

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

In re:

Halt Medical, Inc.,

Debtor.

Chapter 11

Case No. 17-10810 (LSS)

Re Docket No. 6

**ORDER (I) PROHIBITING UTILITY PROVIDERS FROM
ALTERING, REFUSING OR DISCONTINUING SERVICE, (II) DEEMING
UTILITY PROVIDERS ADEQUATELY ASSURED OF FUTURE PAYMENT,
AND (III) ESTABLISHING PROCEDURES FOR DETERMINING
REQUESTS FOR ADDITIONAL ASSURANCE OF PAYMENT**

This matter coming before the Court on the *Debtor's Motion for Order Pursuant to Bankruptcy Code Sections 105(a) and 366(b) (i) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service, (ii) Deeming Utilities Adequately Assured of Future Payment, and (iii) Establishing Procedures for Determining Requests for Additional Assurance of Payment* (the "Motion"), filed by the above-captioned debtor and debtor in possession (the "Debtor"); and the Court having reviewed the Motion; and it appearing that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* dated February 29, 2012, from the United States District Court for the District of Delaware, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Court may enter a final order consistent with Article III of the United States Constitution, and (c) notice of the Motion was sufficient under the circumstances and no other or further notice need be provided; and the Court having considered the *Declaration of Kimberly Bridges-Rodriguez in Support of Halt Medical, Inc.'s First-Day Motions*; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief sought in the Motion is in

the best interests of the Debtor and its estate; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtor is authorized, but not directed, to pay on a timely basis in accordance with its prepetition practices all undisputed invoices in respect of postpetition Utility Services rendered by the Utility Providers to the Debtor.
3. The Debtor shall, on or before 10 business days after the Petition Date deposit \$6,000 (the "Utility Deposit") into an interest-bearing, newly created, segregated account (the "Utility Deposit Account"), with such Utility Deposit to be held in escrow, pending further order of the Court, for the purpose of providing each Utility Provider with adequate assurance of payment of its post-Petition Date services to the Debtor.
4. Absent further order of the Court, each Utility Provider is prohibited from (a) altering, refusing or discontinuing service to, or discriminating against the Debtor solely on the basis of the commencement of this case or on account of any unpaid invoice for services provided before the Petition Date and (b) requiring the payment of any additional deposit or other security in connection with the Utility Providers' continued provision of utility services, including the furnishing of natural gas, electricity, telephone, internet, and any other utility services of like kind to the Debtor, except in accordance with the following procedures:

(a) If a Utility Provider is not satisfied with the assurance of future payment provided by the Debtor, the Utility Provider must serve a written request (the "Request") upon the Debtor setting forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), the outstanding balance for each account, a summary of the Debtor's payment history on each account, an explanation of why the Utility Deposit is inadequate assurance of payment, and the requested adequate assurance;

(b) The Request must be actually received by Debtor's counsel, Drinker Biddle & Reath LLP, 222 Delaware Ave., Suite 1410, Wilmington, DE 19801, Attn: Patrick A. Jackson, within forty-five (45) days of the date of the order granting this Motion (the "Request Deadline");

(c) Without further order of the Court, the Debtor may enter into agreements granting additional adequate assurance to a Utility Provider serving a Request, if the Debtor, in its discretion, determines that the Request is reasonable;

(d) If the Debtor believes that a Request is unreasonable then it shall, within thirty (30) days after the Request Deadline date, file a Determination Motion seeking a determination from the Court that the Utility Deposit, plus any additional consideration offered by the Debtor, constitutes adequate assurance of payment. Pending notice and a hearing on the Determination Motion, the Utility Provider that is the subject of the unresolved Request may not alter, refuse, or discontinue services to the Debtor or recover or setoff against a pre-Petition Date deposit; and

(e) The Utility Deposit shall be deemed adequate assurance of payment for any Utility Provider that fails to make a Request.

5. The Debtor may supplement the list of Utility Providers on Exhibit A to the Motion. If the Debtor supplements the list subsequent to the filing of the Motion, the Debtor will serve a copy of the Motion and this Order on any Utility Provider that is added to the list by such a supplement (the "Supplemental Service"). The Debtor shall increase the Utility Deposit by an amount equal to the sum of 200% of the estimated monthly costs of utility service with respect to any such Utility Provider subsequently added to Exhibit A. Any subsequently added Utility Provider set forth on a supplement to Exhibit A to the Motion will fall within the scope of this Order from the date of the filing of the supplemental Exhibit A. Such an added Utility Provider shall have thirty (30) days from the date of such Supplemental Service of the Motion and the Order to make a Request. If such Request is made, the Debtor and the Utility Provider making the Request shall be bound by the Procedures set forth herein, as applicable.

~~6. The Debtor may terminate the services of any Utility Provider by providing written notice (a "Termination Notice") Upon receipt of a Termination Notice by a Utility Provider, the Utility Provider shall immediately refund any Utility Deposit to the Debtor not~~

used to satisfy claims for post-petition services, without giving effect to ~~any rights of setoff or any claims the Utility Provider may assert against the Debtor on account of pre-petition obligations or service.~~

7. Nothing in this order shall be deemed to vacate or modify any other restrictions on the termination of service by a Utility Provider as provided by sections 362 and 365 of the Bankruptcy Code or other applicable law and nothing herein or in the Motion shall constitute postpetition assumption or adoption of any agreement pursuant to section 365 of the Bankruptcy Code, nor shall anything herein be deemed a waiver by the Debtor or any other party of any rights with respect to the assumption or rejection of an executory contract.

8. Notice of the Motion as provided herein shall be deemed good and sufficient notice of such Motion.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

10. The Debtor, its officers, employees and agents, are authorized to take or refrain from taking such acts as are necessary and appropriate to implement and effectuate the relief granted herein.

Dated: April 13, 2017
Wilmington, Delaware


United States Bankruptcy Judge