

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

In re:

Balance Point LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 21-11279 (JKS)

(Joint Administration Pending)

**MOTION OF DEBTORS FOR AN ORDER AUTHORIZING
PAYMENT OF PREPETITION TAXES AND FEES**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move the Court (the “**Motion**”) for entry of an order, pursuant to sections 105(a), 363(b), 506(a), 507(a)(8), and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”), and Rule 6003 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), authorizing payment of prepetition taxes and fees to certain international, federal, state, and local governmental and quasi-governmental units. In support of the Motion, the Debtors rely upon the *Declaration of Adrian Kettering in Support of Chapter 11 Petitions and First Day Pleadings*, filed contemporaneously herewith (the “**First Day Declaration**”). In further support of the Motion, the Debtors, by and through their undersigned proposed counsel, respectfully represent:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion 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 as of February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Under Local Rule 9013-1(f), the Debtors consent to entry of a final order under Article

¹ The Debtors in these subchapter V cases, along with the last four digits of each Debtor’s federal tax identification number, are Balance Point LLC (5908) and MECTA Corporation (8275). The Debtors’ mailing address is 19799 SW 95th Avenue, Suite B, Tualatin, Oregon 97062.

III of the United States Constitution. Venue of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are Bankruptcy Code sections 105, 363, 506, 507, and 541 and Bankruptcy Rule 6003.

BACKGROUND

A. General Background

3. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court commencing a case for relief and electing treatment under subchapter V of chapter 11 of the Bankruptcy Code (the “**Cases**”). The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Cases, is set forth in detail in the First Day Declaration and fully incorporated herein by reference.

4. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of the Cases pursuant to Bankruptcy Rule 1015(b). The Debtors continue to manage and operate their business as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108. No trustee or examiner has been requested in the Cases and no committees have yet been appointed.

RELIEF REQUESTED

5. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A, authorizing them to pay prepetition taxes and fees, which may consist of personal property taxes, corporate activities taxes, excise taxes, business license fees, annual

report taxes, and other taxes and fees (collectively, the “**Taxes and Fees**”)² to certain international, federal, state, and local governmental and quasi-governmental units, including as listed on Exhibit B attached hereto (the “**Taxing Authorities**”). Although Debtors do not believe that any amounts are due and owing for Taxes and Fees as of the date hereof, Debtors’ anticipate that certain Taxes and Fees will come due and owing in the near term, and, thus, out of an abundance of caution, Debtors request authority to pay any such amounts that may be or become due and owing.

6. Unless further authorization is obtained from this Court, the Debtors propose to limit the aggregate amount of payments to be made on account of prepetition Taxes and Fees under this Motion to \$10,000.00.

7. For the avoidance of doubt, the requested authorization would (i) be discretionary, allowing the Debtors, among other things, to elect to pay Taxes and Fees as to which their officers and directors may have personal liability in the event of nonpayment by the Debtors, before other Taxes and Fees, (ii) be without prejudice to the Debtors’ rights to contest the amounts of any Taxes and Fees on any grounds they deem appropriate, and (iii) extend to the payment of Taxes and Fees relating to any tax audits that have been completed, are in progress, or arise from prepetition periods.

8. In addition, the Debtors request that the Court authorize the Debtors’ banks to receive, process, honor, and pay all prepetition and post-petition checks and fund transfers on account of the Taxes and Fees that had not been honored and paid as of the Petition Date, and

² Payroll, withholding, and other employee-related tax obligations are separately addressed in the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Payment of Certain Prepetition Workforce Claims, Including Wages, Salaries, and Other Compensation, (II) Authorizing Payment of Certain Employee Benefits and Confirming Right to Continue Employee Benefits on Post-petition Basis, (III) Authorizing Payment of Reimbursement to Employees for Expenses Incurred Prepetition, (IV) Authorizing Payment of Withholding and Payroll-Related Taxes, (E) Authorizing Payment of Workers’ Compensation Obligations, and (V) Authorizing Payment of Prepetition Claims Owing to Administrators and Third Party Providers*, which is contemporaneously filed herewith.

authorize the Debtors' banks and financial institutions to rely on the representations of the Debtors as to which checks and fund transfers should be honored and paid in respect of Taxes and Fees, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

9. As set forth below, the Taxes and Fees at issue are appropriate for payment to the extent that they are priority or secured claims that are payable in full or, alternatively, under the personal liability theory or the doctrine of necessity. By paying the Taxes and Fees in the ordinary course of business, as and when due, the Debtors will avoid unnecessary disputes with the Taxing Authorities—and expenditures of time and money resulting from such disputes—over myriad issues that are typically raised by such units as they attempt to enforce their rights to collect Taxes and Fees.

BASIS FOR RELIEF

10. Prior to the Petition Date, the Debtors incurred obligations to federal, state, and local governmental and quasi-governmental units. Although, as of the Petition Date, the Debtors were substantially current in the payment of assessed and undisputed Taxes and Fees, certain Taxes and Fees attributable to the prepetition period have not yet become due and owing. Certain prepetition Taxes and Fees will not be due until the applicable monthly, quarterly, or annual payment dates—in some cases immediately and in others not until next year. As of the Petition Date, the Debtors estimate they have accrued liabilities, which are not yet due, on account of Taxes and Fees.

11. The Debtors estimate that approximately \$5,000.00 in Taxes and Fees relating to the prepetition period will be due and owing within 21 days after the Petition Date.

12. The continued payment of the Taxes and Fees on their normal due dates will ultimately preserve the resources of the Debtors' estates, thereby promoting their prospects for a successful subchapter V bankruptcy process. If such obligations are not timely paid, the Debtors

will be required to expend time and incur attorneys' fees and other costs to resolve a multitude of issues related to such obligations, each turning on the particular terms of each Taxing Authority's applicable laws, including whether (i) the obligations are priority, secured, or unsecured in nature, (ii) the obligations are proratable or fully prepetition or post-petition, and (iii) penalties, interest, attorneys' fees and costs can continue to accrue on a post-petition basis and, if so, whether such penalties, interest, attorneys' fees, and costs are priority, secured, or unsecured in nature.

13. Certain of the Taxing Authorities may not have been paid or may have been sent checks and/or fund transfers for Taxes and Fees that may or may not have been presented or cleared as of the Petition Date. Similarly, in other cases, Taxes and Fees have accrued or are accruing, or are subject to audit or review, but have not yet become due and payable and, thus, any checks or fund transfers will be issued on a post-petition basis. Accordingly, the Debtors seek entry of an order authorizing and directing their banks and other financial institutions to receive, process, honor, and pay all prepetition and post-petition checks and fund transfers issued by the Debtors to the Taxing Authorities in payment of Taxes and Fees that had not been honored and paid as of the Petition Date, and authorizing the Debtors' banks and financial institutions to rely on the representations of the Debtors as to which checks and fund transfers should be honored and paid in respect of Taxes and Fees, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

APPLICABLE AUTHORITY

A. The Majority of the Taxes and Fees are Entitled to Payment Prior to Prepetition, Non-Priority Unsecured Claims

14. To the extent that the Taxes and Fees are priority claims pursuant to Bankruptcy Code section 507(a)(8), or secured claims pursuant to Bankruptcy Code section 506(a), their payment should be authorized on the basis that (i) they are required to be paid in full as a condition

to satisfying the plan confirmation requirements contained in Bankruptcy Code section 1129, or (ii) they would be entitled to payment before any prepetition non-priority unsecured claim.

15. If the Taxes and Fees are deemed priority claims, Bankruptcy Code section 1129(a)(9)(C) requires that they be paid no less favorably than through regular installment payments, over a period not exceeding five (5) years after the Petition Date, of a total value as of the effective date of the plan equal to the allowed amount of each such claim. *See* 11 U.S.C. § 1129(a)(9)(C).

16. If the Taxes and Fees are deemed secured claims that would (but for such secured status) fall under the rubric of Bankruptcy Code section 507(a)(8), Bankruptcy Code section 1129(a)(9)(D) requires that they be paid no less favorably than through regular installment payments, over a period not exceeding five (5) years after the Petition Date, of a total value as of the effective date of the plan equal to the allowed amount of each such claim. *See* 11 U.S.C. § 1129(a)(9)(D) (referring back to 11 U.S.C. § 1129(a)(9)(C)). Otherwise, Bankruptcy Code section 1129(b)(2)(A) requires that they be satisfied through deferred cash payments totaling at least the allowed amount of each such claim, of a value, as of the effective date of the plan, equal to the value of the collateral securing the claim, with a continuation of the liens against the collateral; or if the collateral is to be sold, that the lien securing the claim attach to the proceeds of sale; or that the holder realize the indubitable equivalent of the claim. *See* 11 U.S.C. § 1129(b)(2)(A); *see also Federal Home Loan Mortgage Corp. v. Bugg (In re Bugg)*, 172 B.R. 781, 785 (E.D. Pa. 1994) (“The ‘fair and equitable’ standard requires that a secured claim holder retain its lien and receive deferred cash payments totalling [*sic*] at least the allowed amount of the claimant’s secured claim and a present value equal to the value of its collateral.”).

17. Because of the likelihood that the vast majority of the Taxes and Fees constitute either priority claims under Bankruptcy Code section 507(a)(8) or secured claims under Bankruptcy Code section 506(a), the Debtors' payment of the Taxes and Fees now, in all likelihood, will affect only the timing of the payments and not the amounts to be received by the Taxing Authorities. Moreover, by paying legitimate tax claims now, the Debtors will avoid any unnecessary fees, interest, or penalties that might otherwise be asserted. Other creditors and parties in interest, therefore, will not be prejudiced if the relief sought herein is granted by this Court.

B. Section 105 of the Bankruptcy Code and the Doctrine of Necessity Support Payment of the Taxes and Fees

18. Alternatively, authorization to pay the Taxes and Fees is appropriate under the "doctrine of necessity," which is grounded in Bankruptcy Code section 105(a). Section 105(a) provides that the Court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). The purpose of this section is to grant bankruptcy courts the authority to take actions necessary to exercise their power under the Bankruptcy Code.

19. The doctrine of necessity is a well-settled doctrine that permits a bankruptcy court to authorize payment of certain prepetition claims prior to the completion of the reorganization process where the payment of such claims is necessary to the reorganization. *See In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (stating that where the debtor "cannot survive" absent payment of certain prepetition claims, the doctrine of necessity should be invoked to permit payment and thereafter approving payment of key inventory suppliers' prepetition claims when such suppliers could destroy debtor's business by refusing to deliver new inventory on eve of

debtor's key sales season);³ *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (reiterating court's own statement in a prior ruling that "[i]n the Third Circuit the law is clear that to justify payment of one class of pre-petition creditors in advance of a confirmed plan, the debtor must show that payment is essential to the continued operation of the business"); *In re Sharon Steel Corp.*, 159 B.R. 730, 736 (Bankr. W.D. Pa. 1993) ("The Third Circuit has adopted the 'necessity of payment' doctrine."); *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) ("[T]he court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor.").

C. Section 363 of the Bankruptcy Code Supports Payment of the Taxes and Fees

20. This Court may also authorize the Debtors to pay Taxes and Fees under Bankruptcy Code section 363(b), which provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Courts have indicated that the use of property of the estate outside of the ordinary course of business is proper where the debtor in possession has articulated "some business justification, other than the mere appeasement of major creditors." *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989); *see also Institutional Creditors of Cont'l Airlines, Inc. v. Cont'l Airlines, Inc. (In re Cont'l Airlines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (holding that Bankruptcy Code section 363(b) requires that "there must be some articulated business

³ The Court's power to utilize the doctrine of necessity in chapter 11 cases derives from the Court's inherent equity powers and its statutory authority to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). The United States Supreme Court first articulated the doctrine of necessity over a century ago, in *Miltenberger v. Logansport Ry. Co.*, 106 U.S. 286 (1882), in affirming the authorization by the lower court of the use of receivership funds to pay pre-receivership debts owed to employees, vendors and suppliers, among others, when such payments were necessary to preserve the receivership property and the integrity of the business in receivership. *See id.* at 309-14. The modern application of the doctrine of necessity is largely unchanged from the Court's reasoning in *Miltenberger*. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581-82 (3d Cir. 1981) ("[I]n order to justify payment under the 'necessity of payment' rule, a real and immediate threat must exist that failure to pay will place the continued operation of the [debtor] in serious jeopardy.").

justification for using, selling, or leasing the property outside the ordinary course of business”); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983) (“[A] judge determining a § 363(b) application [must] expressly find . . . a good business reason to grant such an application.”); *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (“In determining whether to authorize the use, sale or lease of property of the estate under [Section 363], courts require the debtor to show that a sound business purposes justified such actions.”).

21. The relief requested herein easily satisfies the foregoing standards. Failure to pay the Taxes and Fees to the Taxing Authorities in full and on time, thereby risking the cessation of normal relations between the Taxing Authorities and the Debtors, will make these estates worse off than they will be having paid the Taxes and Fees. It is in the best interests of the Debtors’ estates that the Taxes and Fees be paid on time so as to avoid administrative difficulties. Failure to timely pay, or a precautionary withholding by the Debtors of payment of, the Taxes and Fees may cause the Taxing Authorities to take precipitous action, including an increase in audits, a flurry of lien filings, and significant administrative maneuvering at the expense of the Debtors’ time and resources. Prompt and regular payment of the Taxes and Fees will avoid this unnecessary governmental action.

22. The Cases are complicated due to the nature of the Debtors’ business, and, thus, the Debtors’ focus should be on addressing their operational and financial issues in a manner that will maximize recoveries. In this context, the payment of the Taxes and Fees is insignificant and will have no meaningful effect on the recoveries of creditors in the Cases, particularly in view of the priority of a portion of such obligations. Moreover, the payment amount will likely be offset in no small part by the amount of post-petition resources that the Debtors will conserve by obviating the

need to spend time and money to address disputes with the Taxing Authorities that are unnecessary and wasteful of the resources of the Debtors and this Court.

23. The relief requested in this Motion is similar to relief granted by numerous courts in chapter 11 cases in this district. Accordingly, the Debtors submit that the present circumstances warrant this relief in the Cases.

WAIVER OF BANKRUPTCY RULES

24. To the extent that any aspect of the relief sought herein is subject to Bankruptcy Rule 6003, the Debtors submit that the Court may grant such relief within twenty-one (21) days after the Petition Date because it is necessary to avoid immediate and irreparable harm. *See* Fed. R. Bankr. P. 6003.

25. In addition, to the extent that any aspect of the relief sought herein constitutes a use of property under Bankruptcy Code section 363(b), the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen (14)-day stay under Bankruptcy Rule 6004(h), to the extent applicable. *See* Fed. R. Bankr. P. 6004(a), (h). As described above, the relief that the Debtors seek in this Motion is immediately necessary in order for the Debtors to be able to continue to operate their businesses and preserve the value of their estates. The Debtors respectfully request that the Court waive the notice requirements imposed by Bankruptcy Rule 6004(a) and the fourteen (14)-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

CONSENT TO JURISDICTION

26. Pursuant to Local Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is

determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

RESERVATION OF RIGHTS

27. Nothing contained herein is intended or should be construed as an admission of the validity of any claim against the Debtors; a waiver of the Debtors' rights to dispute any claim; or an approval, assumption, or rejection of any agreement, contract, or lease under Bankruptcy Code section 365. The Debtors expressly reserve their rights to contest any claim of any Taxing Authority under applicable law and to assume or reject any agreements with Taxing Authorities in accordance with the applicable provisions of the Bankruptcy Code. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

NOTICE

28. Notice of this Motion shall be given to: (a) the Office of the United States Trustee for the District of Delaware; (b) the Subchapter V Trustee (to be appointed by the U.S. Trustee); (c) the parties included on the Debtors' consolidated list of twenty (20) largest unsecured creditors; (d) the Taxing Authorities listed on Exhibit B; (e) any banking or financial institution(s) that hold(s) Debtors' accounts; and (f) any party that has requested notice pursuant to Bankruptcy Rule 2002; (g) all parties entitled to notice pursuant to Local Rule 9013-1(m) (collectively, the "**Notice Parties**"). The Debtors submit that, under the circumstances, no other or further notice is required.

29. As this Motion is seeking "first-day" relief, within two business days of the hearing on this Motion, the Debtors will serve copies of this Motion and any order entered with respect to this Motion pursuant to Local Rule 9013-1(m).

NO PRIOR REQUEST

30. No prior motion for the relief requested herein has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: September 30, 2021
Wilmington, Delaware

Respectfully submitted,

POLSINELLI PC

/s/ Shanti M. Katona
Shanti M. Katona (Del. Bar No. 5352)
222 Delaware Avenue, Suite 1101
Wilmington, Delaware 19801
Telephone: (302) 252-0920
Facsimile: (302) 252-0921
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-and-

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Telephone: (212) 684-0199
Facsimile: (212) 684-0197
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*Proposed Counsel to the Debtors and
Debtors in Possession*

Exhibit A

Proposed Order

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

In re:

Balance Point LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 21-11279 (JKS)

(Joint Administration Pending)

Re: Docket No. ____

INTERIM ORDER AUTHORIZING PAYMENT OF PREPETITION TAXES AND FEES

Upon the motion (the “**Motion**”)² of the Debtors for entry of an order (this “**Order**”), pursuant to Bankruptcy Code sections 105(a), 363(b), 506(a), 507(a)(8), and 541 and Bankruptcy Rule 6003, authorizing the Debtors, in their discretion, to pay any prepetition Taxes and Fees owing to the Taxing Authorities; the Court having reviewed the Motion and the First Day Declaration; and this Court having found that it has jurisdiction to consider the Motion pursuant to 28 U.S.C. § 1334; and this Court having found that the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b), and that the Debtors consent to entry of a final order under Article III of the United States Constitution; and this Court having found that venue of these Cases 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 therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

¹ The Debtors in these subchapter V cases, along with the last four digits of each Debtor’s federal tax identification number, are Balance Point LLC (5908) and MECTA Corporation (8275). The Debtors’ mailing address is 19799 SW 95th Avenue, Suite B, Tualatin, Oregon 97062.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1. The Motion is GRANTED, as set forth herein.
2. All objections to the entry of this Order, to the extent not withdrawn or settled, are overruled.
3. The Debtors are hereby authorized to pay during the interim period, in the ordinary course of their businesses, all prepetition Taxes and Fees relating to the period prior to the Petition Date, including all those Taxes and Fees subsequently determined upon audit, or otherwise, to be owed for periods prior to the Petition Date, to the Taxing Authorities, in an amount not to exceed \$10,000.
4. Nothing in this Motion or this order shall be construed as impairing the Debtors' rights to contest the validity or amount of any Taxes and Fees allegedly due or owing to any Taxing Authorities or priority of any claim or lien against the Debtors and all Debtors' rights with respect thereto are hereby reserved.
5. The Debtors' banks and financial institutions shall be, and are hereby authorized, when requested by the Debtors, to process, honor, and pay any and all checks or electronic fund transfers drawn on the Debtors' bank accounts to pay all prepetition Taxes and Fees owed to the Taxing Authorities, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.
6. The Debtors' banks and financial institutions may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this order, and any such bank or financial institution shall not have any liability to any party for relying on such representations by the Debtors as provided for in this order.

7. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this order shall create any rights in favor of, or enhance the status of any claim held by, any Taxing Authority.

8. Neither the provisions contained herein, nor any actions or payments made by the Debtors pursuant to this order, shall be deemed an admission as to the validity of any underlying obligation or a waiver of any rights the Debtors may have to dispute such obligation on any ground that applicable law permits.

9. 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 order.

1. The final hearing to consider the entry of a final order granting the relief requested in the Motion shall be held on _____, 2021, at _____.m. Prevailing Eastern Time.

10. Any objection to the entry of a final order granting the relief requested in the Motion shall be filed with the Court and served on, no later than seven (7) days prior to the commencement of the final hearing, (a) MECTA Corporation, 19799 SW 95th Avenue, Suite B, Tualatin, Oregon 97062 (Attn: Adrian Kettering); (b) proposed counsel to the Debtors, Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Shanti M. Katona (skatona@polsinelli.com); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Joseph J. McMahon, Jr. (joseph.mcmahon@usdoj.gov); and (d) the Subchapter V Trustee (to be appointed by the U.S. Trustee).

11. Notwithstanding the relief granted in this Order, any payment made by the Debtor pursuant to the authority granted herein shall be subject to and in compliance with any order authorizing the Debtors to use cash collateral and any budget in connection therewith.

12. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

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

14. Nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this 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' rights to dispute any claim or lien, (iii) an approval or assumption of any agreement, contract, or lease pursuant to Bankruptcy Code section 365, (iv) an admission of the priority status of any claim, whether under Bankruptcy Code section 503(b)(9) or otherwise, 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 to any Taxing Authority.

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

Dated: _____, 2021
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

Exhibit B

List of Taxing Authorities

AUTHORITIES

Taxing Authority Name	Address	Type
Washington County	155 N. First Avenue Hillsboro, Oregon 97124	Personal Property Tax
Oregon Dept. of Revenue	PO Box 14950 Salem, Oregon 97309	Corporate Activities and Excise
Oregon Secretary of State	Oregon Corporate Division 255 Capitol Street NE, Ste 151 Salem, Oregon 97310	Annual Filing Fee
GS1	300 Charles Ewing Blvd. Ewing Township, NJ 08628	International License
Health Canada	P/L 1918B, Rm 1804B 161 Goldenrod Driveway Ottawa, ON K1A 0K9 Canada	International License
MedPass International	95 bis Boulevard Pereire 75017 Paris France	International License
TUV Rheinland of North America Inc	PO Box 392672 Pittsburgh, PA 15251-9672	Federal License
Federal Drug Administration	PO Box 979109 St Louis MO 63197-9000	Federal License