

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

In re:

Halt Medical, Inc.,¹

Debtor.

Chapter 11

Case No. 17-10810 (LSS)

Ref Docket No. 7

**ORDER AUTHORIZING RETENTION AND APPOINTMENT OF
DONLIN, RECANO & COMPANY, INC., *NUNC PRO TUNC* TO
THE PETITION DATE, AS CLAIMS AND NOTICING
AGENT FOR THE DEBTOR PURSUANT TO 28 U.S.C. § 156(c)**

This matter coming before the Court on *Debtor's Application for an Order Appointing Donlin, Recano & Company, Inc., Nunc Pro Tunc to the Petition Date, as Claims and Noticing Agent for the Debtor Pursuant To 28 U.S.C. § 156(c)* (the "Application");² and the Court having reviewed the Application; 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 Application was sufficient under the circumstances and no other or further notice need be provided; and the Court having considered the First-Day Declaration and the Voorhees Declaration submitted in support of the Application; 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

¹ The last four digits of the Debtor's federal tax identification number are 8422. The Debtor's address is 131 Sand Creek Road, Suite B, Brentwood, CA 94513.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Application or the First Day Declaration, as applicable.

the relief sought in the Application 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 Application is GRANTED as set forth herein.
2. Notwithstanding the terms of the Engagement Agreement attached to the Application, the Application is approved solely as set forth in this Order.
3. The Debtor is authorized to retain DRC, *nunc pro tunc* as of the Petition Date under the terms of the Engagement Agreement, and DRC is authorized and directed to perform noticing services and to receive, maintain, record and otherwise administer the proofs of claim filed in the Chapter 11 Case, and all related tasks, all as described in the Application.
4. DRC shall serve as the custodian of court records and shall be designated as the authorized repository for all proofs of claim filed in this Chapter 11 Case and is authorized and directed to maintain the official claims register for the Debtor and to provide the Clerk with a certified duplicate thereof upon the request of the Clerk.
5. DRC is authorized and directed to obtain a post office box or address for the receipt of proofs of claim.
6. DRC is authorized to take such other action to comply with all duties set forth in the Application.
7. The Debtor is authorized to compensate DRC in accordance with the terms of the Engagement Agreement upon the receipt of reasonably detailed invoices setting forth the services provided by DRC and the rates charged for each, and to reimburse DRC for all reasonable and necessary expenses it may incur, upon the presentation of appropriate

documentation, without the need for DRC to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses.

8. DRC shall maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and shall serve monthly invoices on the Debtor, the office of the U.S. Trustee, counsel for the Debtor, counsel for any official committee, if any, monitoring the expenses of the Debtor and any party-in-interest who specifically requests service of the monthly invoices.

9. The parties shall meet and confer in an attempt to resolve any dispute which may arise relating to the Engagement Agreement or monthly invoices, and the parties may seek resolution of the matter from the Court if resolution is not achieved.

10. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of DRC under this Order shall be an administrative expense of the Debtor's estate.

11. DRC may apply its retainer to all prepetition invoices, which retainer shall be replenished to the original retainer amount of \$35,000, and thereafter, DRC may hold its retainer under the Engagement Agreement during this Chapter 11 Case as security for the payment of fees and expenses under the Engagement Agreement.

12. The Debtor shall indemnify DRC under the terms of the Engagement Agreement, provided that DRC shall not be entitled to indemnification, contribution or reimbursement pursuant to the Engagement Agreement for services other than the services provided under the Engagement Agreement, unless such services and the indemnification, contribution or reimbursement therefore are approved by the Court. Notwithstanding any provision in the Engagement Agreement to the contrary, DRC's liability shall not be limited to the total amount of fees billed or received by DRC.

13. Notwithstanding anything to the contrary in the Engagement Agreement, the Debtor shall have no obligation to indemnify DRC, or provide contribution or reimbursement to DRC, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from DRC's gross negligence, willful misconduct, or fraud; (ii) for a contractual dispute in which the Debtor alleges the breach of DRC's contractual obligations if the Court determines that indemnification, contribution or reimbursement would not be permissible pursuant to *In re United Artists Theatre Co., et al.*, 315 F.3d 217 (3d Cir. 2003), or (iii) settled prior to a judicial determination under (i) or (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which DRC should not receive indemnity, contribution or reimbursement under the terms of the Engagement Agreement as modified by this Order.

14. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in the Chapter 11 Case (that order having become a final order no longer subject to appeal), or (ii) the entry of an order closing the Chapter 11 Case, DRC believes that it is entitled to the payment of any amounts by the Debtor on account of the Debtor's indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including without limitation the advancement of defense costs, DRC must file an application therefore in this Court, and the Debtor may not pay any such amounts to DRC before the entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by DRC for indemnification, contribution or reimbursement, and not a provision limiting the duration of the Debtor's obligation to indemnify DRC. All parties in interest shall

retain the right to object to any demand by DRC for indemnification, contribution or reimbursement.

15. DRC shall comply with all relevant statutory provisions and rules of procedure, including Local Rules, general orders, and applicable guidelines.

16. In the event DRC is unable to provide the services set out in this order, DRC will immediately notify the Clerk and Debtor's attorneys and cause to have all original proofs of claim and computer information turned over to another claims and noticing agent with the advice and consent of the Clerk and Debtor's attorneys.

17. Debtor's counsel shall notify both the Clerk and DRC within seven (7) days of an order of dismissal or conversion of the Chapter 11 Case.

18. At the conclusion of the Chapter 11 Case or upon termination of DRC's services, the Debtor must obtain a termination order to terminate the services of DRC. DRC is responsible for archiving the claims with the Federal Archives Record Administration, if applicable, and the Debtor shall be responsible for payment in connection therewith.

19. The Debtor may submit a separate retention application, pursuant to section 327 of the Bankruptcy Code and/or any applicable law, for work that is to be performed by DRC that is not specifically authorized by this Order.

20. The Debtor and DRC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

21. Notwithstanding any term in the Engagement Agreement to the contrary, the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

22. DRC shall not cease providing claims processing services during the Chapter 11 Case for any reason, including nonpayment, without an order of the Court.

23. In the event of any inconsistency between the Engagement Agreement, the Application and this Order, this Order shall govern.

Dated: April 13, 2017


United States Bankruptcy Judge