

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

----- X
:

In re: : Chapter 11

:

STARRY GROUP HOLDINGS, INC., *et al.*,¹ : Case No. 23- 10219 (KBO)

:

Debtors. : (Jointly Administered)

:

----- X **Re: Docket No. 13**

INTERIM ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE OPERATING EXISTING CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, (C) MAINTAIN EXISTING BUSINESS FORMS, AND (D) CONTINUE TO PERFORM INTERCOMPANY TRANSACTIONS, (II) WAIVING CERTAIN REQUIREMENTS UNDER SECTION 345 OF THE BANKRUPTCY CODE AND THE U.S. TRUSTEE GUIDELINES 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 orders (a) authorizing the Debtors to (i) continue to operate their existing cash management system, (ii) honor certain prepetition obligations related thereto, (iii) maintain their existing accounts and business forms, and (iv) continue to perform Intercompany Transactions in the ordinary course of business; (b) waiving certain requirements under section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines; and (c) granting related relief, all as more fully set forth in the Motion; and this Court having reviewed the Motion and the First Day Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order*

¹ The debtors in these cases, along with the last four digits of each debtor’s federal tax identification number, are: Starry Group Holdings, Inc. (9355); Starry, Inc. (9616); Connect Everyone LLC (5896); Starry Installation Corp. (7000); Starry (MA), Inc. (2010); Starry Spectrum LLC (N/A); Testco LLC (5226); Starry Spectrum Holdings LLC (9444); Widmo Holdings LLC (9208); Vibrant Composites Inc. (8431); Starry Foreign Holdings Inc. (3025); and Starry PR Inc. (1214). The debtors’ address is 38 Chauncy Street, Suite 200, Boston, Massachusetts 02111.

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



of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States 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 it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary, except as set forth in the Motion with respect to entry of this Interim Order and notice of the Final Hearing (as defined below); and upon the record herein; and after due deliberation thereon; and this Court having determined that there is good and sufficient cause for the relief granted in this Interim Order, therefore, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted on an interim basis, as set forth herein.
2. All objections to the entry of this Interim Order, to the extent not withdrawn or settled, are overruled.
3. The Debtors are authorized, but not directed, pursuant to sections 363(c) and 105(a) of the Bankruptcy Code, to (a) continue to manage their cash pursuant to the Cash Management System maintained by the Debtors before the Petition Date, (b) collect, concentrate, and disburse cash in accordance with the Cash Management System, including through Intercompany Transactions, and (c) to make ordinary course changes to the Cash Management System.
4. The Debtors are authorized, but not directed, to continue to comply with the Collateral Obligations posted prepetition and renew, replace, modify, extend, or add to the posted collateral as needed in the ordinary course postpetition.

5. The Debtors are authorized, but not directed, to continue using, in their present form (or as subsequently amended in accordance with this Interim Order), the Business Forms, as well as checks and other documents related to the Debtor Accounts existing immediately before the Petition Date.

6. Each of the Debtor Banks at which the Debtors maintain their accounts relating to the payment of the obligations described in the Motion are authorized to, when requested by the Debtors, (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 ACH 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 before, on, or after the Petition Date, without any duty to inquire otherwise.

7. The Debtors shall maintain accurate records of all transfers within the Cash Management System so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors before the Petition Date.

8. The Debtors are further authorized to: (a) designate, maintain, and continue to use any or all of the existing Debtor Accounts in the names and with the account numbers existing immediately before the Petition Date, and to the extent such Debtor Accounts do not comply with the applicable requirements under the U.S. Trustee Guidelines or otherwise, such requirements under the U.S. Trustee Guidelines or otherwise are waived; (b) deposit funds in and withdraw funds from such accounts by all usual means, including, without limitation, checks, wire transfers, ACH transfers, and other debits; (c) pay any Cash Management Fees or other charges associated

with the Debtor Accounts, whether arising before or after the Petition Date, consistent with the Debtors' historical practice; (d) perform their obligations under the documents and agreements governing the Debtor Accounts; and (e) treat their prepetition Debtor Accounts for all purposes as debtor in possession accounts.

9. The Debtors, upon prior written notice to ArrowMark Agency Services LLC, in its capacity as DIP Agent, are authorized to open new accounts; *provided*, that all accounts opened by any of the Debtors on or after the Petition Date at any financial services provider shall, for purposes of this Interim Order, be deemed a Debtor Account as if it had been listed on **Exhibit D** to the Motion; *provided, further*, that such opening of an account shall be timely indicated on the Debtors' monthly operating report and notice of such opening shall be provided within five business days to the U.S. Trustee and counsel to any statutory committee appointed in the Chapter 11 Cases; *provided, further*, that the Debtors shall open any new Debtor Account at a bank that has executed a Uniform Depository Agreement with the U.S. Trustee, or at such bank that is willing to immediately execute such agreement.

10. Despite the use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on disbursements of each debtor, regardless of who pays those disbursements.

11. Each Debtor Bank is authorized to accept and rely upon, without further inquiry, all representations from the Debtors as to which checks, drafts, wires, or ACH transfers are dated before, on, or after the Petition Date and which checks are to be honored or dishonored, regardless of whether or not such payment or honoring is or is not authorized by an order of this Court. No Debtor Bank shall incur, and each Debtor Bank is hereby released from, any liability for relying upon any Debtor's instruction as to which checks, drafts, wires, or ACH transfers should be

honored or dishonored or for such Debtor Bank's inadvertence in honoring any check, draft, wire, or ACH transfer at variance from the Debtors' instructions unless such inadvertence constituted gross negligence or willful misconduct on the part of such Debtor Bank. Each Debtor shall promptly provide a list of checks to each Debtor Bank for each Debtor Account maintained at such Debtor Bank specifying, by check sequencing number, dollar amount, date of issue, and payee information, those checks that are to be dishonored by such Debtor Bank, which checks may include those issued after the Petition Date as well as those issued before the Petition Date that are not to be honored or paid according to any order of this Court, and each Debtor Bank may honor all other checks. Except for those checks, drafts, wires, or ACH transfers that are authorized or required to be honored under an order of this Court, the Debtors shall not instruct nor request any Debtor Bank to pay or honor any check, draft, or other payment item issued on a Debtor Account before the Petition Date but presented to such Debtor Bank for payment after the Petition Date.

12. Nothing contained herein shall prevent the Debtors from closing any Debtor Account, upon prior written notice to ArrowMark Agency Services LLC, in its capacity as DIP Agent, as they may deem necessary and appropriate, to the extent consistent with the terms of any prepetition financing agreement and postpetition financing agreement and any order of this Court relating thereto, any relevant Debtor Bank is authorized to honor the Debtors' requests to close such Debtor Accounts, and the Debtors shall give notice of the closure of any account within 15 days to the U.S. Trustee and counsel to any statutory committee appointed in the Chapter 11 Cases.

13. The Debtors are authorized, but not directed, to enter into, engage in, and perform under the Intercompany Transactions in the ordinary course of business and to make payments to, or set off amounts owed from, the applicable Debtor on account of postpetition Intercompany Transactions, in a manner consistent with their practices in effect as of the Petition Date in the

ordinary course of business or as necessary to execute the Cash Management System. The Debtors shall (a) continue to track all Intercompany Transactions electronically through their accounting system in accordance with their prepetition practices and (b) maintain accurate and detailed records of all Intercompany Transactions so that they may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions.

14. Notwithstanding anything to the contrary in this Interim Order, the Debtors shall not (i) undertake any Intercompany Transaction that is (a) not on the same terms as, or materially consistent with, the Debtors' operation of their business in the ordinary course during the prepetition period, or (b) prohibited or restricted by the terms of an applicable DIP Order; or (ii) transfer funds to any Non-Debtor affiliates during the Chapter 11 Cases without further order of this Court, pursuant to a motion on notice to the U.S. Trustee, counsel to any statutory committee appointed in the Chapter 11 Cases, counsel to ArrowMark Agency Services LLC, in its capacity as DIP Agent, and any party requesting notice under Bankruptcy Rule 2002.

15. All transfers or payments from one Debtor to another Debtor, or made by a Debtor on behalf of another Debtor, after the Petition Date, shall be accorded administrative expense priority status in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code.

16. For all Debtor Banks at which the Debtors maintain Debtor Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, within 15 days of the date of entry of this Interim Order, the Debtors shall (a) contact each such Debtor Bank, (b) serve a copy of this Interim Order on such Debtor Bank, (c) provide each such Debtor Bank with each of the Debtor's employee identification numbers, and (d) identify each of the Debtor Accounts held at such Debtor Banks as being held by a debtor in possession in a chapter 11 case.

17. Pursuant to Local Rule 2015-2(a), the Debtors are authorized to continue to use their existing checks, correspondence, and other Business Forms without alteration or change and without the designation “Debtor in Possession” or a bankruptcy case number imprinted upon them. Notwithstanding the foregoing, once the Debtors’ existing checks have been used, the Debtors shall, when reordering checks, require the designation “Debtor in Possession” and the corresponding bankruptcy case number on all checks; *provided* that, with respect to checks that the Debtors print themselves, the Debtors shall begin printing the “Debtor in Possession” legend and provide the case number on such items within 10 days of the date of entry of this Interim Order.

18. Any material change to the Cash Management System shall require written consent of ArrowMark Agency Services LLC, in its capacity as DIP Agent, and shall be subject to approval by this Court.

19. As to Banks that are not party to a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware, (a) the Debtors are hereby granted an extension of time to comply with the requirements of section 345(b) of the Bankruptcy Code for a period of 30 days, without prejudice to the Debtors’ rights to seek a further waiver, and (b) the Debtors shall serve a copy of this Interim Order on such Debtor Banks.

20. Any requirement under the U.S. Trustee Guidelines to establish separate accounts for cash collateral and tax payments is hereby waived except as otherwise required by any applicable agreements between the Debtors and the Debtor Banks.

21. Nothing in the Motion or this Interim Order, nor any actions or payments made by the Debtors pursuant to this Interim Order, shall be construed as: (a) an admission as to the validity of any claim against the Debtors or the existence of any lien against the Debtors’ properties; (b) a

waiver of the Debtors' rights to dispute any claim or lien on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim would constitute an allowed claim; (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; or (f) a limitation on the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Interim Order. Nothing contained in this Interim Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

22. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

23. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

24. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied because the relief set forth in this Interim Order is necessary to avoid immediate and irreparable harm.

25. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Interim Order.

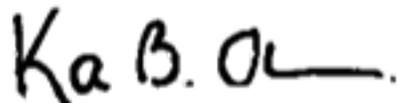
26. The final hearing (the "**Final Hearing**") on the Motion shall be held on March 22, 2023, at 2:00 p.m., prevailing Eastern Time. On or before 4:00 p.m., prevailing Eastern Time, on March 15, 2023, any objections or responses to entry of a final order on the Motion (a "**Final Order**") shall be filed with this Court, and served on: (a) proposed counsel to the Debtors, (i) Latham & Watkins LLP, (1) 355 South Grand Avenue, Suite 100, Los Angeles, California 90071 (Attn: Ted A. Dillman (ted.dillman@lw.com), Jeffrey T. Mispagel (jeffrey.mispagel@lw.com), and Nicholas J. Messana (nicholas.messana@lw.com)) and (2) 330 North Wabash Avenue, Suite 2800, Chicago, Illinois 60611 (Attn: Jason B. Gott (jason.gott@lw.com)) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000

North King Street, Wilmington, Delaware 19801 (Attn: Kara Hammond Coyle (kcoyle@ycst.com), Joseph M. Mulvihill (jmulvihill@ycst.com), and Timothy R. Powell (tpowell@ycst.com)); (b) counsel to ArrowMark Agency Services LLC as DIP Agent and Prepetition Agent, (i) Sheppard, Mullin, Richter & Hampton LLP, (1) 333 South Hope Street, 43rd Floor, Los Angeles, California 90071 (Attn: Kyle J. Matthews (KMatthews@sheppardmullin.com)) and (2) 321 North Clark Street, 32nd Floor, Chicago, Illinois 60654 (Attn: Justin Bernbrock (JBernbrock@sheppardmullin.com), Bryan V. Uelk (BUelk@sheppardmullin.com), and Catherine Jun (CJun@sheppardmullin.com)), and (ii) Potter Anderson & Corroon LLP, Hercules Plaza, 1313 North Market Street, 6th Floor, P.O. Box 951, Wilmington, Delaware, 19801 (Attn: L. Katherine Good (kgood@potteranderson.com)); (c) counsel to any statutory committee appointed in the Chapter 11 Cases; and (d) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Benjamin Hackman (Benjamin.A.Hackman@usdoj.gov)).

In the event that no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the Final Hearing.

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

Dated: February 23rd, 2023
Wilmington, Delaware


KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE