

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

In re:)	
)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 23-10718 (CTG)
)	
Debtors.)	(Jointly Administered)
)	Re: Docket No. 5, 57

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

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of a final order (this “Final Order”), (a) authorizing the Debtors to (i) continue to operate the Cash Management Systems, (ii) honor certain prepetition or postpetition obligations related thereto, (iii) maintain existing Business Forms in the ordinary course of business, and (iv) continue to perform intercompany transactions consistent with historical practices, and granting administrative expense status to postpetition intercompany balances, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

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



is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion; and this Court having determined that the legal and factual bases set forth in the Motion 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 a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to: (a) continue operating the Cash Management Systems, substantially as identified on **Exhibit 1** attached hereto and as described in the Motion; (b) honor their prepetition obligations related thereto; (c) use, in their present form, all correspondence and 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; (d) continue to perform Intercompany Transactions consistent with historical practice, and granting administrative expense status to postpetition intercompany balances; (e) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those accounts identified on **Exhibit 2** and **Exhibit 3** attached hereto without the need to comply with certain guidelines set forth in the U.S. Trustee Operating Guidelines; (f) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in

possession; (g) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (h) open new debtor in possession Bank Account; and (i) pay the Bank Fees, including any prepetition amounts, and to otherwise perform their obligations under the documents governing the Bank Accounts. To the extent the Debtors print any new checks during the pendency of these chapter 11 cases, they will include the designation “Debtor in Possession” and the corresponding bankruptcy case number. Any postpetition fees, costs, charges, and expenses, including Bank Fees, or charge-backs payable to the banks that are not so paid shall be entitled to priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code. For the avoidance of doubt, the Debtors do not seek to pay the \$28.2 million prepetition receivable owed by Lexington Law to certain PGX Debtors absent further order of this Court.

3. The Cash Management Banks are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course and in a manner consistent with prepetition practices, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be. The Debtors and the Cash Management Banks may, without further order of this Court, agree to and implement changes to the Cash Management Systems and procedures related thereto in the ordinary course of business, including the closing of any Bank Account or the opening of new bank account.

4. The Debtors are authorized, but not directed, in the ordinary course of business and consistent with historical practices, to open any new bank account or close any existing Bank Account and enter into any ancillary agreements, including deposit control agreements, related to

the foregoing, as they may deem necessary and appropriate; *provided* that the Debtors shall give notice within fifteen (15) days to the U.S. Trustee and the professionals retained by the Official Committee of Unsecured Creditors (the “Creditors’ Committee”) of any new bank account or closing any existing Bank Account; *provided, further*, that the Debtors shall open any such new bank accounts only at banks that have executed a UDA with the U.S. Trustee, or at such banks that are willing to immediately execute such agreement. The relief granted in this Final Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Cash Management Bank.

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 for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

6. The Debtors’ credit card processors are authorized to process payments in the ordinary course of business, including the netting out of any fees and/or chargebacks whether arising before or after the Petition Date.

7. In the course of providing cash management services to the Debtors, each of the banks at which the Bank Accounts are maintained is authorized, without further order of this Court and consistent with prepetition practices, to deduct the applicable fees (whether arising prior to or after the Petition Date) from the appropriate accounts of the Debtors, and further, to charge back to 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, 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. Any such fees arising after the Petition Date that are charged by the Banks consistent with established practice are entitled to administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

8. Any banks, including the Cash Management Banks, are further authorized to honor the Debtors' directions with respect to the opening and closing of any Bank Account and accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided* that the Cash Management Banks shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

9. Notwithstanding any other provision of this Final Order, any Cash Management Bank may rely upon the representations of the Debtors, without a duty of inquiry, with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court (but such check, draft, wire or other transfer shall only be honored to the extent of available funds), and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors or (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored shall be deemed to be nor shall be liable to the Debtors or their estates or any other person or entity on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Final Order.

10. To the extent any of the Debtor Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines, the Debtors shall have until a date that is 45 days from the Petition Date, without prejudice to seeking an additional extension, to either come into compliance with section 345(b) of the

Bankruptcy Code and any of the U.S. Trustee's requirements or guidelines, to make such other arrangements as are agreed to by the U.S. Trustee or approved by the Court, or to seek a final waiver of those requirements.

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

12. Notwithstanding anything to the contrary set forth herein, but subject to the terms of the Debtors' prepetition credit agreements and any orders regarding the use of cash collateral and debtor in possession financing approved by this Court in these chapter 11 cases, the Debtors are authorized to continue Intercompany Transactions arising from or related to the operation of their business in the ordinary course during these chapter 11 cases, including those related to continued performance under the Operating Agreements with Lexington Law and settle, in cash, any prepetition Intercompany Claims other than prepetition Intercompany Claims due and owing under the Operating Agreements; *provided* that, for the avoidance of doubt, the Debtors shall not be authorized by this Final Order to undertake any Intercompany Transactions that are materially inconsistent with the Debtors' ordinary course practices during the prepetition period. All postpetition payments from a Debtor under any postpetition Intercompany Transaction authorized hereunder are hereby accorded administrative expense status under section 503(b) of the Bankruptcy Code. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current, accurate, and detailed records with respect to all transfers of cash so that all Intercompany Transactions may be readily ascertained, traced, and properly recorded on intercompany accounts; *provided* that such records shall distinguish between prepetition and postpetition transactions. Within three (3) business days following the end of the two-week period preceding the end date, the Debtors shall provide a report on a bi-weekly basis to the Creditors'

Committee of Intercompany Transactions occurring during the two-week period preceding the report date detailing the Debtor entities, source, and time period covered by each Intercompany Transaction, *provided, further*, that beginning on the Thursday following a full calendar week after the Petition Date (by not later than 5:00 p.m. Mountain Time) and on every Thursday thereafter (by not later than 5:00 p.m. Mountain Time), the Debtors shall deliver to the professionals of the Creditors' Committee a variance report (the "Variance Report") setting forth actual cash receipts and disbursements and cash flows of the Debtors for the prior Testing Period (as defined in the DIP Orders) and setting forth all disbursement variances, on a line-item and aggregate basis, from the amount set forth for such period as compared to the applicable Approved Budget (as defined in the DIP Orders), in each case, for the applicable Testing Period (and each such Variance Report shall include explanations for all material variances and shall be certified by the Chief Financial Officer of the Debtors).

13. The Debtors are authorized, but not directed, to continue using the Credit Cards and the Corporate Credit Card Program in the ordinary course of business and consistent with prepetition practices, including by paying prepetition and postpetition obligations outstanding with respect thereto, subject to the limitations of this Final Order and any other applicable interim and/or final orders of this Court.

14. Nothing contained in the Motion or this Final Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

15. 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.

16. The Debtors are authorized, but not directed, 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 the relief granted herein.

17. Notwithstanding anything to the contrary contained herein, (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any orders regarding the use of cash collateral approved by this Court in these chapter 11 cases (including with respect to any budgets governing or relating to such use) and (b) to the extent there is any inconsistency between the terms of such cash collateral orders and any action taken or proposed to be taken hereunder, the terms of such cash collateral orders shall control.

18. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

19. Notwithstanding anything to the contrary in this Final Order, any payment made, or authorization contained, hereunder, shall be subject to the "Approved Budget" as defined in the order of the Court approving debtor-in-possession financing in these chapter 11 cases.

20. Nothing contained in the Motion or this Final Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Final Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount, validity or priority of, or basis for any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Final Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

21. 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.


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

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

24. For the avoidance of doubt, the Creditors' Committee's rights to challenge the Debtors' calculations of prepetition intercompany balances and pre- and postpetition intercompany transfers are preserved.

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

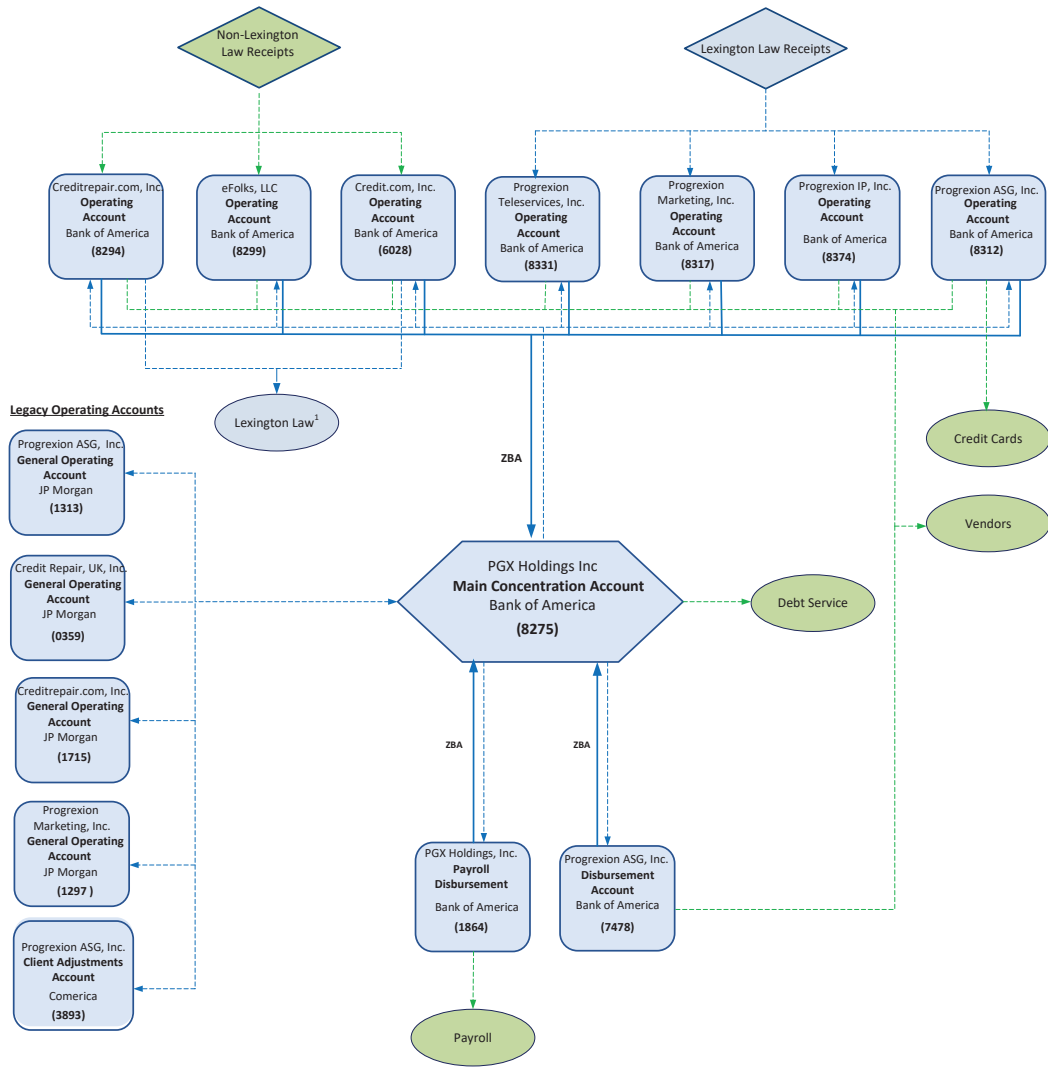
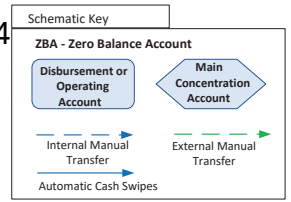
Dated: July 19th, 2023
Wilmington, Delaware



CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

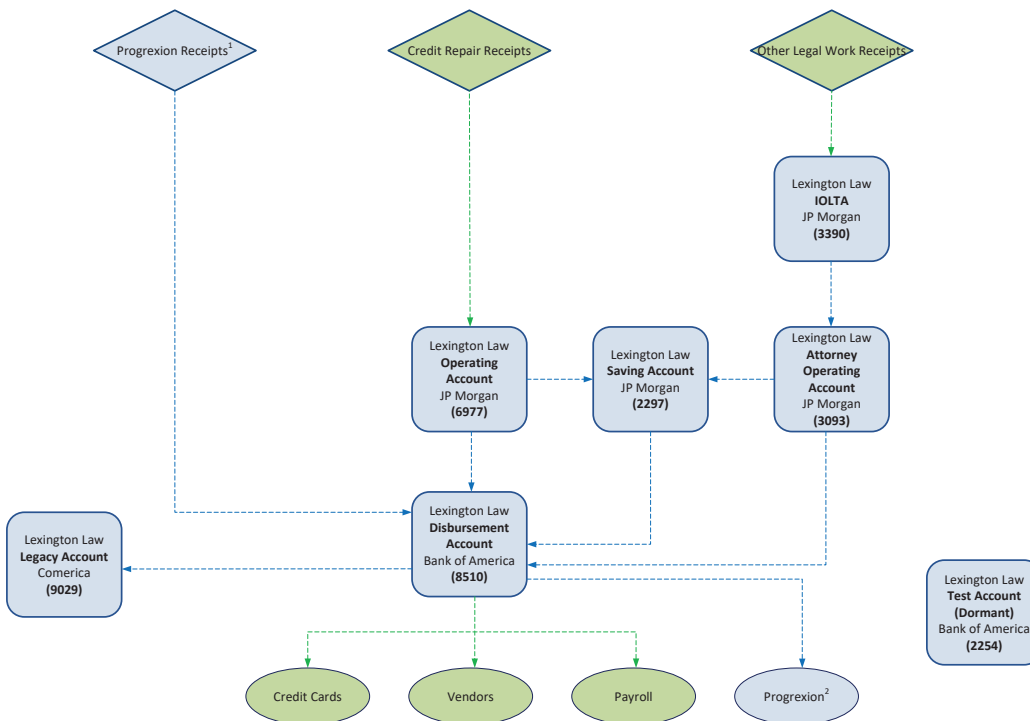
Exhibit 1

Schematic



1. The Progrexion Bank Accounts from which transfers are made to Lexington Law are primarily those ending in 8294 and 6028. Occasionally, the Progrexion Bank Accounts ending in 8331, 8317, 8374, and 8312 may also initiate transfers to Lexington Law.

Lexington Law - Cash Management System Schematic



1. The Progrexion Bank Accounts from which transfers are made to Lexington Law are primarily those ending in 8294 and 6028. Occasionally, the Progrexion Bank Accounts ending in 8331, 8317, 8374, and 8312 may also initiate transfers to Lexington Law.
 2. Lexington Law makes disbursements to the Progrexion Bank Accounts ending in 8331, 8317, 8374, and 8312 on account of the Operating Agreements. Occasionally, there are minor reimbursements to the Progrexion Bank Accounts ending in 8294 and 6028.

Exhibit 2**Progrexion Bank Accounts**

Account #	Bank	Account Name	Type
8294	Bank of America	Creditrepair.com, Inc.	Operating
8299	Bank of America	eFolks, LLC	Operating
8312	Bank of America	Progrexion ASG, Inc.	Operating
8317	Bank of America	Progrexion Marketing, Inc.	Operating
8331	Bank of America	Progrexion Teleservices, Inc.	Operating
8374	Bank of America	Progrexion IP, Inc.	Operating
6028	Bank of America	Credit.com Inc	Operating
7478	Bank of America	Progrexion ASG, Inc.	Disbursement
1864	Bank of America	PGX Holdings, Inc.	Disbursement
8275	Bank of America	PGX Holdings, Inc.	Main Concentration
3893	Comerica Bank	Progrexion ASG, Inc.	Legacy
1313	JPMorgan Chase	Progrexion ASG, Inc.	Legacy
1297	JPMorgan Chase	Progrexion Marketing, Inc.	Legacy
1715	JPMorgan Chase	Creditrepair.com Inc.	Legacy
0359	JPMorgan Chase	Credit Repair UK, Inc.	Legacy

Exhibit 3**Lexington Law Bank Accounts**

Account #	Bank	Legal Entity	Type
6977	JPMorgan Chase	John C. Heath, Attorney At Law PC	Main Operating
2297	JPMorgan Chase	John C. Heath, Attorney At Law PC	Savings
3093	JPMorgan Chase	John C. Heath, Attorney At Law PC	Attorney Operating
3390	JPMorgan Chase	John C. Heath, Attorney At Law PC	IOLTA
8510	Bank of America	John C. Heath, Attorney At Law PC	Disbursement
2254	Bank of America	John C. Heath, Attorney At Law PC	Inactive Test
9029	Comerica Bank	John C. Heath, Attorney At Law PC	Legacy