

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

Chapter 11

)
In re:)
)
PARETEUM CORPORATION, *et al.*,¹)
)
Debtors.)
_____)

Case No. 22-10615 (LGB)

(Jointly Administered)

**INTERIM 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")² 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

¹ 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.

² 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 June 7, 2022, at 2:00 p.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 May 31, 2022, and shall be served on: (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) the administrative agent under the Junior Convertible Notes, Channel Ventures Group LLC, Osakastraat 10, 3047 AK Rotterdam, The Netherlands, Attn: Markwin Maring (m.maring@channelholding.com) and Marcel Kloosterman (m.kloosterman@channelholding.com); (i) the parties identified on the Debtors' consolidated list of 30 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. Within three (3) days of entry of this Interim Order, the Debtors shall serve a copy of this Interim Order, as well as the Motion, on the parties set forth in the notice provision of the Motion, as well as the Banks set forth in **Exhibit 2** attached hereto.

4. 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.

5. 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.

6. 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.”

7. All Banks provided with notice of this Interim Order maintaining any of the Bank Accounts shall not honor or pay any check or payment issued or dated prior to the Petition Date, absent further direction from the Debtors.

8. 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.

9. 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.

10. 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 reasonsuch item is returned or reversed (including, without limitation, for insufficient funds or a consumer's statutory right to reverse a charge).

11. 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.

12. 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 remainin 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.

13. 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.

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

15. 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).

16. 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 (i) the advisors to the administrative agent under the DIP credit facility, (ii) the administrative agent under the Bridge Loan, (iii) the administrative agent under the Debtors’ Prepetition Senior Notes, (iv) the administrative agent under the Junior Convertible Notes, and (v) any statutory committee appointed in these cases 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.

17. 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.

18. 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.

19. 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.

20. 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 and any statutory committee appointed in these cases.

21. 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.

22. 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.

23. 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.

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

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

26. 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.

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

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

29. 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

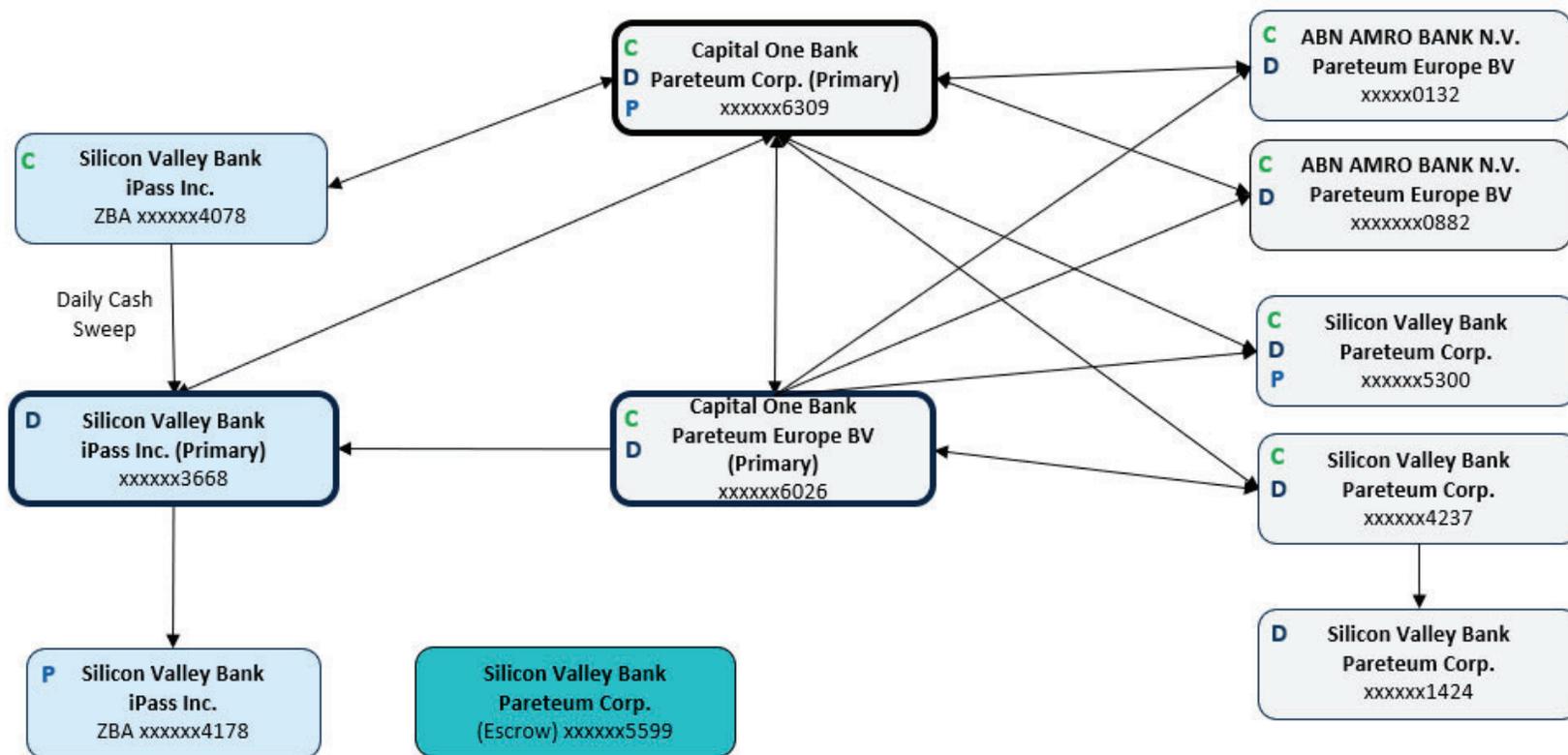
Dated: **May 18, 2022**

/s/ Lisa G. Beckerman
THE HONORABLE LISA G. BECKERMAN
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

Last Four Digits of Account No.	Debtor	Account Type	Description	Bank
6309	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
6026	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
1424	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
0132	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.
0882	Pareteum Europe BV	Customer Collection; Vendor Disbursement (USD)	Customer collection account and vendor disbursement account for Pareteum Asia PTE.	ABN AMRO BANK N.V.
4237	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

Last Four Digits of Account No.	Debtor	Account Type	Description	Bank
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