account ending in 6309.	ABN AMRO BANK N.V.
<b>0882</b>	Pareteum Europe BV	Customer Collection; Vendor Disbursement (USD)	Customer collection account and vendor disbursement account for Pareteum Asia PTE.	ABN AMRO BANK N.V.
<b>4237</b>	Pareteum Corporation	Customer Collection; Vendor Disbursement (USD)	This operating account collects customer payments, makes Debtor entity intercompany transfers based on funding needs, makes	Silicon Valley Bank

Last Four Digits of Account No.	Debtor	Account Type	Description	Bank
			vendor disbursements, and makes credit card payments.	
5300	Pareteum Corporation	Customer Collection; Payroll; Vendor Disbursement (EUR)	This account collects customer receipts and makes vendor disbursements for Pareteum BV and Pareteum NV. It is also used to remit Pareteum Europe BV payroll, remit Pareteum Asia PTE payroll, and Pareteum Europe BV vendor disbursements.	Silicon Valley Bank
5599	Pareteum Corporation	Escrow (USD)	Escrow account established to secure the corporate credit cards; \$60 thousand is the minimum required amount.	Silicon Valley Bank
3668	iPass, Inc.	Primary Operating Vendor Disbursement (USD)	This operating account is the primary facility for managing inflows and outflows of cash. It sweeps cash daily from the SVB customer collection account ending in 4078. This account also makes iPass, Inc.'s vendor payments.	Silicon Valley Bank
4078	iPass, Inc.	Customer Collection Zero Balance Account (USD)	A zero balance account for the purpose of customer electronic and lockbox payments. Funds are swept from this account to the primary operating account on a daily basis (Silicon Valley Bank ending in 3668).	Silicon Valley Bank
4178	iPass, Inc.	Payroll; Zero Balance Account (USD)	A zero balance account used for remitting payroll and the associated taxes for PEO (Trinet) payroll.	Silicon Valley Bank
8481	Pareteum Corporation	Inactive	Inactive account	Silicon Valley Bank
3156	Pareteum NV	Inactive	Inactive account	BNP Paribas Fortis
0724	Pareteum Europe BV	Inactive	Inactive account	BNP Paribas Fortis
2899	Pareteum Corporation	Inactive	Inactive escrow account	Capital One Bank
2179	Pareteum Corporation	Inactive	Inactive escrow account	Silicon Valley Bank
5369	Pareteum Corporation	Inactive	Inactive lockbox account	Silicon Valley Bank

<b>Last Four Digits of Account No.</b>	<b>Debtor</b>	<b>Account Type</b>	<b>Description</b>	<b>Bank</b>
6245	Pareteum Corporation	Inactive	Inactive account	Capital One Bank
9031	Pareteum Corporation	Inactive	Inactive account	Capital One Bank
8491	Pareteum Europe BV	Inactive	Inactive operating account	ABN AMRO BANK N.V.
7747	Pareteum North America Corp.	Inactive	Inactive operating account	Silicon Valley Bank

**Exhibit B**

**Proposed Final Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

Chapter 11

\_\_\_\_\_  
)  
In re: )  
)  
PARETEUM CORPORATION, *et al.*,<sup>1</sup> )  
)  
Debtors. )  
\_\_\_\_\_

Case No. 22-10615 ( )  
(Jointly Administered)

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, (C) MAINTAIN EXISTING BUSINESS FORMS, AND (D) CONTINUE TO PERFORM INTERCOMPANY TRANSACTIONS, (II) GRANTING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS TO POSTPETITION INTERCOMPANY BALANCES, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order"): authorizing the Debtors to continue to: (a) authorizing, but not directing, the Debtors to (i) continue to operate their cash management system (the "Cash Management System"); (ii) honor certain prepetition obligations related thereto; (iii) continue using existing business letterhead, purchase orders, invoices, envelopes, promotional materials and other business forms and correspondence; (b) (i) authorizing the Debtors to continue to perform intercompany transactions with each other on a post-petition basis in the ordinary course of business and consistent with historical practice and (ii) according administrative expense priority status to post-petition intercompany transactions; and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and

<sup>1</sup> The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: Pareteum Corporation (7538); Pareteum North America Corp. (f/k/a Elephant Talk North America Corp.) (9623); Devicescape Holdings, Inc. (2909); iPass, Inc. (4598); iPass IP LLC (2550); Pareteum Europe B.V.; Artidium Group Ltd. (f/k/a Artidium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artidium N.V.). The Debtors' corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.

the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated February 1, 2012; and that the Court may enter a final order consistent with Article III of the United States Constitution; and the 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 the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and the 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 provided; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any, before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, in their sole discretion, to: (a) continue operating the Cash Management System, substantially as illustrated on Exhibit 1 attached hereto; (b) honor their prepetition obligations related thereto; and (c) continue to perform Intercompany Transactions consistent with historical practice.
3. The Debtors are further authorized, in their sole discretion, to: (a) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those Bank Accounts identified on Exhibit 2 attached hereto; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (d) pay all Prepetition Bank Fees; and (e) pay any ordinary course Bank Fees incurred in

connection with the Bank Accounts and Payment Processing Programs, irrespective of whether such fees arose prior to the Petition Date, and to otherwise perform their obligations under the documents governing the Bank Accounts and Payment Processing Programs.

4. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; *provided* that once the Debtors have exhausted their existing stock of Business Forms, the Debtors shall ensure that any new Business Forms are clearly labeled "Debtor-In-Possession"; *provided, further*, with respect to any Business Forms that exist or are generated electronically, to the extent reasonably practicable, the Debtors shall ensure that such electronic Business Forms are clearly labeled "Debtor-In-Possession."

5. All Banks provided with notice of this Final Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts, or otherwise issued before the Petition Date, absent further direction from the Debtors. The Debtors will maintain records in the ordinary course reflecting transfers of cash, if any, including Intercompany Transactions, so as to permit all such transactions to be ascertainable.

6. Each Bank is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of the Court for: (a) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs inconnection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; (c) all undisputed prepetition

amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; and (d) all reversals, returns, refunds, and chargebacks of checks, deposited items, and other debits credited to Debtor's account after the Petition Date, regardless of the reason such item is returned or reversed (including, without limitation, for insufficient funds or a consumer's statutory right to reverse a charge).

7. Each of the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date and should be honored pursuant to this or any other order of the Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

8. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided* that in the event the Debtors open a new bank account they shall open one at an authorized depository and shall timely indicate the opening of such account on the Debtors' monthly operating report and shall provide advance notice of the opening of any new bank accounts or closing of any Bank Account to the U.S. Trustee.

9. Those agreements existing between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks and, subject to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with any Bank (including, for the avoidance of doubt, any right of a Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the

extent permitted under the applicable deposit agreement), unless the Debtors and such Bank agree otherwise, and any other legal rights and remedies afforded to the Banks under applicable law shall be preserved, subject to applicable bankruptcy law.

10. The requirement to establish separate accounts for cash collateral and/or tax payments is hereby waived.

11. Any and all holds on the Debtors' Bank Accounts, including the Tech Data Hold, is lifted pursuant to the automatic stay under section 362 of the Bankruptcy Code and the cash in such Bank Account(s) shall be immediately available for use by the Debtors without restriction (except as otherwise provided in the Motion or under the DIP credit facility).

12. Notwithstanding anything to the contrary set forth herein, the Debtors are authorized to continue Intercompany Transactions arising from or related to the operation of their businesses in the ordinary course including their compliance with and performance under the Intercompany Services Agreements; *provided* that each Debtor shall (a) continue to pay its own obligations consistent with such Debtor's past practice with respect to Intercompany Transactions and related obligations, and in no event shall any of the Debtors pay for the prepetition or postpetition obligations incurred or owed by any of the other Debtors in a manner inconsistent with past practices; (b) beginning on the Petition Date, maintain current records of intercompany balances; and (c) provide the advisors to the administrative agent under the DIP credit facility, administrative agent under the Bridge Loan, administrative agent under the Debtors' Prepetition Senior Notes and the administrative agent under the Junior Convertible Notes with (i) reasonable access to such records, (ii) a Debtor by Debtor summary on a monthly basis of any postpetition Intercompany Transactions involving the transfer of cash for the preceding month (to be available on the 21<sup>st</sup> day of the following month); and (iii) reasonable access to the Debtors' advisors with

respect to such records.

13. All postpetition transfers and payments from the Debtors to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded superpriority administrative expense status under section 503(b) of the Bankruptcy Code.

14. Notwithstanding the Debtors use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

15. Those certain existing deposit and service agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination, chargeback, and fee provisions, shall remain in full force and effect.

16. The Debtors and the Banks may, without further order of the Court, agree to and implement changes to the Cash Management System and procedures in the ordinary course of business, including, without limitation, the opening and closing of bank accounts.

17. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Bank Fees.

18. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a debtor entity; (b) a waiver of the Debtors' rights to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in

this Final Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights or the rights of any other Person under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

19. Notwithstanding anything to the contrary contained in the Motion or this Final Order, any payment to be made and any relief or authorization granted hereunder shall be limited by, and shall be subject to, the requirements imposed on the Debtors in any orders entered by this Court authorizing the Debtors to obtain debtor-in-possession financing and authorizing the use of cash collateral (any such order, a "DIP Order"). To the extent of any conflict (but solely to the extent of such conflict) between the terms of this Final Order and the terms of any DIP Order, the terms of the DIP Order will govern.

20. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code, the Debtors shall have 45 days from the date of entry of the Interim Order, without prejudice to seek an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code; provided that nothing shall prevent the Debtors or the U.S. Trustee from seeking relief from the Court to the extent that an agreement cannot be reached.

21. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

22. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

23. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final

Order are immediately effective and enforceable upon its entry.

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

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

New York, New York

Dated: \_\_\_\_\_, 2022

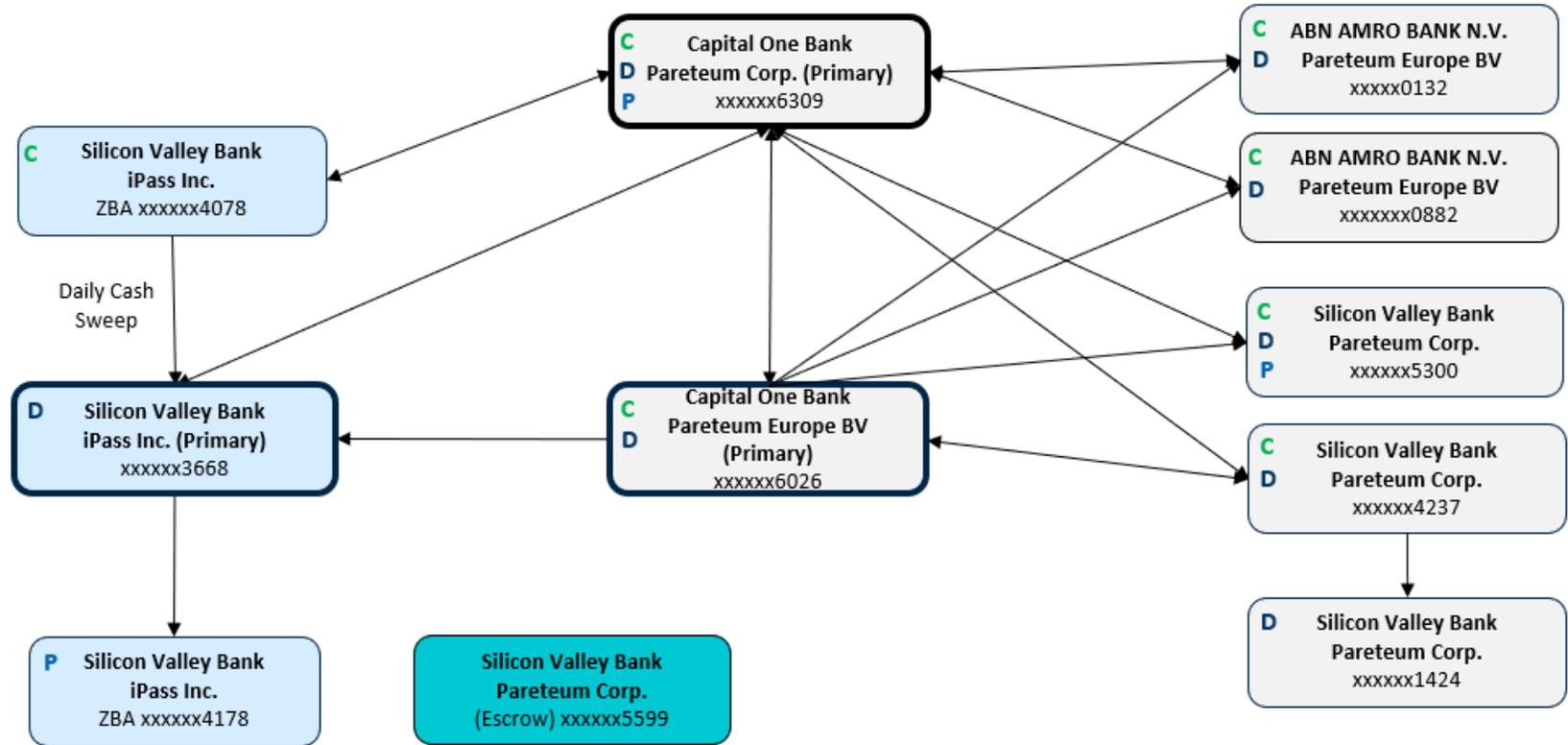
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THE HONORABLE [\_\_\_\_\_] ]  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Cash Management System Schematic**

## Cash Management System (1)



Legend	
	Primary Operating Accounts
	Pareteum Accounts
	iPass Accounts
	Non-Debtor Accounts
	Customer Collection Account
	Disbursement Account
	Payroll Account
	Escrow / Collateral Accounts

**Not illustrated**

(1) The Debtors have ten (10) inactive bank accounts ending in 8481, 3156, 0724, 2899, 2179, 5369, 6245, 9031, 8491, and 7747.

**Exhibit 2**

**Bank Accounts**

<b>Last Four Digits of Account No.</b>	<b>Debtor</b>	<b>Account Type</b>	<b>Description</b>	<b>Bank</b>
<b>6309</b>	Pareteum Corporation	Primary Operating; Customer Collection; Payroll Vendor Disbursement (USD)	This account is used for receipt of investor capital contributions and for primary operations. It is used for credit card receipts, customer receipts, Debtor entity intercompany transfers between entities. It also makes disbursements for PEO (JustWorks) payroll, board of director fees, taxes, and operational expenses.	Capital One Bank
<b>6026</b>	Pareteum Europe BV	Primary Operating; Customer Collection; Vendor Disbursement (USD)	This operating account collects customer payments, disburses intercompany funding between Debtor entities, board fees and vendor payments.	Capital One Bank
<b>1424</b>	Pareteum Corporation	Tax payments (USD)	This account is primarily utilized for recurring payments relating to US tax balances (sales, use, franchise, income) and any associated penalties/interest. Less frequent charges such as annual 1099 filing fees, FCC registrations, and residency certification requests are also withdrawn from here.	Silicon Valley Bank
<b>0132</b>	Pareteum Europe BV	Customer Collection Vendor Disbursement (EUR)	This operating account collects customer receipts and makes vendor disbursements. Excess funds are transferred to Capital One account ending in 6309.	ABN AMRO BANK N.V.
<b>0882</b>	Pareteum Europe BV	Customer Collection; Vendor Disbursement (USD)	Customer collection account and vendor disbursement account for Pareteum Asia PTE.	ABN AMRO BANK N.V.
<b>4237</b>	Pareteum Corporation	Customer Collection; Vendor Disbursement (USD)	This operating account collects customer payments, makes Debtor entity intercompany transfers based on funding needs, makes vendor disbursements, and makes credit card payments.	Silicon Valley Bank

Last Four Digits of Account No.	Debtor	Account Type	Description	Bank
5300	Pareteum Corporation	Customer Collection; Payroll; Vendor Disbursement (EUR)	This account collects customer receipts and makes vendor disbursements for Pareteum BV and Pareteum NV. It is also used to remit Pareteum Europe BV payroll, remit Pareteum Asia PTE payroll, and Pareteum Europe BV vendor disbursements.	Silicon Valley Bank
5599	Pareteum Corporation	Escrow (USD)	Escrow account established to secure the corporate credit cards; \$60 thousand is the minimum required amount.	Silicon Valley Bank
3668	iPass, Inc.	Primary Operating Vendor Disbursement (USD)	This operating account is the primary facility for managing inflows and outflows of cash. It sweeps cash daily from the SVB customer collection account ending in 4078. This account also makes iPass, Inc.'s vendor payments.	Silicon Valley Bank
4078	iPass, Inc.	Customer Collection Zero Balance Account (USD)	A zero balance account for the purpose of customer electronic and lockbox payments. Funds are swept from this account to the primary operating account on a daily basis (Silicon Valley Bank ending in 3668).	Silicon Valley Bank
4178	iPass, Inc.	Payroll; Zero Balance Account (USD)	A zero balance account used for remitting payroll and the associated taxes for PEO (Trinet) payroll.	Silicon Valley Bank
8481	Pareteum Corporation	Inactive	Inactive account	Silicon Valley Bank
3156	Pareteum NV	Inactive	Inactive account	BNP Paribas Fortis
0724	Pareteum Europe BV	Inactive	Inactive account	BNP Paribas Fortis
2899	Pareteum Corporation	Inactive	Inactive escrow account	Capital One Bank
2179	Pareteum Corporation	Inactive	Inactive escrow account	Silicon Valley Bank
5369	Pareteum Corporation	Inactive	Inactive lockbox account	Silicon Valley Bank
6245	Pareteum Corporation	Inactive	Inactive account	Capital One Bank

<b>Last Four Digits of Account No.</b>	<b>Debtor</b>	<b>Account Type</b>	<b>Description</b>	<b>Bank</b>
9031	Pareteum Corporation	Inactive	Inactive account	Capital One Bank
8491	Pareteum Europe BV	Inactive	Inactive operating account	ABN AMRO BANK N.V.
7747	Pareteum North America Corp.	Inactive	Inactive operating account	Silicon Valley Bank