

TOGUT, SEGAL & SEGAL LLP

Frank A. Oswald
Brian F. Moore
Amy M. Oden
One Penn Plaza, Suite 3335
New York, New York 10119
(212) 594-5000

*Proposed Counsel to the Debtors
and Debtors in Possession*

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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-____ ()

(Joint Administration Requested)

**DEBTORS' MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING, BUT NOT DIRECTING THE DEBTORS
TO (A) CONTINUE THEIR INSURANCE POLICIES AND PAY ALL
OBLIGATIONS THEREOF, (B) RENEW, SUPPLEMENT, MODIFY, OR
PURCHASE NEW INSURANCE COVERAGE, (C) MAINTAIN SURETY
BONDS, (D) HONOR THE TERMS OF THE FINANCING AGREEMENT
AND PAY PREMIUMS THEREUNDER, (II) AUTHORIZING APPLICABLE
BANKS AND OTHER FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
RELATED CHECKS AND TRANSFERS AND (III) GRANTING RELATED RELIEF**

The debtors and debtors in possession (collectively, the "Debtors") in the above-captioned Chapter 11 cases (the "Chapter 11 Cases") respectfully state the following in support of this motion (this "Motion"):

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.; Artilium Group Ltd. (f/k/a Artilium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artilium N.V.). The Debtors' corporate headquarters is located at 1185 Avenue of the Americas, 2nd Floor, New York, NY 10036.



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 “Final Order”):

(a) authorizing, but not directing, the Debtors, in their sole discretion, to (i) continue their Insurance Policies (as defined below) and pay all obligations in respect thereof, (ii) renew, supplement, modify, or purchase new Insurance Policies or obtain new insurance coverage as needed in the ordinary course of business without further Court approval, (iii) maintain the Surety Bonds (as defined below), and (iv) honor the terms of the Financing Agreements (as defined below) and pay premiums thereunder; (b) authorizing applicable banks and other financial institutions to honor and process related checks and transfers; 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(a), 363(b), and 364 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 Motion.²

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 Application, 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 Insurance Policies

7. As of the Petition Date, the Debtors maintained certain insurance policies, including approximately 21 current insurance policies (collectively, the “Insurance Policies”)³ through several different insurance carriers (together with any third-party administrators, the “Insurance Carriers”). A schedule of the Insurance Policies is attached hereto as **Exhibit C**.⁴ The Insurance

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

³ For the avoidance of doubt, the Insurance Policies shall include all insurance policies issued or providing coverage at any time to the Debtors, whether expired, current, or prospective, and any agreements related thereto, whether or not listed in **Exhibit C**.

⁴ In addition to the Insurance Policies listed in **Exhibit C** to this Motion, the Debtors maintain insurance policies with respect to, among other things, workers’ compensation. These programs are described, and relief is requested with respect to such programs, in the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing, But Not Directing, the Debtors to (A) Pay Prepetition Wages, Salaries, Employee Benefits, Prepetition Payroll Taxes*

Policies provide coverage for, among other things, property damage and business interruption, terrorism, general liability (including excess liability), director and officer (“D&O”) liability, cybersecurity and technology errors, business travel and personal accidents, workers’ compensation, automobile and trucking liability, and various other property-related and general liabilities. The Insurance Policies also include any new or similar policies entered into by the Debtors after the date hereof due to expiration or otherwise. As of the Petition Date, the aggregate annual premium for the Insurance Policies totaled approximately \$3,100,000,⁵ plus applicable taxes and surcharges (the “Insurance Premiums,” and together with any deductibles, taxes, costs, fees, and other expenses, collectively, the “Insurance Expenses”). The Insurance Premiums come due either on a quarterly, semi-annual, or annual basis depending on the policy, except for those that are financed. Certain of the Insurance Policies are auditable and subject to deductibles, collateral obligations, and letter of credit obligations. Therefore, the Insurance Premiums may be subject to change. With respect to outstanding premiums that are not financed, the Debtors estimate there is \$4,800 due for quarterly premiums owed through the end of 2022. They estimate \$1,600 is owed prepetition and outstanding as of the Petition Date.

8. There are a total of four Insurance Premiums that are financed through two premium financing agreements (the “Financing Agreements”) with US Premium Finance. A schedule of the Financing Agreements, including premium payments, term, and amounts due, is attached hereto as **Exhibit D**. The Debtors believe they owe approximately \$43,000 in prepetition

*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, filed contemporaneously herewith. Furthermore, although **Exhibit C** is intended to be comprehensive, the Debtors may have inadvertently omitted one or more Insurance Policies. By this Motion, the Debtors request relief applicable to all Insurance Policies regardless of whether such Insurance Policy is specifically identified on **Exhibit C**.*

⁵ For the avoidance of doubt, this amount excludes financing payments for financed insurance policies.

amounts on financed premiums as of the Petition Date. The Debtors seek authority to continue satisfying obligations related to the Insurance Policies or the Financing Agreements in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies.

9. Certain of the Insurance Policies require the Debtors to post collateral or letters of credit (the “Collateral Requirements”). As of the Petition Date, the Debtors do not believe they owe any amounts to with respect to the Collateral Requirements. Under the terms and conditions of the Insurance Policies, the Collateral Requirements may be modified from time to time. Although the Debtors do not believe that the Collateral Requirements will be modified during the term of the current Insurance Policies, out of an abundance of caution, the Debtors seek authority to comply with Insurance Carrier modifications to the Collateral Requirements and continue paying fees associated with such Collateral Requirements in the ordinary course of business.

10. Continuation of the Insurance Policies and the Financing Agreements and entry into new insurance policies are essential to the preservation of the value of the Debtors’ properties and assets. Moreover, in many instances, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts governing the Debtors’ commercial activities, including the requirement of the United States Trustee for the Southern District of New York (the “U.S. Trustee”) that a debtor maintain adequate coverage given the circumstances of these Chapter 11 Cases. Accordingly, the Debtors request authority to maintain their existing Insurance Policies and Financing Agreements, pay prepetition obligations related thereto, enter into new insurance policies in the ordinary course of business, supplement, amend, renew, or extend any existing Insurance Policies, and comply with Insurance Carrier modifications to the Collateral Requirements, as applicable, in the ordinary course of business.⁶

⁶ For the avoidance of doubt, by this Motion, the Debtors request authority to, among other things, pay any Insurance Expenses, Insurance Brokerage Fees (as defined below) due in connection with all Insurance Policies,

The Insurance Brokers

11. The Whitmore Group, PL Risk Advisors, Inc., Lockton, and Huysman Verzekeringen (collectively, the “Insurance Brokers”) assist the Debtors with: (a) obtaining comprehensive, cost-effective insurance coverage for their operations; (b) negotiating policy terms, provisions, and premiums; (c) administering claims and complying with collateral requirements; and (d) providing ongoing support throughout policy periods. The Debtors pay the Insurance Brokers brokerage fees in the aggregate amount of approximately \$11,500⁷ per year (the “Insurance Brokerage Fees”).

12. The Insurance Brokers are paid for their services annually through standard commissions that are built into the price of the Insurance Premiums and become due and payable simultaneous with the payment of the Insurance Premiums. The Debtors pay each Insurance Broker the entire amount of the Insurance Premium due under certain Insurance Policies, after which the Insurance Brokers take a percentage of the Insurance Premium as compensation for their services, and direct payment of the remaining funds to the applicable Insurance Carrier.

13. As of the Petition Date, the Debtors do not believe they owe any amounts to the Insurance Brokers on account of fees or any other prepetition obligations. The Insurance Brokers’ services are necessary to the Debtors’ ability to obtain Insurance Policies on advantageous terms and at competitive rates. The Insurance Brokers’ services will also facilitate the proper maintenance of the Debtors’ Insurance Policies postpetition and ensure adequate protection of the Debtors’ property. Accordingly, the Debtors request authority to: (a) continue paying amounts

enter into new insurance policies and premium financing agreements, as applicable, and execute any agreement ancillary to all Insurance Policies as may be necessary, notwithstanding any failure of the Debtors to include a particular Insurance Policy on **Exhibit C**.

⁷ Annual fees to brokers are generally included in premium quotes, thus the specific fee amounts for insurance brokers is not always explicit.

owed to the Insurance Brokers in the ordinary course of business on a postpetition basis; and
(b) replace any of the Insurance Brokers as may be necessary.

The Surety Bond Program

14. In the ordinary course of business, certain statutes, rules, contracts, and regulations require that the Debtors provide surety bonds to certain third parties, often to governmental units or other public agencies, to secure the Debtors' payment or performance of certain obligations (the "Surety Bond Program"). These include, among other things, obligations related to rights of way, "pole attachments," franchise rights, general maintenance and performance obligations, and utility deposits, all of which are necessary to operate a national telecommunications company. As such, failing to provide, maintain, or timely replace their surety bonds will prevent the Debtors from undertaking essential functions related to their operations.

15. The Company has outstanding surety bonds issued by Traveler's Bond & Specialty Insurance and Liberty Mutual Insurance Company (collectively, the "Sureties"). As of the Petition Date, the Debtors collectively maintain approximately two surety bonds in the aggregate amount of approximately \$525,000 (the "Surety Bonds"). A schedule of the Surety Bonds is attached hereto as **Exhibit E**.⁸ The premiums related to the Surety Bond Program generally are determined on an annual basis, and are paid by the Debtors when the bonds are issued and annually upon each renewal (the "Surety Premiums," together with the Insurance Premiums, the "Premium Payments"). The Debtors believe they are current on all Surety Premium payments and will pay any outstanding amounts as they come due in the ordinary course of business. The

⁸ Although **Exhibit E** is intended to be comprehensive, the Debtors may have inadvertently omitted one or more Surety Bonds. By this Motion, the Debtors request relief applicable to all Surety Bonds, regardless of whether such Surety Bond is specifically identified on **Exhibit E**. Further, to the extent there is a discrepancy between the schedule of Surety Bonds listed in **Exhibit E** and the Surety Bonds, the Surety Bonds and business records relating thereto shall control.

total estimated Surety Premiums for the Surety Bonds is approximately \$225 per year. The Debtors request authority to continue paying the Surety Premiums in the ordinary course of business on a postpetition basis, including any prepetition obligations related thereto, to ensure uninterrupted coverage under the Surety Bond Program.⁹

16. The Debtors obtain their Surety Bonds through their surety broker, The Whitmore Group (the “Surety Broker”). The Surety Broker assists the Debtors in, among other things, obtaining the Surety Bonds and evaluating bond offerings. They also assist the Debtors with the procurement and negotiation of the Surety Bonds, enabling the Debtors to obtain the bonds on advantageous terms and at competitive rates. The Debtors pay the Surety Broker a fee for all brokerage services (the “Surety Brokerage Fees”). The Debtors pay the Surety Brokerage Fees on account of brokerage services as part of the Surety Premium payments for each Surety Bond. As of the Petition Date, the Debtors do not believe there are any unpaid prepetition obligations due and owing in connection with the Surety Brokerage Fees. Out of an abundance of caution, however, the Debtors seek authority to honor any prepetition amounts owed in connection with the Surety Brokerage Fees and to pay any Surety Brokerage Fees that may arise on a postpetition basis in the ordinary course of business to ensure uninterrupted coverage under the Surety Bond Program.

17. The purpose of the Surety Bonds is to shift the risk of the Debtors’ nonperformance or nonpayment from the Debtors to a surety, subject to the terms of the bond. A surety bond is unlike an insurance policy in that if a surety incurs a loss or expense in relation to a surety bond, such surety is entitled to recover the full amount of that loss or expense from the principal and

⁹ The Debtors request authority to honor obligations and renew all Surety Bonds, as applicable, notwithstanding any failure of the Debtors to include a particular Surety Bond on Exhibit E.

contractual indemnitors (*i.e.*, the applicable Debtor). To that end, the Sureties may require the Debtors to furnish the Sureties with cash collateral or other collateral, such as letters of credit, to back the Surety Bonds and effectively indemnify any loss, cost, or expense it may incur on account of the issuance of the Surety Bonds.¹⁰

18. To continue their business operations during these Chapter 11 Cases, the Debtors must be able to provide financial assurance to state governments, regulatory agencies, contract counterparties, and other third parties. This in turn requires the Debtors to maintain the existing Surety Bond Program, including, without limitation: (a) paying Surety Premiums as they come due; (b) renewing or potentially acquiring additional bonding capacity, as necessary, in the ordinary course of business; (c) requesting releases from duplicate bonding obligations; (d) canceling, revising, and/or supplementing Surety Bonds; (e) renewing, supplementing, and/or canceling letters of credit or other forms of collateral as may be necessary; (f) paying Surety Brokerage Fees as they come due; (g) providing collateral and complying with collateral and indemnity requirements in the ordinary course of business; (h) replacing the Surety Broker as may be necessary; and (i) executing other agreements in connection with the Surety Bond Program. Accordingly, the Debtors request authority to honor any amounts owed on account of the Surety Bond Program, continue the Surety Bond Program in the ordinary course of business, and continue acquiring additional bonds to ensure that the Surety Bond Program and the Debtors' business operations remain uninterrupted on a postpetition basis.

¹⁰ For the avoidance of doubt, nothing in this Motion shall require the Sureties to issue any new bonds or maintain, modify, renew, or increase the penal sum or amount of any of the existing Surety Bonds.

Basis for Relief

I. The Bankruptcy Code and U.S. Trustee Guidelines Require the Debtors to Maintain Insurance Coverage and Satisfy Their Insurance Obligations.

19. As discussed above, the Debtors' existing Insurance Policies and Surety Bond Program provide a comprehensive range of protection for the Debtors' business, properties, and assets. As such, it is essential that the Debtors' insurance coverage and Surety Bond Program continue in full force and effect during the course of these Chapter 11 Cases. Under section 1112(b)(4)(C) of the Bankruptcy Code, "failure [of a debtor] to maintain appropriate insurance [where such failure] poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Similarly, certain of the Insurance Policies are required by various state and federal regulations. In addition, the Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (the "U.S. Trustee Guidelines")¹¹ require that a debtor "shall maintain" certain types of insurance coverage following the Petition Date. *See* U.S. Trustee Guidelines, § 6.

20. To ensure that the Debtors comply with section 1112(b)(4)(C) of the Bankruptcy Code, applicable state and federal regulations, and the U.S. Trustee Guidelines, the Debtors respectfully request the authority to: (a) pay the prepetition amounts currently due and owing under the Insurance Policies in the ordinary course of business, including any prepetition amounts due or that may come due in connection with Insurance Expenses and Surety Premiums and Insurance Brokerage Fees; (b) continue to honor obligations arising under the Insurance Policies and Surety Bond Program; and (c) to renew, supplement, modify, or purchase insurance coverage in the ordinary course.

¹¹ The U.S. Trustee Guidelines are available at https://www.justice.gov/ust-regions-r02/file/region_2_operating_guidelines.pdf/download.

II. Renewing, Supplementing, Entering into New Policies and Surety Bonds, and Paying Obligations Under the Insurance Policies and Surety Bonds in the Ordinary Course of Business Are Each Warranted.

21. The Court may also authorize the Debtors to maintain the Insurance Policies and Surety Bond Program and even renew or enter into new policies on a postpetition basis because the relief requested will preserve the value of these chapter 11 estates. Courts in this district and other districts generally acknowledge that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (“The ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”); *In re James A. Phillips, Inc.*, 29 B.R. 391, 398 (S.D.N.Y. 1983) (granting authority to pay prepetition claims of suppliers); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002). In doing so, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

22. Pursuant to section 363(b) of the Bankruptcy Code, courts may authorize payment of prepetition obligations where a sound business purpose exists for doing so. *See In re Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification); *see also In re James A. Phillips, Inc.*, 29 B.R. at 397 (relying upon section 363 as a basis to allow a contractor to pay the prepetition claims of suppliers who were potential lien claimants). Indeed, courts have recognized that there are instances when a debtor's fiduciary duty can “only be fulfilled by the pre-plan satisfaction of a prepetition claim.” *In re CoServ*, 273 B.R. at 497.

23. Further, courts may authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code, which codifies the Bankruptcy

Court's inherent equitable powers to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." Under section 105(a) of the Bankruptcy Code, courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor's business. See *In re C.A.F. Bindery, Inc.*, 199 B.R. 828, 835 (Bankr. S.D.N.Y. 1996); see also *In re Fin. News Network Inc.*, 134 B.R. 732, 735–36 (Bankr. S.D.N.Y. 1991) (holding that the "doctrine of necessity" stands for the principle that a bankruptcy court may allow pre-plan payments of prepetition obligations where such payments are critical to the debtor's reorganization). Specifically, the Bankruptcy Court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the "necessity of payment" rule (also referred to as the "doctrine of necessity"). *In re Ionosphere Clubs*, 98 B.R. at 176.

24. Several courts apply the doctrine of necessity where payment of a prepetition claim (a) is "necessary for the successful reorganization of the debtor," (b) falls within "the sound business judgment of the debtor," and (c) will not "prejudice other unsecured creditors." *In re United Am., Inc.*, 327 B.R. 776, 782 (Bankr. E.D. Va. 2005). A bankruptcy court's use of its equitable powers to "authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." See, e.g., *In re Ionosphere Clubs*, 98 B.R. at 175. That is because the rehabilitation of a debtor in reorganization cases remains "the paramount policy and goal of Chapter 11." *Id.* at 175–76; see also *In re Just For Feet*, 242 B.R. 821, 826 (D. Del 1999) (finding that payment of prepetition claims to certain trade vendors was "essential to the survival of the debtor during the chapter 11 reorganization").

25. Implicit in the fiduciary duties of any debtor-in-possession is the obligation to "protect and preserve the estate, including an operating business's going concern value." *In re*

CoServ, 273 B.R. at 497. Some courts note that there are instances in which a debtor can fulfill this fiduciary duty “only . . . by the preplan satisfaction of a prepetition claim.” *Id.* The court in *CoServ* specifically noted the pre plan satisfaction of prepetition claims would be a valid exercise of the debtor’s fiduciary duty when the payment “is the only means to effect a substantial enhancement of the estate” *Id.* Consistent with a debtor’s fiduciary duties, courts have also authorized payment of prepetition obligations under section 363(b) of the Bankruptcy Code where a sound business purpose exists for doing so. *See, e.g., In re Ionosphere Clubs*, 98 B.R. at 175.

26. The failure to pay Insurance Expenses, Surety Premiums, Insurance Brokerage Fees, and related insurance expenses when due may harm the Debtors’ estates in a number of ways. Specifically, the Insurance Carriers may refuse to renew the Debtors’ Insurance Policies, which will require the Debtors to obtain replacement policies and possibly reconfigure their risk management program. That scenario would require the commitment of significant resources and could result in less favorable coverage or terms from the Debtors’ insurers. Additionally, the Insurance Carriers could attempt to terminate the Debtors’ existing policies, which could threaten the Debtors’ ability to continue operating their businesses given the Debtors’ myriad regulatory and contractual obligations to maintain specific amounts and types of insurance coverage.

27. Section 363(c)(1) of the Bankruptcy Code provides that a chapter 11 debtor in possession “may enter into transactions . . . [or] may use property of the estate in the ordinary course of business without notice or a hearing.” The Bankruptcy Code does not define “ordinary course of business.” *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992). In determining whether a transaction is in the ordinary course of business, this Court and others have adopted the two-part “horizontal dimension” and “vertical dimension” test. *In re Crystal Apparel, Inc.*, 207 B.R. 406, 409 (Bankr. S.D.N.Y. 1997). Under the horizontal dimension test, the court must

analyze whether, from an industry-wide perspective, the transaction is of the sort commonly undertaken by companies in that industry. *Id.* Under the vertical dimension test, the court must analyze the transaction from the perspective of a hypothetical creditor and determine “whether the transaction subjects a creditor to economic risk of a nature different from those he accepted when he decided to extend credit.” *Id.* In other words, under this two-part test, “the touchstone of ordinariness is thus the interested parties’ reasonable expectations of what transactions the debtor in possession is likely to enter in the course of its business.” *In re Drexel Burnham Lambert Grp., Inc.*, 157 B.R. 532, 537 (S.D.N.Y. 1993).

28. Here, the Debtors seek only to maintain their existing Insurance Policies and Surety Bond Program, and honor their obligations related thereto in the ordinary course of their prepetition business on a postpetition basis. Such obligations include, among other things, renewing the Insurance Policies and Surety Bond Program when they expire, and paying the premiums when they come due. Further, the Insurance Policies and Surety Bond Program cover obligations that are required by law or regulation, as described above.

29. Accordingly, the Debtors believe that maintenance of the Insurance Policies and Surety Bond Program on a postpetition basis is in the ordinary course of business and, pursuant to section 363(c)(1), does not require notice and a hearing. Nonetheless, out of an abundance of caution, the Debtors are seeking Court approval to continue such maintenance and related obligations under sections 105(a) and 363(b) of the Bankruptcy Code. Based on the foregoing, the Debtors respectfully submit that maintaining the Insurance Policies and Surety Bond Program should be authorized under sections 105(a) and 363(b) of the Bankruptcy Code to the extent such activities are deemed outside the ordinary course of the Debtors’ businesses.

30. The Debtors submit that it is also in the best interests of their estates to have the ability to revise, extend, supplement, or change insurance coverage, as necessary, on a postpetition basis. Indeed, the Debtors' Insurance Policies and Surety Bond Program are essential to the preservation of the value of the Debtors' businesses, properties, and assets and their ability to successfully administer these Chapter 11 Cases. Accordingly, if any of the Insurance Policies or Surety Bond Program lapse or new coverage is required or necessary, it is imperative that the Debtors are able to renew, supplement, or purchase insurance coverage on a postpetition basis in the ordinary course of business. The Insurance Policies and Surety Bond Program protect the Debtors and other parties in interest from losses caused by casualty, natural disaster, fraud, or other unforeseen events.

31. Courts in this district have routinely granted relief similar to that requested herein. *See, e.g., In re Deluxe Entertainment Services Grp. Inc.*, Case No. 19-23774 (RDD) (Bankr. S.D.N.Y. Oct. 9, 2019) (granting relief to continue insurance policies and surety bond program); *In re Barneys New York, Inc.*, Case No. 19-36300 (CGM) (Bankr. S.D.N.Y. Sept. 4, 2019) (same); *In re Hollander Sleep Products, LLC.*, Case No. 19-11608 (MEW) (Bankr. S.D.N.Y. July 2, 2019) (same); *In re Windstream Holdings, Inc.*, Case No. 19-22312 (RDD) (Bankr. S.D.N.Y. Feb. 28, 2019) (same); *In re Aegean Marine Petrol. Network Inc.*, Case No. 18-13374 (MEW) (Bankr. S.D.N.Y. Dec. 8, 2018) (same).¹²

Processing of Checks and Electronic Fund Transfers Should Be Authorized.

32. The Debtors have sufficient funds to pay the amounts described in this Motion by virtue of expected cash flows during the Chapter 11 Cases and anticipated access to cash

¹² Because of the voluminous nature of these orders, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment with regard to the Insurance Policies. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize all applicable financial institutions to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion. Any such financial institution may rely on the representations of such Debtors as to which checks are issued or wire transfers are made (or, as applicable, requested to be issued or made) and authorized to be paid in accordance with this Motion without any duty of further inquiry and without liability for following the Debtors' instructions.

The Requirements of Bankruptcy Rule 6003(b) Are Satisfied

33. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." 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 twenty-one 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 Rules 6004(a) and 6004(h)

34. To successfully implement the foregoing, the Debtors request that the Bankruptcy 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

35. 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' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (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

36. 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

37. 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) counsel to the administrative agent under the Junior Convertible Notes, Attn: Geoffrey van der Hauw (g.van.der.hauw@lexence.com); (f) 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), Shmuel Klahr (shmuel.klahr@us.dlapiper.com), Nadia Saleem (Nadia.Saleem@us.dlapiper.com), and Gregory Juell (gregory.juell@us.dlapiper.com) and (ii) Geoffrey van der Hauw (g.van.der.hauw@lexence.com); (g) the parties identified on the Debtors' consolidated list of thirty largest unsecured creditors; (h) the United States Attorney's Office for the Southern District of New York; (i) the Internal Revenue Service; (j) the United States Securities and Exchange

Commission; (k) the attorneys general for the states where the Debtors conduct business operations; (l) the Federal Communications Commission; and (m) 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

38. 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

PARETEUM CORPORATION, *ET AL.*
Debtors and Debtors in Possession
By their Proposed Counsel
TOGUT, SEGAL & SEGAL LLP,
By:

/s/ Frank A. Oswald
FRANK A. OSWALD
BRIAN F. MOORE
AMY M. ODEN
One Penn Plaza, Suite 3335
New York, New York 10119
Tel: (212) 594-5000
Facsimile: (212) 967-4258
Email: frankoswald@teamtogut.com
bmoore@teamtogut.com
aoden@teamtogut.com

Exhibit A

Proposed Interim Order

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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-____ ()

(Joint Administration Requested)

INTERIM ORDER

(I) AUTHORIZING, BUT NOT DIRECTING THE DEBTORS TO (A) CONTINUE THEIR INSURANCE POLICIES AND PAY ALL OBLIGATIONS THEREOF, (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE NEW INSURANCE COVERAGE, (C) MAINTAIN SURETY BONDS, (D) HONOR THE TERMS OF THE FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER, (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 interim order (this "Interim Order"): (a) authorizing, but not directing, the Debtors to (i) continue their Insurance Policies and pay all obligations in respect thereof, (ii) renew, supplement, modify or purchase new Insurance Policies or obtain new insurance coverage as needed in the ordinary course of business without further Court approval, (iii) maintain the Surety Bonds, and (iv) honor the terms of the Financing Agreements and pay premiums thereunder, (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

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.; Artium Group Ltd. (f/k/a Artium PLC); Pareteum Asia Pte. Ltd.; and Pareteum N.V. (f/k/a Artium 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.

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 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 _____, 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: (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, Attn: Geoffrey van der Hauw (g.van.der.hauw@lexence.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 (ii) Geoffrey van der Hauw (g.van.der.hauw@lexence.com); and (e) 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. The Debtors are authorized to continue the Insurance Policies, including, but not limited to, the Insurance Policies identified on **Exhibit C** to the Motion, and, in their sole discretion, pay any prepetition or postpetition obligations related to the Insurance Policies, Insurance Expenses, Collateral Requirements (including, for the avoidance of doubt, ordinary course fees associated therewith), Insurance Brokerage Fees, and any other related expenses, including those amounts that would come due in the ordinary course within the 21 days after the Petition Date.

4. The Debtors are authorized in their sole discretion to renew, amend, supplement, extend, or purchase existing or additional insurance policies in the ordinary course of business on a postpetition basis, as well as replace any of the Insurance Brokers as may be necessary. The Debtors are authorized to honor the terms of the Financing Agreements and pay premiums thereunder.

5. The Debtors are authorized to honor any amounts owed on account of any audits that take place in the ordinary course of business.

6. 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.

7. Notwithstanding anything to the contrary in the Financing Agreements, the Debtors' filing of these Chapter 11 Cases shall not constitute a default under the Financing Agreements.

8. Nothing in this Interim Order shall constitute a postpetition assumption of any obligations related to the Insurance Policies pursuant to section 365 of the Bankruptcy Code.

9. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due prior to the date of the Final Hearing.

10. Nothing in this Interim Order shall: (a) alter or amend the terms and conditions of the Insurance Policies; (b) relieve the Debtors of any of their obligations under the Insurance

Policies; (c) preclude or limit, in any way, the rights of any insurer to contest and/or litigate the existence, primacy, and/or scope of available coverage under the Insurance Policies; or (d) create a direct right of action against any insurers where such right of action does not already exist under non-bankruptcy law.

11. The Debtors are authorized to maintain their Surety Bond Program, including the Surety Bonds identified on **Exhibit E** to the Motion, without interruption, and in their sole discretion: (a) pay Surety Premiums as they come due; (b) renew or potentially acquire additional bonding capacity, as necessary, in the ordinary course of business; (c) request releases from duplicate bonding obligations; (d) cancel, revise, and/or supplement Surety Bonds; (e) renew, supplement, and/or cancel letters of credit or other forms of collateral as may be necessary; (f) pay Surety Brokerage Fees; (g) provide collateral and comply with collateral and indemnity requirements in the ordinary course of business; (h) replace the Surety Broker as may be necessary; and (i) execute other agreements in connection with the Surety Bond Program.

12. Nothing in this Interim Order shall require the Sureties to issue any new bonds or maintain, modify, renew, or increase the penal sum or amount of any of the existing Surety Bonds.

13. 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 particular claim against the Debtors; (b) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (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 Interim Order or the 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 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. Any payment made pursuant to this Interim Order is not intended and should not be construed as an admission as the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

14. 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 and directed 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 Interim Order without any duty to inquire otherwise and without liability for following the Debtors' instructions.

15. 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 Insurance Policies.

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

17. 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.

18. Notwithstanding anything to the contrary, the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

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

20. This 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

THE HONORABLE [_____]]
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Proposed Final Order

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

In re:

PARETEUM CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No.: 22-____ ()

(Joint Administration Requested)

FINAL ORDER

(I) AUTHORIZING, BUT NOT DIRECTING THE DEBTORS TO (A) CONTINUE THEIR INSURANCE POLICIES AND PAY ALL OBLIGATIONS THEREOF, (B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE NEW INSURANCE COVERAGE, (C) MAINTAIN SURETY BONDS, (D) HONOR THE TERMS OF THE FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER, (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 a final order (this "Final Order"): (a) authorizing, but not directing, the Debtors to (i) continue their Insurance Policies and pay all obligations in respect thereof, (ii) renew, supplement, modify or purchase new Insurance Policies or obtain new insurance coverage as needed in the ordinary course of business without further Court approval, (iii) maintain the Surety Bonds, and (iv) honor the terms of the Financing Agreements and pay premiums thereunder, (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

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.

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 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 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 a final basis as set forth herein.
2. The Debtors are authorized to continue the Insurance Policies, including, but not limited to, the Insurance Policies identified on Exhibit C to the Motion, and, in their sole discretion, pay any prepetition or postpetition obligations related to the Insurance Policies, Insurance Expenses, Collateral Requirements (including, for the avoidance of doubt, ordinary course fees associated therewith), Insurance Brokerage Fees, reimbursement obligations related to insurance, and any other related expenses.
3. The Debtors are authorized, in their sole discretion, to renew, amend, supplement, extend, or purchase existing or additional insurance policies in the ordinary course of business on a postpetition basis, as well as replace any of the Insurance Brokers as may be necessary. The

Debtors are authorized to honor the terms of the Financing Agreements and pay premiums thereunder.

4. The Debtors are authorized to honor any amounts owed on account of any audits that take place in the ordinary course of business.

5. Notwithstanding anything to the contrary in the Financing Agreements, the Debtors' filing of these Chapter 11 Cases shall not constitute a default under the Financing Agreements.

6. Notwithstanding anything set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed under the [*Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, and (III) Granting Related Relief*] and any related final order (each as amended, modified or supplemented in accordance with the terms thereof, the "DIP Order"), including the Approved Budget (as defined in the DIP Order); and (b) to the extent there is any inconsistency between the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order and the Approved Budget shall control.

7. Nothing in this Final Order shall constitute a postpetition assumption of any obligations related to the Insurance Policies pursuant to section 365 of the Bankruptcy Code.

8. Nothing in this Final Order shall: (a) alter or amend the terms and conditions of the Insurance Policies; (b) relieve the Debtors of any of their obligations under the Insurance Policies; (c) preclude or limit, in any way, the rights of any insurer to contest and/or litigate the existence, primacy, and/or scope of available coverage under the Insurance Policies; or (d) create a direct right of action against any insurers where such right of action does not already exist under non-bankruptcy law.

9. The Debtors are authorized to maintain their Surety Bond Program, including the Surety Bonds identified on Exhibit E to the Motion, without interruption, and in their sole discretion: (a) pay Surety Premiums as they come due; (b) renew or potentially acquire additional bonding capacity, as necessary, in the ordinary course of business; (c) request releases from duplicate bonding obligations; (d) cancel, revise, and/or supplement Surety Bonds; (e) renew, supplement, and/or cancel letters of credit or other forms of collateral as may be necessary; (f) pay Surety Brokerage Fees; (g) provide collateral and comply with collateral and indemnity requirements in the ordinary course of business; (h) replace the Surety Broker as may be necessary; and (i) execute other agreements in connection with the Surety Bond Program.

10. Nothing in this Final Order shall require the Sureties to issue any new bonds or maintain, modify, renew, or increase the penal sum or amount of any of the existing Surety Bonds.

11. 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 particular claim against the Debtors; (b) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (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 Final Order or the 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 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. Any payment made pursuant

to this Order is not intended and should not be construed as an admission as the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

12. 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 and directed 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 without any duty to inquire otherwise and without liability for following the Debtors' instructions.

13. 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 Insurance Policies.

14. 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.

15. Notwithstanding anything to the contrary, the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

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

17. This 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

THE HONORABLE [_____]
UNITED STATES BANKRUPTCY JUDGE

Exhibit C

Schedule of Insurance Policies-

Type of Coverage	Insurance Carrier(s)	Policy Numbers	Start Date	End Date	Annual Gross Premium ¹
PRIMARY DIRECTORS & OFFICERS	TOKIO Marine HCC	14-MGU-21-A52331	7/12/2021	7/12/2022	\$750,000
Layer 1 Excess D&O	GREAT MIDWEST INSURANCE THRU US SPECIALY INSURANCE	HPRO-CX-GM-0000263-00	7/12/2021	7/12/2022	\$320,000
Layer 1 Excess D&O	STARSTONE SPECIALTY INSURANCE CO	80595E210ASP	7/12/2021	7/12/2022	\$289,368
Layer 1 Excess D&O	CANOPIOUS INSURANCE ON BEHALF OF LLOYD'S SYNDICATE	CUAI0739-00	7/12/2021	7/12/2022	\$232,294
D&O: SIDE A - ERP	XL INSURANCE CO.	ELU162674-19	7/12/2021	7/12/2027	\$400,000
CYBER LIABILITY/TECH E&O	GREENWICH INSURANCE COMPANY THRU AXA INSURANCE	MTP000015703	11/9/2021	11/9/2022	\$70,500
EMPLOYMENT PRACTICES LIABILITY (EPLI)	AXIS INSURANCE COMPANY	P-001-000214679-03	11/9/2021	11/9/2022	\$55,500

¹ Amounts listed for the Annual Gross Premium include premiums, taxes, and fees.

Type of Coverage	Insurance Carrier(s)	Policy Numbers	Start Date	End Date	Annual Gross Premium ¹
GENERAL LIABILITY & UMBRELLA INSURANCE	ATLANTIC SPECIALY INSURANCE COMPANY	711-01-36-54-0009	12/15/2021	12/15/2022	\$80,554
WORKERS COMPENSATION	ATLANTIC SPECIALY INSURANCE COMPANY	406-04-00-84-0009	12/15/2021	12/15/2022	\$32,480
CRIME POLICY	AXIS INSURANCE COMPANY	P-001-000243505-03	10/15/2021	10/15/2022	\$22,935
D&O (Freedom of Service)	TOKIO Marine Europe SA	F22Z0570A001	2/15/2022	7/12/2022	\$9,985
FIDUCIARY LIABILITY	TRAVELERS CASUALTY & SURETY CO. AMERICA	105695467	2/13/2019	2/13/2025	\$14,003
EXTENDED LIMIT OF LIABILITY	FEDERAL INSURANCE COMPANY	8248-3902	2/13/2019	2/13/2025	\$388,812
EXCESS INSURANCE POLICY	BEAZLEY INSURANCE COMPANY	V1CCE8180301	10/15/2018	2/13/2025	\$182,848
SIDE A	ACE AMERICAN INSURANCE COMPANY	G2558322A 002	2/13/2019	2/13/2025	\$91,160
EMPLOYMENT PRACTICES LIABILITY	CONTINENTAL CASUALTY COMPANY	287471132	2/13/2019	2/13/2022	\$56,000
PROFESSIONAL GROUP	ZURICH	5.026.990	9/1/2021	8/31/2022	\$18,327
FIRE	BALOISE INSURANCE	3.046.857	7/1/2021	1/1/2024	\$1,059

Type of Coverage	Insurance Carrier(s)	Policy Numbers	Start Date	End Date	Annual Gross Premium ¹
WORK ACCIDENT	BALOISE INSURANCE	9.732.954	1/1/2021	12/31/2022	\$6,272
ELECTRONICS	VIVIUM	27.000.1790	2/4/2021	2/3/2022	\$306
MEDICAL	PRUDENTIAL	79634062	11/15/2021	11/15/2022	\$959

Exhibit D

Schedule of Financing Agreements-

Financing Agreement Policy Numbers	Premium Payment	Term	Amount Unpaid as of the Petition Date
MTP0000157 03 P-001-000214679-03	\$9,639.04	11/9/2021 to 11/9/2022	\$48,195.20
711-01-36-54-0009 406-04-00-84-0009	\$11,530.76	12/15/2021 to 12/15/2022	\$57,653.80

Exhibit E

Schedule of Surety Bonds

Principal	Obligee	Surety	Surety Bond Number	Nature of Bond	Renewal Date	Approximate Aggregate Bond Amount
Pareteum Corp.	All ERISA Eligible Employee Benefit Plans	TRAVELERS BOND & SPECIALTY INSURANCE	106941081	ERISA Fidelity Bond	July 1, 2024	\$500,000
Pareteum Corp.	CA PUBLIC UTILITY COMMISSION BOND	LIBERTY MUTUAL INSURANCE COMPANY	015210603	Telephone Corporation	Continuous (billing on April 28, 2022)	\$25,000
			Approximate total of aggregate bond amount			\$525,000