

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

In re:

QLESS, INC.,

Debtor.

Chapter 11, Subchapter V

Case No. 24-11395 (BLS)

Related Doc. No. 6

**INTERIM ORDER AUTHORIZING:
(I) MAINTENANCE OF EXISTING BANK ACCOUNTS; AND
(II) CONTINUANCE OF EXISTING CASH MANAGEMENT SYSTEM**

On the motion (the “**Motion**”)¹ of the above-captioned debtor in possession (the “**Debtor**”) for entry of interim and final orders authorizing the Debtor to continue operating the Cash Management System, to honor and pay the Bank Fees in the ordinary course, including any prepetition Bank Fees, and to maintain existing Business Forms and books and records, and granting related relief, all as more fully set forth in the Motion, and in consideration of the First Day Declaration and statements of counsel made at a hearing held on the Motion, the Court finds that: (a) this Court has jurisdiction over this case and the Motion under 28 U.S.C. § 1334; (b) this is a core proceeding under 28 U.S.C. § 157(b)(2) on which this Court may enter a final order consistent with Article III of the United States Constitution; (c) venue of this case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409; (d) the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties in interest; (e) cause has been shown to waive the requirements of Bankruptcy Code § 345(b) on an interim basis under Local Rule 2015-2; (f) the Debtor’s notice of the Motion were appropriate under the emergent circumstances; and (g) just cause exists for the relief granted in this order. Accordingly,

¹ Capitalized terms used but not defined in this order are defined in the Motion.



IT IS ORDERED that:

1. The Motion is GRANTED as set forth herein.
2. Subject to the Court's reconsideration of the Motion following regular notice under Bankruptcy Rule 2002 and the Local Rules, the Debtor is authorized, but not directed, on an interim basis to: (a) continue using the Cash Management System in the ordinary course of business and honor any related prepetition obligations; (b) designate, maintain, close, and continue to use on an interim basis any of its existing Bank Accounts in the names and with the account numbers existing immediately before the Petition Date; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including electronic fund transfers, ACH transfers, and other debits or electronic means; (d) treat its prepetition Bank Accounts for all purposes as debtor-in-possession accounts; and (e) open new debtor-in-possession Bank Accounts.
3. The Debtor may continue using, in their present form, the Business Forms, as well as other documents related to the Bank Accounts existing immediately before the Petition Date; *provided that* once the Debtor's existing checks have been used, the Debtor shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; *provided further that*, with respect to checks which the Debtor or its agents print themselves, the Debtor shall begin printing the "Debtor in Possession" legend and the bankruptcy case number on such items within ten days of the date of entry of this Order. .
4. The Debtor is hereby granted an extension of time to comply with the requirements of 11 U.S.C. § 345(b) for a period of thirty days, without prejudice to the Debtor's rights to seek a further extension.
5. The Debtor shall maintain accurate and detailed records of all transfers, including but not limited to, intercompany transfers (if any), so that all transactions may be readily

ascertained, traced, recorded properly and distinguished between prepetition and post-petition transactions.

6. The relief granted in this order extends to any new bank account the Debtor may open in the ordinary course of business (which constitutes a “Bank Account” for purposes of the Motion and this order) only if: (a) any such new account is with a bank (i) that is insured with the FDIC or FSLIC, (ii) that is designated as an authorized depository by the U.S. Trustee for Region 3, and (iii) that agrees to be bound by the terms of this order; (b) the Debtor notifies the U.S. Trustee and any statutory committee appointed in this case; and (c) any new bank accounts are timely indicated on the Debtor’s monthly operating reports.

7. For Banks at which the Debtor holds bank accounts that are party to a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), the Debtor shall immediately (a) contact each Bank, (b) provide the Bank with the Debtor’s employer identification number(s) and (c) identify each of its bank accounts held at such Banks as being held by a debtor in possession in a bankruptcy case, and provide the case number.

8. For Banks at which the Debtor holds accounts that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtor shall use its good-faith efforts to cause the Banks to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee within thirty days of the date of this Order. The U.S. Trustee’s rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

9. The Debtor is authorized to open any new bank accounts or close any existing bank accounts as it may deem necessary and appropriate in its sole discretion; *provided, however*, that

the Debtor gives notice within fifteen days to the U.S. Trustee and any statutory committees appointed in this chapter 11 case; *provided, further*, however that the Debtor shall open any such new bank account at banks that have executed a Uniform Depository Agreement with the U.S. Trustee, or at such banks that are willing to immediately execute such an agreement. All banking institutions are authorized and directed to honor the Debtor's requests to close any Bank Account.

10. Any banking contracts between the Debtor and its banks continue to govern the postpetition cash management relationship between them and, subject to applicable bankruptcy and non-bankruptcy law, all provisions of contracts, including the termination, fee provisions, rights, benefits, offset rights, and remedies afforded under those contracts remain in full effect unless the Debtor and a bank agree otherwise in the ordinary course of business consistent with prepetition practices and this order.

11. Except as otherwise expressly provided in this order and only if sufficient funds are available in each applicable Bank Account, all banks at which the Debtor maintains Bank Accounts are authorized to continue to administer the Bank Accounts as accounts of the Debtor as debtor in possession, without interruption and in the ordinary course of business consistent with prepetition practices, and to receive, process, honor, and pay, to the extent of available funds, all checks, drafts, wire transfers, and ACH and other transfers issued, whether before or after the Petition Date, including any transfers drawn on the Bank Accounts after the Petition Date. The Debtor may instruct the banks which checks, drafts, wire, or other transfers (excluding any wire transfers or ACH transactions that a bank is obligated to settle), or other items presented, issued, or drawn, should not be honored. Except for checks, drafts, wires, or other ACH transfers authorized or required to be honored under Court order in this case, the Debtor may neither instruct nor request any bank to pay or honor any check, draft, or other payment item issued on a Bank Account before

the Petition Date but presented to such Bank for payment after the Petition Date. All banks are authorized and directed to rely on the Debtor's designation of any particular check or electronic payment request as approved by this order. No bank that honors any such prepetition payment drawn on any Bank Account subject to this order (a) at the Debtor's direction, (b) in a good-faith belief that this Court has authorized it, or (c) as a result of a mistake made despite implementing reasonable customary handling procedures, will be liable to the Debtor, its estate, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise be in violation of this order.

12. All banks maintaining any of the Bank Accounts must not honor or pay any bank payments drawn on the Bank Accounts or otherwise issued before the Petition Date for which the Debtor specifically issues stop payment orders in accordance with the documents governing such Bank Accounts. Banks may rely, without a duty of inquiry, on the Debtor's failure to issue a stop payment order with respect to any item, whether such item is issued prepetition or postpetition, as a direction by the Debtor that such item be paid.

13. Any banks are authorized to honor the Debtor's directions with respect to the opening and closing of any Bank Account and accept and hold, or invest, the Debtor's funds in accordance with the Debtor's instructions. Banks have no liability to any party for relying on such representations if such reliance otherwise complies with applicable law.

14. Except as otherwise provided in this order, banks may charge, and the Debtor is authorized, but not directed, to pay, honor, or allow prepetition and postpetition Bank Fees, whether such items were deposited prepetition or postpetition, to the Bank Accounts in the ordinary course of business consistent with prepetition practices.

15. Nothing contained in the Motion or this order and no payment made under authority granted in this order constitutes: (a) an admission of the validity, priority, or amount of any claim against the Debtor; (b) a waiver of the Debtor's right to dispute any claim on any grounds; (c) an implication or admission that any claim is of a type specified or defined in this order or the Motion; (d) a request or authorization to assume any agreement, contract, or lease under Bankruptcy Code § 365; (e) an admission of the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estate; or (f) a waiver or limitation of the Debtor's rights under the Bankruptcy Code or any other applicable law.

16. The Debtor is authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of this case with respect to any prepetition amounts that are authorized to be paid under this order.

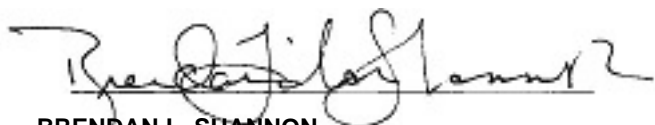
17. The contents of the Motion satisfy Bankruptcy Rule 6003(b).

18. The Debtor may take all actions necessary to effect the relief granted in this order.

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

A final hearing on the Motion will be set by separate order of the Court.

Dated: June 21st, 2024
Wilmington, Delaware



BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE