

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Jointly Administered)

Re: Docket Nos. 7 and 45

**FINAL ORDER (I) AUTHORIZING CONTINUATION OF, AND PAYMENT OF
PREPETITION OBLIGATIONS INCURRED IN THE ORDINARY COURSE OF
BUSINESS IN CONNECTION WITH, VARIOUS INSURANCE POLICIES, (II)
AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND ELECTRONIC
TRANSFER REQUESTS RELATED THERETO, (III) PREVENTING INSURANCE
COMPANIES FROM GIVING ANY NOTICE OF TERMINATION OR OTHERWISE
MODIFYING ANY INSURANCE POLICY WITHOUT OBTAINING RELIEF FROM
THE AUTOMATIC STAY; AND (IV) AUTHORIZING THE DEBTORS TO CONTINUE
INSTALLMENT PAYMENTS AND BROKERAGE OBLIGATIONS**

Upon the motion (the “**Motion**”)² of the Debtors for a final order (this “**Final Order**”), pursuant to sections 105(a), 362, and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 6003(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 9013-1(m) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), (i) authorizing continuation of, and payment of prepetition obligations incurred in the ordinary course of business in connection with, various Insurance Policies; (ii) authorizing Banks to honor and process checks and electronic transfer requests related thereto; (iii) preventing the Insurers from giving any notice of termination

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion or First Day Declaration, as applicable.



or otherwise modifying or cancelling any Insurance Policies, as applicable, without first obtaining relief from the automatic stay; and (iv) authorizing the Debtors to continue to honor installment plans and brokerage obligations; and the Court having reviewed the Motion, the First Day Declaration, and the Interim Order entered on May 9, 2024 [Docket No. 45]; and the Court having jurisdiction over this matter under 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 the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Debtors consent to entry of a final order under Article III of the United States Constitution; and the 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; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED on a final basis, as set forth herein.
2. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.
3. The Debtors are authorized, but not directed, without interruption and in accordance with the same practices and procedures as were in effect before the Petition Date, to maintain and honor all of their prepetition Insurance Obligations under or in connection with the Insurance Policies provided, however, that Installment Payments and payments for broker services shall not exceed \$13,600 and \$1,400, respectively, per month.

4. The Debtors are authorized to renew or to obtain new insurance policies or to execute other agreements in connection with the Insurance Policies, provided, however, that the Debtors shall provide notice, within ten (10) days of the effective date of any action under this paragraph, to the Office of the U.S. Trustee and any official committee appointed in these cases.

5. Each of the Banks are authorized to honor checks presented for payment and all fund transfer requests made by the Debtors, to the extent that sufficient funds are on deposit in the applicable accounts, in accordance with this Final Order.

6. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests in connection with any Insurance Obligations that are dishonored or rejected and are authorized to be paid by this Final Order.

7. Subject to the payment limitations set forth in paragraph 3 of this Final Order, the Debtors are authorized to continue making all Installment Payments.

8. Subject to the payment limitations set forth in paragraph 3 of this Final Order, the Debtors are authorized to continue honoring all obligations to USI, including the payment of any fees for current or future Insurance Policies.

9. Nothing in the Motion or this Final Order, or the Debtors' payment of any claims pursuant to this Final Order, shall be deemed or construed as: (i) an admission as to the validity of any claim or lien against the Debtors or their estates, (ii) a waiver of the Debtors' right to dispute any claim or lien, (iii) an admission of the priority status of any claim, whether under Bankruptcy Code section 503(b)(9) or otherwise, (iv) to the extent that an Insurance Policy is deemed an executory contract within the meaning of Bankruptcy Code section 365, an assumption or adoption of the policy or agreement as an executory contract, or (v) a modification of the Debtors' rights to

seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid on account of any Insurance Policies.

10. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

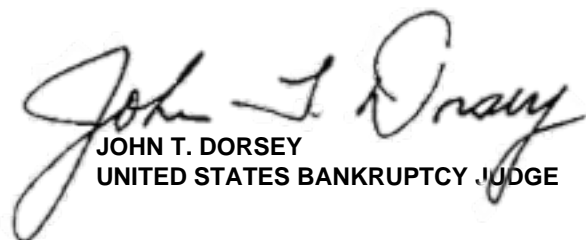
11. Notice of the Motion as provided therein satisfies the requirements of the Bankruptcy Rules and the Local Rules.

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

13. 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 Final Order.

14. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Final Order.

Dated: June 3rd, 2024
Wilmington, Delaware


JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE