**U.S. Department of Justice**

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June 29, 2022

**BY ECF**
The Honorable Lisa G. Beckerman
United States Bankruptcy Judge
United States Bankruptcy Court
One Bowling Green
New York, NY 10004

Re: *In re Pareteum Corp. et al.*, No. 22 Civ. 10615 (LGB)

Dear Judge Beckerman:

I write on behalf of the United States of America (the "Government") with respect to a dispute that has arisen regarding Section 8.5 of the Asset Purchase Agreement, which was discussed at the hearing yesterday. As you know, the Government's primary concern since the beginning of this case has been that there must be a way to ensure that an ongoing criminal investigation will have access to certain business records of the Debtors after the asset sale and consummation of the anticipated plan. *See* Tr. of June 7, 2022, Hr'g at 27-28 ("[W]e want to be sure that notwithstanding a sale of substantively all assets, that there will be care, great care taken, to make sure that the records, documents, e-mails of the company are available, should they be needed as part of the criminal investigation. . . . [O]ur basic concern is to make sure that when the time comes to find records, we don't hear, 'Oh, well, you know, those are moth ball[ed]' or 'We don't have the right personnel anymore to access these records.'").

Section 8.5 thus requires the Purchasers to "maintain [certain] files or records for six (6) years following the Closing Date" for this purpose. The Government sought to clarify that the Purchasers would not just "maintain" the records, but would keep them "accessible" so that they can be produced in response to future Government requests (as reflected in the previous draft of Section 8.5 submitted to the Court). This would mean, at a minimum, that any documents within the acquired books and records would be obtainable upon request by the Government from the Purchasers or their designees on a reasonable timeframe, in a usable format, and can be authenticated by a witness, if needed (such authentication would be limited to a statement that the records produced came from the Debtors and were business records transferred as part of the asset purchase). Based on this, the undersigned stated at yesterday's hearing that the Government's concerns were likely resolved.

However, the "accessible" language has now been deleted from the latest version of Section 8.5 (*see* paragraph 45(h) of the latest version of the proposed order approving the sale, submitted by the Debtors this morning). It does not appear that the Purchasers wish to become a repository of the transferred records for purposes of responding to future requests from the Government.

The Government's initial concern is thus still very much present. The Parties have not specified where an accessible version of the Debtors' books and records will reside once the anticipated sale is consummated and the Debtors wind down their operations. This is particularly concerning given the Purchasers' anticipated acquisition of nearly "all books and records" relating to a substantial portion of the Debtors' operations (with specific exclusions), *see* Asset Purchase Agreement § 2.1(a)(xii); *see also id.* § 2.2(f) (describing records not being transferred as including "any other books and records which any Seller is prohibited from disclosing or transferring to the Purchasers under applicable Law and is required by applicable Law to retain"). The Government does not wish to dictate the resolution of this issue, but firmly believes that an acceptable solution must be found before the asset sale is approved and the relevant books and records are irrevocably transferred to the Purchasers. Debtors must designate an entity that will exist for a reasonable period of time after the sale is consummated and the bankruptcy proceedings are concluded that will house their corporate records and make them available—and accessible—to respond to requests from the Government.

I thank the Court for its consideration of this matter.

Respectfully,

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cc: All Counsel (By ECF)