

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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-10615 (LGB)

(Joint Administration Requested)

INTERIM ORDER

(I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, PAYROLL TAXES AND OTHER COMPENSATION AND (B) MAINTAIN EMPLOYEE COMPENSATION AND BENEFITS PROGRAMS AND PAY RELATED ADMINISTRATIVE OBLIGATIONS; (II) AUTHORIZING APPLICABLE BANKS AND OTHER FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS; 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 order (this “Interim Order”): (a) authorizing, but not directing, the Debtors, in their sole discretion, to (i) pay the Prepetition Employee Obligations and (ii) maintain the Employee Compensation and Benefits and pay related administrative obligations, (b) authorizing applicable banks and other financial institutions to honor and process related checks and transfers and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated February 1, 2012; and that this Court may enter a final order consistent with Article III of the United States

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 not otherwise defined herein are to be given the meanings ascribed to them in the Motion.



Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this 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 this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any, before this Court (the "Hearing"); and this 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 this 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 Debtors; (b) proposed counsel to the Debtors, Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, NY 10119, Attn: Frank A. Oswald (frankoswald@teamtogut.com) and Brian F. Moore (bmoore@teamtogut.com); (c) counsel to any statutory committee appointed in these cases; (d) 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) and Nadia Saleem (Nadia.Saleem@us.dlapiper.com); (e) 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) and Nadia Saleem

(Nadia.Saleem@us.dlapiper.com); (f) 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) and Nadia Saleem (Nadia.Saleem@us.dlapiper.com); (g) counsel to 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); (h) counsel to the Stalking Horse Bidders, (i) DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, NY 10153, Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com) and Nadia Saleem (Nadia.Saleem@us.dlapiper.com); and (i) the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn.: Susan A. Arbeit, Esq. (susan.arbeit@usdoj.gov). 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 Employees.

4. The Debtors are authorized, but not directed, to (a) pay the Prepetition Employee Obligations (either directly or to third parties for payment or remittance, as applicable), *provided* that, the Debtors shall not pay any Prepetition Employee Obligations that exceed the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code unless otherwise required by applicable law, (b) honor and continue their programs, policies and practices with respect to the Employee Compensation and Benefits in the ordinary course of business and in the same manner and on the same basis as the Debtors honored and continued such programs, policies

and practices before the Petition Date, (c) forward or contribute all prepetition Payroll Taxes and Deductions relating to the Employee Compensation and Benefits and Director Compensation to the extent that such amounts have not yet been forwarded or contributed, and continue forwarding and contributing postpetition Payroll Taxes and Deductions relating to the Employee Compensation and Benefits and Director Compensation to the appropriate third parties in the ordinary course of business, and (d) pay any prepetition amounts owed to third parties in respect of administrative or processing costs incidental to the payment or provision of the Employee Compensation and Benefits in the ordinary course of business, including in respect of the Commission Plans and the Severance Obligations.

5. For the avoidance of doubt, no payment to any Employee may be made pursuant to this Interim Order to the extent that it is a transfer in derogation of section 503(c) of the Bankruptcy Code. This Interim Order does not implicitly or explicitly approve of any bonus plan, incentive plan or other plan covered by section 503(c) of the Bankruptcy Code.

6. Pursuant to Section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their claims under the Workers' Compensation Obligations in the appropriate judicial or administrative fora and the Debtors are authorized, but not directed, to continue the Workers' Compensation Obligations and pay all prepetition amounts (if any) relating thereto in the ordinary course. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Obligations.

7. The Debtors are authorized, but not directed, to modify, change and discontinue any of the Employee Compensation and Benefits and to implement new Employee Compensation and Benefits in the ordinary course of business and pursuant to their past practices during these Chapter 11 Cases in their sole discretion without the need for further Court approval.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition electronic fund transfers, in replacement of any checks or electronic fund transfers in respect of payments authorized by this Interim Order that are dishonored or rejected after the Petition Date.

9. The Debtors are authorized and empowered to execute and deliver such documents, and to take and perform all actions necessary to implement and effectuate the relief granted in this Interim Order.

10. In accordance with this Interim Order (or other order of this Court), each of the financial institutions at which the Debtors maintain their accounts relating to the payment of the obligations described in the Motion are authorized, but not directed, to (a) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (b) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on or subsequent to the Petition Date, without any duty to inquire otherwise and without any liability for following the Debtors' instructions.

11. Nothing in the Motion or this Interim Order, nor as a result of any payment made pursuant to this Interim Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, an agreement or obligation to pay any claims, a waiver of any claim or causes of action which may exist against any creditor or interest holder, an admission as to the validity of any lien satisfied pursuant to this Motion, an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code or a waiver of the right of the Debtors or any other party, or shall impair or limit the ability of the Debtors or

any other party, to contest or seek relief under any section of the Bankruptcy Code in respect of the validity and amount of any payment made pursuant to this Interim Order.

12. Nothing in this Interim Order should be construed as approving any transfer pursuant to section 503(c) of the Bankruptcy Code, and a separate motion will be filed for any request that could fall within section 503(c) of the Bankruptcy Code.

13. Notwithstanding anything to the contrary contained in the Motion or this Interim 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 Interim Order and the terms of any DIP Order, the terms of the DIP Order will govern.

14. Notwithstanding any of the foregoing:

- i. The Debtors shall provide seven (7) days' notice of the prepetition Reimbursable Expenses to counsel to the DIP Lender, counsel to the Stalking Horse Bidders, counsel to the U.S. Trustee, and counsel to any Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases (collectively, the "Notice Parties"), including the name and job title of each employee to be reimbursed and a description of each expense. The Debtors shall not reimburse any such expense pending the resolution of a timely objection from any Notice Party;
- ii. The Debtors shall provide seven (7) days' notice to the Notice Parties of any proposed prepetition payments under the Commission Plan, including the name and job title of each employee to be paid or awarded and the nature of the compensation. The Debtors shall not make any such payment pending the resolution of a timely objection from any Notice Party;
- iii. The Debtors shall provide seven (7) days' notice to the Notice Parties of any proposed prepetition severance payments, including the name and job title of each employee to be paid or awarded and the nature of the compensation. The Debtors shall not make any such payment pending the resolution of a timely objection from any Notice Party; and

- iv. The Debtors are not hereby authorized to allow or pay Severance Obligations to Insiders and may do so only by separate motion upon notice and a hearing. Prior to disbursing any post-petition Severance Obligations, the Debtors shall provide 21 calendar days' notice (including job title, description of job duties, and amounts proposed to be paid) on a confidential basis to the Notice Parties.
15. The requirements set forth in Local Rule 9013-1(b) are satisfied.
16. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.
17. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.
18. This Interim Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.
19. This Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the Motion or the implementation 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