UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-1(b)

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Order Filed on October 9, 2024
by Clerk
U.S. Bankruptcy Court
District of New Jersey

In re:

NOSTRUM LABORATORIES, INC.,

Debtor.

Case No.: 24-19611

Chapter 11

Honorable John K. Sherwood, U.S.B.J.

INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO UTILIZE CASH COLLATERAL TO PAY PREPETITION ASSOCIATE WAGES, SALARIES, AND OTHER COMPENSATION, (II) AUTHORIZING THE DEBTOR TO UTILIZE CASH COLLATERAL TO SATISFY PAYROLL TAX OBLIGATIONS; AND (III) AUTHORIZING THE DEBTOR TO UTILIZE CASH COLLATERAL TO MAKE PREPETITION CONTRIBUTIONS TO NON-EXECUTIVE 401(K) RETIREMENT ACCOUNTS; AND (IV) GRANTING RELATED RELIEF

The relief set forth on the following pages, numbered two (2) through six (6), is **ORDERED**.

DATED: October 9, 2024

Honorable John K. Sherwood
United States Bankruptcy Court

Upon the Motion For Entry an Order (I) Authorizing the Debtor to Utilize Cash Collateral to Pay Prepetition Associates Wages, Salaries, Other Compensation and Reimbursable Associate Expenses, (II) Authorizing the Debtor to Utilize Cash Collateral to Satisfy Payroll Tax Obligations, (III) Authorizing the Debtor to Utilize Cash Collateral to Make Prepetition Contributions to Non-Executive 401(k) Retirement Accounts, and (IV) Granting Related Relief, for the reasons set forth in in the Motion; and upon the Declaration of Anthony J. D'Artiglio, Esq., and the Declaration of Nirmal Mulye, Ph.D; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Reference to the Bankruptcy Court Under Title 11 of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.); 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estates, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion establish just, cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore **IT IS HEREBY ORDERED THAT**:

1. The Motion is **GRANTED**.

2.. The Debtor is authorized, but not directed, to honor and pay those prepetition amounts related to wages for W-2 employees of the Debtor in the aggregate amount of no more than $274,466.74, as set forth in that certain "Cash Requirement Summary Dated October 1, 2024" for each of Bryan Ohio and Kansas City, MO, which were provided to Citizens Bank, N.A. on October 3, 2024; provided that the Debtor shall not make any payments in excess of the amounts set forth in Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code to any individual Associate without further order of this Court; provided further that (a) the Debtor shall seek Court approval, on notice, of any modification or change that would implicate any portion of Section 503(c) of the Bankruptcy Code; and (b) nothing herein shall be deemed to authorize the payment of any amounts that violate, implicate, or are otherwise subject to Section 503(c) of the Bankruptcy Code.

3. Notwithstanding anything herein to the contrary, the Debtor shall not make any non-ordinary course payments, including any bonus, incentive or severance payments to any insider (as such term is defined in Section 101(31) of the Bankruptcy Code) without further order of this Court.

4. The Debtor is authorized, but not directed, to forward any unpaid amounts on account of Withholding and Deduction Obligations to the appropriate third-party recipients or taxing authorities in the ordinary course of business.

5. The Debtor is authorized, but not directed, to pay in the ordinary course of business any costs and expenses incidental to payment of the Associate Compensation and Benefits obligations, including the 401(k) Contributions for non-executive employees, all administrative and processing costs, and necessary payments to outside professionals the identify and amounts of which shall be identified to Citizens Bank, N.A. in advance of payment thereof. For purposes of this Motion and Order, Nirmal Mulye, Carlton Asher, Esq., Bridget Ahn, Esq., Bernard Berk, and other officers or 1099 employees are considered "executive" employees, together with insiders as such term is defined under Section 101(31)(B) of the Bankruptcy Code, who will not receive any payments pursuant to this Order. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Associate Compensation and Benefits obligations.

6. Secured creditor Citizens Bank, N.A. is granted an automatically perfected, valid, binding, continuing, enforceable, non-avoidable, fully perfected priming replacement lien on, and security interest in, all prepetition and post-petition property of the Debtor, and all products, proceeds, rents and profits thereof, up to the amount of pre-petition payments made pursuant to this Order. Notwithstanding anything in the Motion or this Order, nothing shall affect or impair the United States of America's rights and defenses of setoff and recoupment, if any.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtor's

designation of any particular check or electronic payment request as approved by this Order.

8. Nothing contained in the Motion or this Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Order), is intended as or shall be construed or deemed to be: (a) (i) a consent by Citizens Bank, N.A. to any use of cash collateral by the Debtor other than as expressly set forth herein, or (ii) acknowledgement by Citizens Bank, N.A. that the adequate protection granted herein does in fact adequately protect Citizens Bank against any diminution in value of its interests in the Debtor's assets, including cash collateral, however Citizens Bank, N.A. shall be deemed to have requested adequate protection and shall not be required to file a motion or seek other relief from the Court as a condition of obtaining the rights granted herein under Section 507(b), (b) an admission as to the amount of, basis for, or validity of any claim against the Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (c) a waiver of the Debtor's or any other party in interest's right to dispute any claim on any grounds; (d) a promise or requirement to pay any particular claim; (e) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Order; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to Section 365 of the Bankruptcy Code; (g) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estates, other than the replacement liens granted to Citizens Bank, NA. herein; or (f) a waiver or limitation of any claims, causes of action or other rights of the Debtor or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

9. The Debtor is authorized, but not directed, to issue post-petition checks, or to effect post-petition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 cases with respect only to prepetition amounts owed in connection with the relief granted herein.

10. Nothing in this Order authorizes the Debtor to accelerate any payments not otherwise due.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

13. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

14. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

15. Notwithstanding anything in the Motion or in this Order to the contrary, all relief granted in this Order regarding all persons to receive payment from the Debtor, including but not limited to Associate employees, executives, anyone engaged in the Debtor's employ as a 1099 employee, and all insiders, is limited to the statutory caps as set forth in Sections 507(a)(4) and (a)(5) of the Bankruptcy Code.