

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

In re:

SECURE HOME HOLDINGS LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10745 (xxx)

(Joint Administration Pending)

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT
SYSTEM, BANK ACCOUNTS, AND BUSINESS FORMS AND PAYMENT OF
RELATED PREPETITION OBLIGATIONS; (II) MODIFYING CERTAIN
DEPOSIT REQUIREMENTS; AND (III) AUTHORIZING CONTINUANCE OF
INTERCOMPANY TRANSACTIONS AND HONORING CERTAIN
RELATED PREPETITION OBLIGATIONS**

Secure Home Holdings LLC and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**,” or the “**Company**”), hereby move (this “**Motion**”) this Court for entry of interim and final orders, substantially in the forms attached hereto as Exhibit A and Exhibit B (the “**Interim Order**” and the “**Final Order**,” respectively), granting the relief described below. In support of this Motion, the Debtors rely upon the *Declaration of Amy V. Kothari in Support of Chapter 11 Petitions and First Day Papers* (the “**First Day Declaration**”),² and respectfully represent as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors respectfully request entry of an Interim Order and a Final Order (a) authorizing, but not directing, the Debtors to maintain their existing cash

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Secure Home Holdings LLC (1583); ACA Security Systems GP, LLC (5674); ACA Security Systems LP (3613); Hawk Creation, LLC (3525); and My Alarm Center, LLC (0273). The address of the Debtors' corporate headquarters is 3803 West Chester Pike, Suite 100, Newtown Square, Pennsylvania 19073.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

management system and bank accounts; (b) modifying certain operating guidelines relating to bank accounts set forth in the U.S. Department of Justice, Office of the United States Trustee: Operating Guidelines for Chapter 11 Cases (the “**U.S. Trustee Guidelines**”); (c) authorizing, but not directing the payment of related prepetition obligations; (d) authorizing, but not directing the Debtors to continue using existing checks, business letterhead, purchase orders, invoices, envelopes, promotional materials, and other business forms and correspondence, including existing templates thereof, (collectively, the “**Business Forms**”); (e) modifying certain requirements under section 345(b) of the Bankruptcy Code (*as defined below*); and (f) authorizing, but not directing, the continuation of various transactions relating to (i) the business relationship between the Debtors and (ii) the certain shared management, general, administrative, and/or other similar shared services between the Debtors (the “**Intercompany Transactions**”) and the accordancy of administrative expense priority status to all claims arising postpetition in the ordinary course of business as a result of an Intercompany Transaction (such postpetition claims, the “**Intercompany Claims**”).

2. The Debtors further request that the Interim Order and the Final Order (a) authorize all applicable banks and other financial institutions (collectively, the “**Banks**”), when requested by the Debtors in their sole discretion, to receive, process, honor, and pay any and all checks, drafts, and other forms of payment, including fund transfers, on account of the Cash Management System (*as defined below*), whether such checks or other requests were submitted before, on, or after the Petition Date; (b) authorize the Banks to rely on the representations of the Debtors as to which checks and fund transfers are subject to this Motion, provided that no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors; (c) provide that the Banks shall, at the direction of the Debtors, receive, process, honor, and pay all

prepetition and postpetition checks and fund transfers on account of the Cash Management System that had not been honored and paid as of the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments and that no such Bank shall have any liability to any party for relying on such direction by the Debtors; and (d) authorize the Debtors to issue new postpetition checks or effect new postpetition fund transfers to replace any checks, drafts, and other forms of payment which may be inadvertently dishonored or rejected.

JURISDICTION AND VENUE

3. This Court has jurisdiction to consider the Motion pursuant to 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. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The legal predicates for the relief requested herein are sections 105(a), 345(b), 363, and 503(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2015-2 and 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**”).

5. Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court would lack Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

BACKGROUND

I. THE CHAPTER 11 CASES.

6. On the date hereof (the “**Petition Date**”), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Debtors have requested that the Chapter 11 Cases be jointly administered.

7. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. To date, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) has not appointed a creditors’ committee in the Chapter 11 Cases, nor has any trustee or examiner been appointed therein.

9. The Debtors are a national provider of technologically advanced security solutions. The Debtors provide a full suite of security solutions, including residential and commercial security systems, home automation systems, smoke and carbon monoxide detectors, and other security solutions in communities throughout the United States.

10. Additional factual background regarding the Company’s business operations, corporate and capital structures, and restructuring efforts are described in greater detail in the First Day Declaration, filed contemporaneously with this Motion and incorporated herein by reference.

II. THE CASH MANAGEMENT SYSTEM AND THE BANK ACCOUNTS.

11. Prior to the Petition Date, the Debtors employed a cash management system to collect, transfer, and disburse the funds generated by the Debtors’ business operations (the “**Cash Management System**”). To avoid any further disruption caused by these Chapter 11 Cases and to maximize the value of the Debtors’ estates, it is essential that the Debtors be allowed to maintain

their well-developed, long-standing Cash Management System. A flowchart depicting the Debtors' Cash Management System is attached hereto as **Exhibit C**.

12. The Debtors' Cash Management System is comprised of eleven (11) bank accounts (the "**Bank Accounts**"), which are held at either Bank of America, National Association ("**BofA**"), or Signature Bank ("**Signature**" and together, the "**Banks**"), and are designed to accommodate different business divisions and to collect, organize, and track various forms of cash receipts and disbursements. A complete list of the Bank Accounts is attached to this Motion as **Exhibit D**. The Debtors' Banks are FDIC insured and are recognized by the U.S. Trustee as authorized depositories for chapter 11 debtor-in-possession funds.

13. In connection with the above, a brief description of each of the Debtors' Bank Accounts is set forth briefly below:

(a) **My Alarm Center, LLC**

My Alarm Center, LLC ("**MAC**") maintains eight (8) Bank Accounts at BofA, consisting of: (a) three (3) depository accounts (the "**Depository Accounts**"); (b) a centralized concentration account (the "**Concentration Account**"); (c) two (2) disbursement accounts (the "**MAC Disbursement Accounts**"); and (d) two (2) dormant accounts.

As a general matter, all revenue received by the Debtors from their customers is deposited into the Depository Accounts. The Depository Accounts are zero balance accounts ("**ZBA**"), with funds swept daily into the Concentration Account, and then transferred to one of the Disbursement Accounts. The Disbursement Accounts are used in the ordinary course to process payroll for employees of the Debtors and to make direct payments to external vendors and suppliers. By centralizing oversight of the Debtors' Cash Management System, the Debtors are able to facilitate reporting, the development of more timely and accurate balance and presentment information, and the monitoring of collection and disbursement of funds.

(b) ACA Security Systems, LP

ACA Security Systems, LP (“ACS”) maintains one Bank Account at BofA (the “**ACS Disbursement Account**” and together with the MAC Disbursement Accounts, the “**Disbursement Accounts**”). On an as-needed basis, cash inflows from the Concentration Account to the ACS Disbursement Account to fund ACS’ operations. Cash outflows from the ACS Disbursement Account to fund ACS payroll and issue checks for employee and vendor-related expenses.

(c) Secure Home Holdings LLC

Secure Home Holdings LLC maintains two (2) Bank Accounts at Signature. The accounts are dormant, with the only current activity being the payment of monthly bank-administration fees. The Debtors intend to use one of these accounts for funds escrowed during these Chapter 11 Cases on account of utility company adequate assurance deposits.

(d) ACA Security Systems GP, LLC

ACA Security Systems GP, LLC has no operations and, thus, does not maintain any Bank Accounts.

(e) Hawk Creation, LLC

Hawk Creation, LLC has no operations and, thus, does not maintain any Bank Accounts.

14. The Debtors generate and receive funds from their commercial and residential customers and the customer accounts they service. The method employed to collect the cash generated by these respective payments varies, and the Debtors’ billing and collection systems must have the flexibility to address the requirements for these different payment collection types. Importantly, the Cash Management System affords the Debtors the ability to administer the Bank Accounts in the ordinary course to reduce administrative expenses by facilitating the movement of funds, while also maintaining and preserving capital and addressing the Debtors’ liquidity requirements.

15. Additionally, the Debtors utilize approximately 26 active corporate credit cards (the “**Corporate Credit Cards**”) provided by American Express Company (“**Amex**”) to fund a portion of their business operations. In the ordinary course of business, the Debtors utilize the Corporate Credit Cards to obtain discounts from certain vendors (the “**Discount Program**”), and to pay business expenses that otherwise would be paid directly from the Debtors’ Bank Accounts. The Corporate Credit Cards provide the Debtors with at least a 30-day float before making payments when the Corporate Credit Cards’ balance is due. The ability to use cash during that time improves the Debtors’ liquidity for daily operations and cash management by allowing the Debtors to smooth out and normalize cash outflows. Additionally, the Discount Program provided through Corporate Credit Cards allows the Debtors to obtain significant vendor discounts that are essential to the Debtors’ operations. Amex has agreed to continue the Discount Program post-petition upon entry of an order authorizing such continued use and releasing Amex for any liability for processing payments made in connection with the Corporate Credit Cards. The Corporate Credit Cards are an integral part of the Debtors’ Cash Management System and are both utilized in the ordinary course of business and essential to the successful reorganization of the Debtors’ businesses.

16. If the Debtors are unable to continue using their Cash Management System, the Debtors’ operations will be severely impeded. The Debtors, with the assistance of their advisors, have implemented protocols to ensure that only claims arising postpetition and certain claims arising prepetition (if payment of such prepetition claims is approved by this Court) will be paid by the Debtors.

III. THE BUSINESS FORMS.

17. The Debtors use various Business Forms, such as checks, customer contracts, invoices, letterhead and envelopes, in the ordinary course of business. Because the Business Forms were used prepetition, they do not reference the Debtors' current status as debtors-in-possession. Nonetheless, most parties doing business with the Debtors will be aware of the Debtors' status as debtors-in-possession as a result of the publicity surrounding the Chapter 11 Cases and the notice of commencement served on parties in interest.

18. Requiring the Debtors to change existing Business Forms would unnecessarily distract the Debtors from their restructuring efforts and impose needless expenses on the estates. Thus, the Debtors request that they be authorized to use their existing Business Forms without placing a "Debtor in Possession" legend on each. Any subsequently printed checks that are generated electronically, to the extent reasonably practicable, will bear the designation "Debtor in Possession."

IV. THE INTERCOMPANY TRANSACTIONS.

19. In the ordinary course of business, the Debtors engage in various Intercompany Transactions relating to expenses and obligations that the Debtors' businesses incur in the course of their operations. As noted above, receipts from all of the Debtors are deposited into the MAC Depository Accounts and are ultimately swept into the Concentration Account. In addition, the Debtors disburse funds from the Concentration Account to the Disbursement Accounts on account of all of the Debtors' ordinary course expenses and operating costs. When funds are transferred into or out of the Concentration Account, an Intercompany Transaction is recorded and booked, though not cash settled, thus reducing administrative costs and ensuring the orderly and efficient

operation of the Debtors' enterprise. These Intercompany Transactions include, but are not limited to:

- (a) **Accounts Receivables and Payables, Payroll.** In the ordinary course of business, the Debtors contribute cash and process disbursements, including payroll charges as funds used from the Concentration Account are paid to employees of all the Debtors through the centralized Cash Management System. These Intercompany Transactions are accounted for, and traceable, by the Debtors in their books and records.
- (b) **Corporate Expenses.** Also, in the ordinary course of business, the Debtors incur centrally billed expenses, including certain taxes, employee medical costs, and insurance premiums. The Debtors allocate these charges among themselves. Such allocations are reflected on the Debtors' intercompany books and records.
- (c) **Shared Services Allocation.** The Debtors utilized a centralized shared services system to process and allocate charges for certain services provided to and by the Debtors. The expenses for these services are allocated among the Debtors based upon certain directly identifiable costs, such as the cost of service provided.

20. All of the Intercompany Transactions discussed herein occur among the Debtors. The Debtors can ascertain, trace, and account for the Intercompany Transactions, and will continue to do so on a postpetition basis.

21. The Debtors anticipate that the Intercompany Transactions will continue postpetition in the ordinary course of business. Such transactions are necessary to the efficient operation of the Company's business. Because the Debtors engaged in the Intercompany Transactions on a regular basis prepetition and such transactions are common for enterprises like the Debtors, the Debtors believe that they may continue the Intercompany Transactions in the ordinary course under section 363(c)(1) of the Bankruptcy Code, without court approval. Nonetheless, out of an abundance of caution, the Debtors seek express authority, but not direction, to continue engaging in the Intercompany Transactions. Consistent with their prepetition practice, the Debtors will maintain records of all transfers and can ascertain, trace, and account for all of

the Intercompany Transactions. In addition, the Debtors request that the Intercompany Transactions be granted administrative expense priority status, which will facilitate the orderly and efficient operation of the Debtors' enterprise.

BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY

I. THE COURT SHOULD AUTHORIZE THE DEBTORS TO MAINTAIN THEIR EXISTING BANK ACCOUNTS AND USE THEIR EXISTING CASH MANAGEMENT SYSTEM AND MODIFY ANY REQUIREMENT TO CLOSE EXISTING ACCOUNTS.

22. Although the Debtors maintain the Bank Accounts as part of an established Cash Management System, the U.S. Trustee Guidelines require that the Debtors, as debtors in possession, take certain actions with respect to their prepetition Bank Accounts in order for the U.S. Trustee to supervise the administration of the Chapter 11 Cases. These requirements are designed to draw a clear line of demarcation between prepetition and postpetition transactions and operations and prevent the inadvertent postpetition payment of prepetition claims. The Debtors submit, however, that a modification of certain requirements is warranted.

23. Specifically, and as discussed in further detail below, all of the Bank Accounts are held at either BofA or Signature, both financially stable financial institutions which appear on the U.S. Trustee's list of authorized bank depositories (the "**Authorized Depositories**"). In addition, to protect against the unauthorized payment of prepetition obligations, the Debtors represent that, if they are authorized to use the Bank Accounts, they will not pay, and the Banks will be directed not to pay, any debts incurred before the Petition Date, other than as authorized by this Court.

24. Moreover, any new account that the Debtors open will (a) be with a bank that (i) is organized under the laws of the United States or any state therein, (ii) is insured by the FDIC, and (iii) has executed, or is willing to immediately execute, a Uniform Depository Agreement with the U.S. Trustee; (b) designated a "Debtor in Possession" account by the relevant Bank; and (c) comply with applicable provisions of any financing order entered in these Chapter 11 Cases.

Additionally, the Debtors will provide the U.S. Trustee with notice of any new accounts or the closing of any Bank Accounts.

25. Enforcement of the U.S. Trustee's requirements without modification would significantly disrupt the Debtors' business. Indeed, as explained in more detail above, the Bank Accounts comprise an established cash management system that the Debtors must maintain to ensure collections and disbursements occur. The Debtors' Cash Management System allows the Debtors to centrally manage cash and includes the necessary accounting controls to enable the Debtors to trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable. While these Chapter 11 Cases are pending, the Debtors will continue to maintain detailed records reflecting all transfers of funds.

26. Accordingly, to avoid delays in payments to administrative creditors, to ensure a smooth transition into chapter 11, and to maximize the value of their estates, the Debtors submit that (a) they should be permitted to continue to maintain their existing Bank Accounts and open new and close existing accounts provided herein and as needed; and (b) the requested relief should extend to any new accounts by providing that the new accounts are deemed to be Bank Accounts and are similarly subject to the rights, obligations, and relief granted by this Court.

27. In each instance in which the Debtors hold a Bank Account at a Bank that is party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days of the date of entry of the order granting this Motion, the debtors will (a) contact such Bank, (b) provide such Bank with the Debtors' employer identification numbers, and (c) identify each of their accounts held at such bank as held by a debtor in possession in a bankruptcy case.

28. Both as part of the Motion and in other motions that have been concurrently filed, the Debtors are requesting authority to pay, in their sole discretion, certain prepetition obligations,

including certain employee, insurance, tax, and vendor obligations. With respect to certain of these obligations, the Debtors may have issued checks or initiated payments prior to the Petition Date that have yet to clear the banking system. In other instances, the Debtors will create the relevant check or initiate the appropriate payment once this Court enters an order permitting the Debtors to do so. The Debtors intend to inform the Banks which such checks and payment orders should be so honored. Therefore, the Debtors request that the Banks be authorized and directed to rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored. The Debtors further request that the Orders specify that the Banks shall not have any liability to any party for relying on such representations. This relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular prepetition check may be honored in accordance with an order by the Court or otherwise.

29. Allowing the Debtors to use their prepetition Cash Management System and engage in related “routine transactions” comports with applicable provisions of the Bankruptcy Code. In particular, section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The authority granted by section 363(c)(1) extends to a debtor in possession’s continued use of its customary cash management system and, thus, supports the relief requested. *See, e.g., Charter Co. v. Prudential Ins. Co. Am. (In re Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (indicating that an order authorizing the debtor to employ a cash management system that was “usual and customary in the past” was “entirely consistent” with section 363(c)(1) (internal quotation omitted)).

30. To the extent that use of the existing Cash Management System falls outside the ordinary course of business, such use is permitted by sections 363(b)(1) and 105(a) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, 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). Section 105(a) further provides that this Court may “issue any order . . . that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code. *Id.* § 105(a).

31. Courts in this district have routinely granted the same or similar relief as requested in this Motion to chapter 11 debtors. *See, e.g., In re AAC Holdings, Inc.*, Case No. 20-11648 (JTD) (Bankr. D. Del. Jul. 15, 2020); *In re Quorum Health Corp.*, Case No. 20-10766 (KBO) (Bankr. D. Del. May 1, 2020); *In re Melinta Therapeutics, Inc.*, Case No. 19-12748 (LSS) (Bankr. D. Del. Dec. 30, 2019); *In re Argos Therapeutics, Inc.*, Case No. 18-12714 (KJC) (Bankr. D. Del. Jan. 23, 2019).³

II. THE COURT SHOULD AUTHORIZE THE DEBTORS TO HONOR CERTAIN PREPETITION OBLIGATIONS RELATED TO THE CASH MANAGEMENT SYSTEM.

32. In connection with the Cash Management System, the Debtors may incur fees and other charges (collectively, all such fees and charges, the “**Bank Account Claims**”) in connection with (a) checks which have been dishonored or returned for insufficient funds in the applicable account, and (b) any reimbursement or other payment obligations, such as overdrafts and treasury fees, arising under any agreements governing the Bank Accounts, including, without limitation, any prepetition cash management agreements or treasury services agreements (the “**Bank Account Agreements**”). All such charges are automatically deducted from the applicable account. The

³ Because of the voluminous nature of the orders cited herein, they are not attached to this Motion, but are available on request.

Debtors estimate that there is approximately \$20,000.00 in outstanding Bank Account Claims as of the Petition Date, which the Debtors seek authority, in their sole discretion and pursuant to sections 105(a) and 363(b) of the Bankruptcy Code to pay and/or reimburse the Banks in the ordinary course of business for any Bank Account Claims arising prior to, on, or after the Petition Date.

III. THE COURT SHOULD AUTHORIZE THE DEBTORS TO CONTINUE TO USE EXISTING BUSINESS FORMS AND CHECKS.

33. To minimize expenses to their estates, the Debtors also seek authorization to continue using the Business Forms existing immediately prior to the Petition Date, without reference to the Debtors' status as debtors in possession. Modifying existing Business Forms would be burdensome and expensive and would confer no corresponding benefit upon those dealing with the Debtors, most of whom, as noted above, will be aware of the commencement of these Chapter 11 Cases. The Debtors therefore request authorization to use their existing Business Forms without adding a "Debtor in Possession" or similar legend. To the extent reasonably practicable, the Debtors will print electronically generated checks bearing the designation "Debtor in Possession."

IV. CAUSE EXISTS TO WAIVE THE U.S. TRUSTEE GUIDELINES REGARDING AUTHORIZED DEPOSITORIES ON AN INTERIM AND FINAL BASIS.

34. Section 345(a) of the Bankruptcy Code authorizes a debtor in possession to make deposits or investments of estate money in a manner "as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code provides that the estate must require from the entity with which the money is deposited or invested a bond in favor of the United States

secured by the undertaking of an adequate corporate surety, “unless the court for cause orders otherwise.” *Id.* § 345(b). Alternatively, the debtor may require the entity to deposit governmental securities pursuant to 31 U.S.C. § 9303.⁴

35. To help debtors comply with section 345(a) of the Bankruptcy Code, the U.S. Trustee has promulgated the U.S. Trustee Guidelines as well the list of Authorized Depositories at which debtors may maintain bank accounts. Under the U.S. Trustee Guidelines, debtors in possession must, among other things, close prepetition bank accounts and open new “debtor in possession” operating, payroll, and tax accounts at an Authorized Depository.

36. As noted above, however, courts may waive compliance with section 345(b) of the Bankruptcy Code, and ultimately the U.S. Trustee Guidelines, for “cause.” In evaluating whether “cause” exists, courts have considered a number of factors, including, among others, the sophistication and size of a debtor’s business, the amounts of the investments involved, bank ratings, the complexity of the case, the debtor’s safeguards for the funds, the debtor’s ability to reorganize in the face of failure of one or more of the financial institutions, the benefit to the debtor of a waiver of the section 345(b) requirements, the potential harm to the estate, and the reasonableness of such a waiver under the circumstances. *See In re Serv. Merch. Co.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999). Here, these factors warrant a modification of the requirements of section 345 of the Bankruptcy Code to the extent the Cash Management System does not already strictly comply with its requirements.

37. The Debtors submit that the Company’s corporate structure relies on a complex, centralized Cash Management System implicating multiple Bank Accounts on a daily basis. All

⁴ Section 9303 of title 31 provides that when a person is required by law to give a surety bond, that person, in lieu of a surety bond, may instead provide an eligible obligation, designated by the Secretary of the Treasury, as an acceptable substitute for a surety bond. *See* 31 U.S.C. § 9303.

of the Debtors' Bank Accounts are maintained by BofA or Signature, each an Authorized Depository. Because these Bank Accounts are vital to the Debtors' Cash Management System, the Debtors submit that requiring the Debtors to transfer these funds to other banks or new accounts would be unduly burdensome to the Debtors' operations, which must seamlessly operate across jurisdictions. Therefore, the Debtors submit that ample cause exists to waive the U.S. Trustee Guidelines and all the Debtors to continue to maintain the Bank Accounts.

38. To the extent the Cash Management System and the Bank Accounts do not strictly comply with section 345 of the Bankruptcy Code, the Debtors request that they be permitted to maintain their Bank Accounts in accordance with their existing practices, for a 30-day period commencing upon entry of the Interim Order, without prejudice to the Debtors' right to seek further modifications or extensions of time. Congress recognized that strict compliance with the requirements of section 345(b) in large chapter 11 cases such as these is not only unnecessary, but may indeed be inconsistent with section 345(a), which permits a debtor in possession to make such investments of money of the estate "as will yield the maximum reasonable net return on such money." Thus, in 1994, to avoid "needlessly handcuff[ing] larger, more sophisticated debtors," Congress amended section 345(b) to provide that its strict investment requirements may be waived or modified if the Court so orders "for cause." 140 Cong. Rec. H10767 (daily ed. Oct. 4, 1994) (statement of Rep. Brooks).

39. Courts in this district have routinely granted the same or similar relief as requested in this Motion to chapter 11 debtors. *See, e.g., In re GNC Holdings, Inc.*, No 20-11662 (KBO) (Bankr. D. Del. June 25, 2020); *In re Paragon Offshore PLC*, No. 16-10383 (CSS) (Bankr. D. Del.

April 6, 2016); *In re Verso Corporation*, No. 16-10163 (KG) (Bankr. D. Del. Feb. 23, 2016); *In re The Standard Register Company*, Case No. 15-10541 (BLS) (Bankr. D. Del. Mar. 13, 2015).⁵

40. The Debtors further request that they be authorized, on an interim basis for thirty (30) days and thereafter, on a final basis, in their sole discretion, to close Bank Accounts and open new bank accounts on notice to parties, if such action becomes necessary for any reason. In connection therewith, the Debtors request that the applicable Banks be authorized to honor the Debtors' directions with respect to the opening or closing of any bank account, subject to the rights and obligations of any order on this Motion. The Debtors further request that any and all accounts opened by the Debtors on or after the Petition Date at any Bank be deemed a Bank Account (as if it had been opened prior to the Petition Date and included in the list of Bank Accounts attached hereto as **Exhibit D**) and that any and all Banks at which such accounts are opened similarly be subject to the rights and obligations of any order on this Motion.

V. THE COURT SHOULD AUTHORIZE THE DEBTORS TO CONTINUE INTERCOMPANY TRANSACTIONS AND GRANT ADMINISTRATIVE EXPENSE PRIORITY STATUS TO THE RELATED INTERCOMPANY CLAIMS.

41. The Bankruptcy Code affords debtors in possession the freedom to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and a hearing. *See* 11 U.S.C. § 364(a); *see also Mulligan v. Sobiech*, 131 B.R. 917, 921 (S.D.N.Y. 1991). The Debtors therefore seek authority, to the extent necessary, to obtain unsecured credit and incur unsecured debt in the ordinary operation of their Cash Management System, including in connection with the Intercompany Transactions.

42. If the Debtors cannot continue the Intercompany Transactions, their ordinary course operations would be unnecessarily and severely hindered. As described above, the

⁵ Because of the voluminous nature of the orders cited herein, they are not attached to this Motion, but are available on request.

cessation of the Intercompany Transactions would require an increase in management expenses and overhead, because the Debtors would not be able to consolidate their management and administration. Indeed, if the Intercompany Transactions cannot continue, the Debtors would be virtually unable to operate their business during the Chapter 11 Cases and the likelihood of a successful reorganization would decrease dramatically. Avoiding such hindrances by continuing the Intercompany Transactions is, therefore, in the best interests of the estates.

43. Accordingly, the Debtors request that this Court authorize the Debtors to continue engaging in Intercompany Transactions in the ordinary course of business and in connection with their continued use of the Cash Management System. As with the Cash Management System, authorizing the Debtors to continue the Intercompany Transactions is appropriate under sections 363(b) or 363(c) of the Bankruptcy Code and is an appropriate exercise of the Court's equitable powers under section 105(a) of the Bankruptcy Code. *See, e.g., In re Gen. Growth Props.*, 412 B.R. 609, 610 (Bankr. S.D.N.Y. 2009) (authorizing debtors to continue prepetition cash management practices, including intercompany transactions, pursuant to sections 105(a) and 363(c) of the Bankruptcy Code); *Charter*, 778 F.2d at 621 (indicating that order authorizing continued use of cash management system that involved fund transfers to non-debtor affiliates was "entirely consistent" with section 363(c)(1) because the practice was "usual and customary in the past").

44. Additionally, pursuant to section 105(a) and 503(b) of the Bankruptcy Code, the Debtors request that Intercompany Claims incurred in the ordinary course of business, be granted administrative expense priority status. If the Intercompany Claims are accorded administrative expense priority status, each entity using funds that flow through the Cash Management System

will continue to bear ultimate repayment responsibility for such ordinary course transactions, thereby protecting the interests of the Debtors' creditors.

45. Authorization to engage in, and accordance of administrative expense treatment to, intercompany transactions, similar to the relief requested here, is routinely granted in complex chapter 11 cases. *See, e.g., In re GNC Holdings, Inc.*, No 20-11662 (KBO) (Bankr. D. Del. June 25, 2020); *In re Paragon Offshore PLC*, No. 16-10383 (CSS) (Bankr. D. Del. April 6, 2016); *In re Verso Corp.*, No. 16-10163 (KG) (Bankr. D. Del. Feb. 23, 2016); *In re Samson Res. Corp.*, No. 15-11934 (CSS) (Bankr. D. Del. Sept. 22, 2015).⁶

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

46. The Court may grant the relief requested in this Motion immediately if the “relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003; see also *In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008) (holding that Rule 6003 permits entry of retention orders on an interim basis to avoid irreparable harm). In the context of preliminary injunctions, the Third Circuit has interpreted the language “immediate and irreparable harm” to refer to a continuing harm which cannot be adequately redressed by final relief on the merits and for which money damages are inadequate. *See, e.g., Norfolk S. Ry. Co. v. City of Pittsburgh*, 235 F. App’x 907, 910 (3d Cir. 2007) (citing *Glasco v. Hills*, 558 F.2d 179, 181 (3d Cir. 1977)). The harm also must be actual and imminent, not speculative or unsubstantiated. *See, e.g., Acierno v. New Castle Cty.*, 40 F.3d 645, 653-55 (3d Cir. 1994). The Debtors submit that, for the reasons already set forth herein, the relief requested in this Motion is necessary to avoid immediate and irreparable harm.

⁶ Because of the voluminous nature of the orders cited herein, they are not attached to this Motion, but are available on request.

47. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the 14-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

48. Nothing in this Motion should be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors’ ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third party beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

NOTICE

49. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the District of Delaware; (b) the Internal Revenue Service; (c) the Securities and Exchange Commission; (d) the parties included on the Debtors’ consolidated list of their thirty (30) largest unsecured creditors; (e) the Office of the United States Attorney for the District of Delaware; (f) counsel to the First Lien Agents and the DIP Agents; and (g) the Banks (collectively, the “**Notice Parties**”). As this Motion is seeking “first day” relief, notice of this Motion and any order entered

in connection with the Motion will be served on all parties as required by Local Rule 9013-1(m). Due to the urgency of the circumstances surrounding this Motion and the nature of the relief in it, the Debtors respectfully submit that no further notice of this Motion is required.

NO PRIOR REQUEST

50. No previous request for the relief sought therein has been made to this Court or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Interim Order and the Final Order, each substantially in the form annexed hereto, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: April 25, 2021
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

 /s/ Mark D. Olivere
William E. Chipman, Jr. (No. 3818)
Robert A. Weber (No. 4083)
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olivere@chipmanbrown.com

—and—

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Van C. Durrer, II (I.D. No. 3827)
Destiny N. Almogue (*pro hac vice* admission pending)
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Los Angeles, California 90071-3144
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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

EXHIBIT A

Proposed Interim Order

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

In re:

SECURE HOME HOLDINGS LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10745 (xxx)

(Joint Administration Pending)

Related Docket No. _____

INTERIM ORDER (I) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS, AND BUSINESS FORMS AND PAYMENT OF RELATED PREPETITION OBLIGATIONS; (II) MODIFYING CERTAIN DEPOSIT REQUIREMENTS AND (III) AUTHORIZING CONTINUANCE OF INTERCOMPANY TRANSACTIONS AND HONORING CERTAIN RELATED PREPETITION OBLIGATIONS

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a Final Order under sections 105(a), 345(b), 363, and 503(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004 (i) authorizing continued use of the Debtors’ existing Cash Management System, Bank Accounts, and Business Forms and payment of related prepetition obligations; (ii) modifying certain deposit requirements; and (iii) authorizing the continuance of Intercompany Transactions and honoring certain related prepetition obligations; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Secure Home Holdings LLC (1583); ACA Security Systems GP, LLC (5674); ACA Security Systems LP (3613); Hawk Creation, LLC (3525); and My Alarm Center, LLC (0273). The address of the Debtors’ corporate headquarters is 3803 West Chester Pike, Ste 100, Newtown Square, Pennsylvania 19073.

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

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 due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. Pursuant to sections 105(a) and 363 of the Bankruptcy Code, the Debtors, in their discretion, are authorized, but not directed to, (a) designate, maintain, and continue to use any and all of their Bank Accounts in existence as of the Petition Date, with the same account numbers, including the accounts identified in Exhibit D annexed to the Motion; (b) close existing accounts, including, without limitation, any inactive accounts; and (c) treat the Bank Accounts for all purposes as accounts of the Debtors in their capacity as debtors in possession; *provided, however*, that the Debtors are only authorized to open new bank accounts (i) with a bank that (1) is organized under the laws of the United States of America or any state thereof, (2) is insured by the FDIC, and (3) has executed, or is willing to immediately execute, a Uniform Depository Agreement with the U.S. Trustee; and (ii) that are designated “Debtor in Possession” accounts by the relevant bank.
3. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened.
4. In each instance in which the Debtors hold an account at a Bank that is a party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days from the date of

entry of this Interim Order, the Debtors shall (a) contact the Bank; (b) provide the Bank with each of the Debtors' employer identification numbers; and (c) identify each of their accounts held at the Bank as being held by a debtor in possession.

5. The Debtors are not required to: (a) close all existing Bank Accounts and open new debtor in possession accounts; or (b) establish specific Bank Accounts for tax payments.

6. The Bank Accounts are deemed debtor in possession accounts. The Debtors are authorized, but not directed, to maintain and use the Bank Accounts in the same manner and with the same account numbers, styles, and document forms as those employed prior to the Petition Date, including, without limitation: (a) to deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, automated clearinghouse ("ACH") transfers, drafts, electronic fund transfers, and other debits or items presented, issued, or drawn on the Bank Accounts, (b) to pay postpetition ordinary course bank fees and service fees in connection with the Bank Accounts, (c) to perform their obligations under the documents and agreements governing the Bank Accounts, including without limitation, any prepetition cash management agreements or treasury services agreements, and (d) to treat the Bank Accounts for all purposes as accounts of the Debtors in their capacities as debtors in possession.

7. Consistent with this Interim Order, those certain existing deposit agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. Either the Debtors or the Banks may, without further order of this Court, implement changes to the cash management systems and procedures in the ordinary course of business

pursuant to the terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts.

8. The Banks are authorized without the need for further order of this Court to in the ordinary course of business: (a) continue to administer, service, and maintain, the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course, (b) receive, process, honor, and pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, payment orders, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “**Disbursements**”) on account of a claim, and (c) debit the Bank Accounts for: (i) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; (ii) all checks drawn on the Debtors’ Bank Accounts which are cashed at such Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; and (iii) all checks or other items deposited in one of the Debtors’ Bank Accounts with such Bank prior to the Petition Date which have not been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the applicable Debtor was responsible for such items prior to the Petition Date; *provided, however*, that no checks, drafts, wires, or electronic fund transfers (excluding any electronic fund transfers that the Banks are obligated to settle), or other items presented, issued, or drawn on the Bank Accounts prior to the Petition Date shall be honored, unless (x) not otherwise prohibited by a “stop payment” request received by the Banks from the Debtors and (y) supported by sufficient funds in the Bank Account in question.

9. Any of the Debtors’ Banks may rely on the representations of the Debtors with respect to whether any check or other payment order dated, drawn or issued by the Debtors prior

to, on or subsequent to the Petition Date should be honored pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein. The Banks shall not be deemed in violation of this Interim Order and shall have no liability for relying on such representations by the Debtors or honoring any Disbursement that is subject to this Interim Order either (a) at the direction of the Debtors to honor such prepetition Disbursement, (b) in the good faith belief that this Court has authorized such prepetition Disbursement to be honored, or (c) as a result of an innocent mistake. To the extent that the Debtors direct that any Disbursement be dishonored or the Banks inadvertently dishonor any Disbursements, the Debtors may issue replacement Disbursements consistent with the orders of this Court.

10. Subject to the provisions of this Interim Order, the Banks are further authorized to (a) honor the Debtors' directions with respect to the opening or closing of any Bank Account and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, and the Banks shall have no liability to any party for relying on such representations or instructions.

11. To the extent any other order is entered by this Court authorizing the Banks to honor checks, drafts, automated clearing house transfers, or other electronic funds transfers or any other withdrawals made, drawn, or issued in payment of prepetition claims, the obligation to honor such items shall be subject to this Interim Order.

12. The Debtors shall serve a copy of this Interim Order on the Banks within five business days of the entry of this Interim Order, and upon any bank at which the Debtors open a new bank account, immediately upon the opening of such new account.

13. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current, accurate, and detailed records with respect to all transfers of cash so that all

Intercompany Transactions may be readily ascertained, traced, and accounted for on applicable intercompany accounts.

14. Consistent with this Interim Order, the Debtors are authorized to continue to use their existing Cash Management System. The Debtors may transfer funds into, out of, and through the Cash Management System using ordinary transfer methods in accordance with the Debtors' prepetition practice. In connection with the ongoing use of their Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly. The Debtors and the Banks may agree, without further order of this Court, to implement any changes to the Cash Management System and procedures in the ordinary course of business that they deem appropriate in their sole discretion, including, without limitation, closing any of the Bank Accounts or opening new bank accounts as set forth herein.

15. The Debtors are authorized to pay and/or reimburse their Banks and service providers in the ordinary course of business for any Bank Account Claims arising prior to or after the Petition Date. The Bank Account Claims that arise after the Petition Date shall be granted administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

16. The Debtors are authorized to use the Corporate Credit Cards and Discount Program in the ordinary course of business after the Petition Date and to pay pre-petition and post-petition balances in full, *provided, however*, that subject to entry of a final order, Amex shall receive a release for any causes of action under chapter 5 of the Bankruptcy Code in connection with payments made on account of the Corporate Credit Cards.

17. The Debtors are authorized, but not directed to, continue to use their existing Business Forms without alteration or change and without the designation "Debtor in Possession"

imprinted upon them; *provided, however*, that to the extent reasonably practicable, subsequently printed checks, including those printed electronically as needed, will bear the designation “Debtor in Possession.”

18. The Debtors are authorized to continue engaging in Intercompany Transactions by and among the Debtors in the ordinary course of business consistent with the Debtors’ prepetition practice, including transferring funds through the Cash Management System. The Intercompany Claims arising postpetition relating to the Intercompany Transactions shall have administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

19. Nothing in this Interim Order or the Motion shall be deemed to constitute postpetition assumption or adoption of any agreement under section 365 of the Bankruptcy Code. Except with respect to the Intercompany Transfers, nothing herein nor any actions taken hereunder shall create, nor is intended to create any rights in favor of, or enhance the status of any claim held by, any person.

20. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied, and that the relief requested is necessary to avoid immediate and irreparable harm.

21. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

22. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon entry hereof.

23. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

24. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

25. A final hearing (the “**Final Hearing**”) on the full relief requested in the Motion shall be held on _____, 2021 at __:__ a.m./p.m. (*prevailing Eastern Time*). Any objections or responses to the entry of a Final Order on the Motion (each, an “**Objection**”) shall be filed on or before **4:00 p.m. (prevailing Eastern Time)** on _____, 2021, and shall be served on the following parties: (a) the Debtors, 3803 West Chester Pike, Suite 100, Newtown Square, Pennsylvania 19073 (*Attn:* Amy Kothari and Evan Flamm) (avk@alarmcapital.com and evan.flamm@myalarmcenter.com); (b) *proposed* counsel for the Debtors, (i) *Skadden, Arps, Slate, Meagher & Flom LLP*, 300 South Grand Avenue, Suite 3400, Los Angeles, California 90071-3144 (*Attn:* Van C. Durrer, Esquire and Destiny N. Almogue, Esquire) (*Email:* Van.Durrer@skadden.com and Destiny.Almogue@skadden.com); and (ii) *Chipman Brown Cicero & Cole, LLP*, Hercules Plaza, 1313 North Market Street, Suite 5400, Wilmington, Delaware 19801 (*Attn:* William E. Chipman, Jr., Esquire, Robert A. Weber, Esquire and Mark D. Olivere, Esquire) (*Email:* chipman@chipmanbrown.com; weber@chipmanbrown.com; and olivere@chipmanbrown.com); (c) the Office of the United States Trustee for the District of Delaware (*Attn:* Timothy J. Fox, Jr., Esquire) (*Email:* timothy.fox@usdoj.gov); and (d) counsel to the First Lien Agents and the DIP Agents, *Ropes & Gray LLP*, 1211 Avenue of the Americas, New York, New York 10036-8704 (*Attn:* Gregg M. Galardi, Esquire) (*Email:* Gregg.galardi@ropesgray.com). If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

26. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

EXHIBIT B

Proposed Final Order

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

In re:

SECURE HOME HOLDINGS LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10745 (xxx)

(Jointly Administered)

Related Docket Nos. _____

**FINAL ORDER (I) AUTHORIZING CONTINUED USE OF EXISTING CASH
MANAGEMENT SYSTEM, BANK ACCOUNTS, AND BUSINESS FORMS AND
PAYMENT OF RELATED PREPETITION OBLIGATIONS; (II) MODIFYING
CERTAIN DEPOSIT REQUIREMENTS AND (III) AUTHORIZING CONTINUANCE
OF INTERCOMPANY TRANSACTIONS AND HONORING CERTAIN RELATED
PREPETITION OBLIGATIONS**

Upon the motion (the “**Motion**”)² of the Debtors for an Interim Order and a final order (this “**Final Order**”) under sections 105(a), 345(b), 363, and 503(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004 (i) authorizing continued use of the Debtors’ existing Cash Management System, Bank Accounts, and Business Forms and payment of related prepetition obligations; (ii) modifying certain deposit requirements; and (iii) authorizing the continuance of Intercompany Transactions and honoring certain related prepetition obligations; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Secure Home Holdings LLC (1583); ACA Security Systems GP, LLC (5674); ACA Security Systems LP (3613); Hawk Creation, LLC (3525); and My Alarm Center, LLC (0273). The address of the Debtors’ corporate headquarters is 3803 West Chester Pike, Suite 100, Newtown Square, Pennsylvania 19073.

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

may enter a final order consistent with Article III of the United States Constitution; and this 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 due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. Pursuant to sections 105(a) and 363 of the Bankruptcy Code, the Debtors, in their discretion, are authorized, but not directed to, (a) designate, maintain, and continue to use any and all of their Bank Accounts in existence as of the Petition Date, with the same account numbers, including the accounts identified in Exhibit D annexed to the Motion, and to the extent such Bank Accounts do not comply with applicable requirements under the U.S. Trustee Guidelines or otherwise, such requirements under the U.S. Trustee Guidelines or otherwise are waived; (b) close existing accounts, including, without limitation, any inactive accounts; and (c) treat the Bank Accounts for all purposes as accounts of the Debtors in their capacity as debtors in possession; *provided, however*, that the Debtors are only authorized to open new bank accounts (i) with a bank that (1) is organized under the laws of the United States of America or any state thereof, (2) is insured by the FDIC, and (3) has executed, or is willing to immediately execute, a Uniform Depository Agreement with the U.S. Trustee; and (ii) that are designated “Debtor in Possession” accounts by the relevant bank.

3. The relief granted in this Final Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened.

4. In each instance in which the Debtors hold an account at a Bank that is a party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days from the date of entry of this Final Order, the Debtors shall (a) contact the Bank; (b) provide the Bank with each of the Debtors' employer identification numbers; and (c) identify each of their accounts held at the Bank as being held by a debtor in possession.

5. The Debtors are not required to: (a) close all existing Bank Accounts and open new debtor in possession accounts; or (b) establish specific Bank Accounts for tax payments.

6. The Bank Accounts are deemed debtor in possession accounts. The Debtors are authorized, but not directed, to maintain and use the Bank Accounts in the same manner and with the same account numbers, styles, and document forms as those employed prior to the Petition Date, including, without limitation: (a) to deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, automated clearinghouse ("ACH") transfers, drafts, electronic fund transfers, and other debits or items presented, issued, or drawn on the Bank Accounts, (b) to pay postpetition ordinary course bank fees and service fees in connection with the Bank Accounts, (c) to perform their obligations under the documents and agreements governing the Bank Accounts, including without limitation, any prepetition cash management agreements or treasury services agreements, and (d) to treat the Bank Accounts for all purposes as accounts of the Debtors in their capacities as debtors in possession.

7. Those certain existing deposit agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the

Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. Either the Debtors or the Banks may, without further order of this Court, implement changes to the cash management systems and procedures in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts.

8. The Banks are authorized without the need for further order of this Court to in the ordinary course of business: (a) continue to administer, service, and maintain, the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course, (b) receive, process, honor, and pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, payment orders, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “**Disbursements**”) on account of a claim, and (c) debit the Bank Accounts for: (i) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; (ii) all checks drawn on the Debtors’ Bank Accounts which are cashed at such Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; and (iii) all checks or other items deposited in one of the Debtors’ Bank Accounts with such Bank prior to the Petition Date which have not been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the applicable Debtor was responsible for such items prior to the Petition Date; *provided, however*, that no checks, drafts, wires, or electronic fund transfers (excluding any electronic fund transfers that the Banks are obligated to settle), or other items presented, issued, or drawn on the Bank Accounts prior to the Petition Date shall be honored, unless (x) not otherwise prohibited by a “stop payment” request

received by the Banks from the Debtors and (y) supported by sufficient funds in the Bank Account in question.

9. Any of the Debtors' Banks may rely on the representations of the Debtors with respect to whether any check or other payment order dated, drawn or issued by the Debtors prior to, on or subsequent to the Petition Date should be honored pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein. The Banks shall not be deemed in violation of this Final Order and shall have no liability for relying on such representations by the Debtors or honoring any Disbursement that is subject to this Final Order either (a) at the direction of the Debtors to honor such prepetition Disbursement, (b) in the good faith belief that this Court has authorized such prepetition Disbursement to be honored, or (c) as a result of an innocent mistake. To the extent that the Debtors direct that any Disbursement be dishonored or the Banks inadvertently dishonor any Disbursements, the Debtors may issue replacement Disbursements consistent with the orders of this Court.

10. Subject to the provisions of this Final Order, the Banks are further authorized to (a) honor the Debtors' directions with respect to the opening or closing of any Bank Account and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, and the Banks shall have no liability to any party for relying on such representations or instructions.

11. To the extent any other order is entered by this Court authorizing the Banks to honor checks, drafts, automated clearing house transfers, or other electronic funds transfers or any other withdrawals made, drawn, or issued in payment of prepetition claims, the obligation to honor such items shall be subject to this Final Order.

12. The Debtors shall serve a copy of this Final Order on the Banks within five business days of the entry of this Final Order, and upon any bank at which the Debtors open a new bank account, immediately upon the opening of such new account.

13. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current, accurate, and detailed records with respect to all transfers of cash so that all Intercompany Transactions may be readily ascertained, traced, and accounted for on applicable intercompany accounts.

14. The Debtors are authorized to continue to use their existing Cash Management System. The Debtors may transfer funds into, out of, and through the Cash Management System using ordinary transfer methods in accordance with the Debtors' prepetition practice. In connection with the ongoing use of their Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly. The Debtors and the Banks may agree, without further order of this Court, to implement any changes to the Cash Management System and procedures in the ordinary course of business that they deem appropriate in their sole discretion, including, without limitation, closing any of the Bank Accounts or opening new bank accounts as set forth herein.

15. The Debtors are authorized to pay and/or reimburse their Banks and service providers in the ordinary course of business for any Bank Account Claims arising prior to or after the Petition Date. The Bank Account Claims that arise after the Petition Date shall be granted administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

16. The Debtors are authorized to use the Corporate Credit Cards and Discount Program in the ordinary course of business after the Petition Date and to pay pre-petition and post-

petition balances in full, *provided, however*, that Amex shall receive a release for any causes of action under chapter 5 of the Bankruptcy Code in connection with payments made on account of the Corporate Credit Cards.

17. The Debtors are authorized, but not directed to, continue to use their existing Business Forms without alteration or change and without the designation “Debtor in Possession” imprinted upon them; *provided, however*, that to the extent reasonably practicable, subsequently printed checks, including those printed electronically as needed, will bear the designation “Debtor in Possession.”

18. The Debtors are authorized to continue engaging in Intercompany Transactions by and among the Debtors in the ordinary course of business consistent with the Debtors’ prepetition practice, including transferring funds through the Cash Management System. The Intercompany Claims arising postpetition relating to the Intercompany Transactions shall have administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

19. Nothing in this Final Order or the Motion shall be deemed to constitute postpetition assumption or adoption of any agreement under section 365 of the Bankruptcy Code. Except with respect to the Intercompany Transfers, nothing herein nor any actions taken hereunder shall create, nor is intended to create any rights in favor of, or enhance the status of any claim held by, any person.

20. The Debtors’ time to comply with section 345(b) of the Bankruptcy Code is hereby extended for a period of thirty (30) days from the date of this Final Order (the “**Extension Period**”); *provided, however*, that such extension is without prejudice to the Debtors’ right to request a further extension of the Extension Period or the waiver of the requirements of section 345(b) of the Bankruptcy Code in these Chapter 11 Cases.

21. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

22. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

23. All time periods set forth in this Final Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

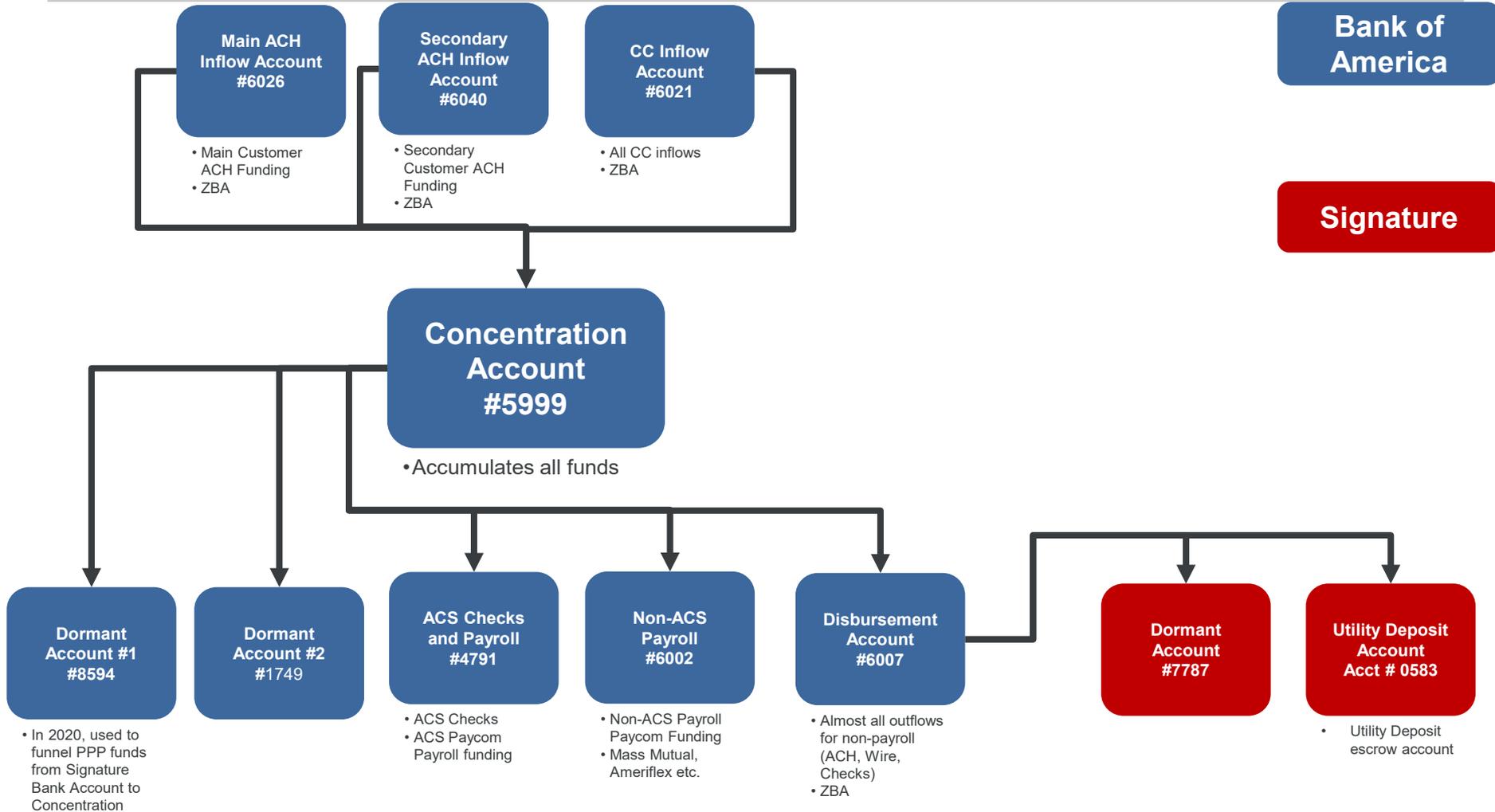
24. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Final Order.

25. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

EXHIBIT C

Funds Flow Chart

BANK ACCOUNT FLOW CHART



CONFIDENTIAL

Not to be forwarded or duplicated without written consent.

EXHIBIT D

List of Bank Accounts

Bank	Account Number (last 4 digits)	Entity	Description	Account Type	Notes
Bank of America					
	x4791	ACA SECURITY SYSTEMS	Concentration & Payroll		<i>ACS Checks out, Paycom withdraws payroll from this account</i>
	x6040	MY ALARM CENTER LLC	ACH Incoming	ZBA	<i>Small ACH payments coming in</i>
	x6026	MY ALARM CENTER LLC	ACH Main Account	ZBA	<i>FORTE ACH Payments coming in</i>
	x6021	MY ALARM CENTER LLC	Credit Cards Incoming	ZBA	<i>Visa/MC/Disc & AMEX Payments coming in</i>
	x6007	MY ALARM CENTER LLC	Disbursements	ZBA	<i>All of our checks, ACH's, and wires going out</i>
	x6002	MY ALARM CENTER LLC	Payroll	ZBA	<i>Paycom, Mass Mutual, Ameriflex, etc.</i>
	x5999	MY ALARM CENTER LLC	Concentration Account		<i>This accounts accumulates all funds available</i>
	x8594	MY ALARM CENTER LLC	Dormant Account #1		<i>Historically used for hold of "used" PPP funds</i>
	x1749	MY ALARM CENTER LLC	Dormant Account #2		
Signature Bank					
	x7787	Secure Home Holdings LLC	Dormant Account		
	x0583	Secure Home Holdings LLC	Utility Deposit Account		<i>For Utility deposit</i>