

ENTERED

April 04, 2024

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
)	
CONVERGEONE HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 24-90194 (CML)
)	
Debtors.)	(Jointly Administered)
)	Re: Docket No. 17

**ORDER (I) AUTHORIZING
THE DEBTORS TO (A) MAINTAIN
INSURANCE COVERAGE AND THE SURETY BOND
PROGRAM AND PAY RELATED PREPETITION OBLIGATIONS,
(B) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE
COVERAGE AND SURETY BONDS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”), pursuant to sections 105(a), 363(b), 363(c), and 1107(a) of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and Bankruptcy Local Rules 1075-1, 4002-1, and 9013-1, authorizing but not directing, the Debtors to (i) maintain coverage under the Insurance Policies and the Surety Bond Program and pay any related prepetition or postpetition amounts or obligations related thereto, and (ii) renew, supplement, modify, or purchase insurance coverage and surety bonds in the ordinary course, in each case as more fully set forth in the Motion and subject to the terms of this Order; and upon

¹ The Debtors in these Chapter 11 Cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: AAA Network Solutions, Inc. (7602); ConvergeOne Dedicated Services, LLC (3323); ConvergeOne Government Solutions, LLC (7538); ConvergeOne Holdings, Inc. (9427); ConvergeOne Managed Services, LLC (6277); ConvergeOne Systems Integration, Inc. (9098); ConvergeOne Technology Utilities, Inc. (6466); ConvergeOne Texas, LLC (5063); ConvergeOne Unified Technology Solutions, Inc. (2412); ConvergeOne, Inc. (3228); Integration Partners Corporation (7289); NetSource Communications Inc. (6228); NuAge Experts LLC (8150); Providea Conferencing, LLC (7448); PVKG Intermediate Holdings Inc. (4875); Silent IT, LLC (7730); and WrightCore, Inc. (3654). The Debtors’ mailing address is 10900 Nesbitt Avenue South, Bloomington, Minnesota 55437.

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

consideration of the First Day Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and the opportunity for a hearing on the Motion having been given and it appearing that no other or further 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; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the relief requested in the Motion being in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors shall serve a copy of the Motion and this Order on each Insurance Carrier listed in **Exhibit 1** and each Surety listed in **Exhibit 2** attached to this Order within two business days after entry of this Order.

2. The Debtors are authorized, but not directed, to continue the Insurance Policies and the Surety Bonds as well as any related agreements in the ordinary course of business and consistent with the Debtors' prepetition practice, and to pay any prepetition or postpetition obligations related to the Insurance Policies and Surety Bonds, including the Insurance Obligations and Surety Bond Obligations, in the amounts and categories described in the Motion, notwithstanding any failure of the Debtors to include any insurance policy or surety bond in **Exhibit 1** or **Exhibit 2**.

3. The Debtors, in consultation with the First Lien Ad Hoc Group, are authorized, but not directed, to renew, amend, supplement, and/or extend the Insurance Policies, and to purchase new insurance policies in the ordinary course of business, and to execute other agreements in connection therewith.

4. The Debtors, in consultation with the First Lien Ad Hoc Group, are authorized, but not directed, to renew, amend, supplement, and/or extend the Surety Bonds, and to purchase new surety bonds in the ordinary course of business, and to execute other agreements in connection therewith.

5. The Debtors are not authorized by this Order to take any action with respect to a Surety Bond that would have the effect of transforming a prepetition undersecured or unsecured Surety Bond Obligation into a postpetition or secured obligation. The Debtors, in consultation with the First Lien Ad Hoc Group, may seek such relief by separate motion, which may be heard on an expedited basis.

6. The Debtors shall provide reasonable advance notice to the U.S. Trustee, the First Lien Ad Hoc Group, and any statutory committee appointed in these cases if the Debtors renew, amend, supplement, extend, terminate, replace, increase, or decrease existing insurance and surety coverage or change insurance carriers or sureties, enter into any premium financing agreements, or obtain additional insurance coverage or surety bonds.

7. The Debtors shall maintain a matrix or schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the date and amount of the payment; (c) the category or type of payment, as further described and classified in the Motion. The Debtors shall provide a copy of such matrix or schedule to the U.S. Trustee, the First Lien Ad Hoc Group, the Second Lien Ad Hoc Group, and any statutory committee appointed in these

Chapter 11 Cases no later than ten business days following the last day of each calendar month beginning upon entry of this Order.

8. Notwithstanding anything to the contrary contained in the Motion or in this Order, the Debtors shall provide reasonable advance notice to the First Lien Ad Hoc Group and the Second Lien Ad Hoc Group, of any material changes or modifications to the Debtors' historical policies and practices with respect to any action taken or proposed to be taken hereunder; *provided*, for the avoidance of doubt, that the Debtors, in consultation with the First Lien Ad Hoc Group, shall seek Court approval, on notice, of any such material changes or modifications to the extent required under the Bankruptcy Code.

9. The Debtors are authorized to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

10. Notwithstanding anything to the contrary contained in the Motion or in this Order, any payment to be made hereunder, and any authorization contained herein, shall be subject to any interim and final orders, as applicable, approving the use of cash collateral and/or any postpetition debtor-in-possession financing (such orders, collectively, the "**DIP Order**"), and any budgets in connection therewith governing any such use of cash collateral and/or postpetition debtor-in-possession financing. To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

11. Nothing in the Motion or this Order waives or modifies the requirements of the RSA, including, without limitation, the consent and consultation rights contained therein.

12. The Debtors are authorized to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

13. 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 and directed 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 Debtors' designation of any particular check or electronic payment request as approved by this Order.

14. The Debtors are authorized to issue postpetition checks or effect postpetition fund transfer requests in replacement of any checks or fund transfer requests that are inadvertently dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with the relief granted herein.

15. Nothing contained in the Motion or this Order nor any actions taken pursuant to the relief granted herein is intended or shall be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) an impairment or waiver of the Debtors' or any other party in interest's rights to dispute the amount of, basis for, or validity of any claim against, or interest in, any Debtor, its property, or its estate on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in the Motion or this Order or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a waiver of any claim or cause of action that may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code or otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease; (g) a waiver or limitation of the Debtors', or any other party in

interest's, rights under the Bankruptcy Code or any other applicable law; (h) an implication or admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance of property of the Debtors' estates; (i) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to this Order are valid and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens; (j) a waiver of the obligation of any party in interest to file a proof of claim; or (k) an impairment or waiver of any claims or causes of action that may exist against any entity under the Bankruptcy Code or any other applicable law. Any payment made pursuant to this Order is not intended and should not be construed as an admission as to the validity or priority of any claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute the extent, perfection, priority, validity, or amount of such claim.

16. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief granted in this Order is necessary to avoid immediate and irreparable harm to the Debtors' estates.

17. 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 Bankruptcy Local Rules are satisfied by such notice.

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

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

Signed: April 04, 2024



Christopher Lopez
United States Bankruptcy Judge

Exhibit 1

Insurance Policies

Insurance Carrier	Policy Type	Policy #	Expiration Date
American Bankers Insurance Company of Florida (Assurant)	Flood	60102845542023	6/9/2024
AXIS Insurance Company	Employment Practices Liability / Fiduciary Liability	P-001-000160638-05	6/17/2024
Beazley Insurance Company	D&O, EPL, Fiduciary – Run-Off	V24B70180101	9/28/2024
Berkley Insurance Company	Crime	BCCR-45004735-21	5/3/2024
Chubb Indemnity Insurance Company	Auto	73637415	12/1/2024
Chubb Indemnity Insurance Company	Foreign Package, General Liability, Property	3605-71-75	12/1/2024
Chubb Indemnity Insurance Company	Umbrella	7819-21-64	12/1/2024
Chubb Indemnity Insurance Company	Workers' Compensation	7177-66-99	10/1/2024
Endurance Risk Solutions Assurance Company	Excess D&O Liability	ADL30000922705	2/4/2025
Evanston Insurance Company	Contractors' Pollution Liability	CPLMO12056	12/1/2024
Everest National Insurance Company	Excess D&O Liability	PC5EX00487241	2/4/2025
Sompo International	Technology E&O / Cyber	NRO30027805701	12/1/2024
Travelers Property & Casualty Company of America	Excess	EX7S38239723NF	12/1/2024

Insurance Carrier	Policy Type	Policy #	Expiration Date
Westfield Specialty Insurance Company	Excess Technology E&O / Cyber	XCE-0002CJ3-01	12/1/2024
Westchester Surplus Lines Insurance Company	D&O Liability	G7256408003	2/4/2025
Zurich American Insurance Company	Excess Employment Practices Liability	MPL9504176-03	6/17/2024

Exhibit 2

Surety Bonds

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Endurance Assurance Corporation	Payment / Performance	Alisal Union Elementary School District	EACX4026136	05/01/2024	\$601,531.51
Endurance Assurance Corporation	Payment / Performance	Alisal Union Elementary School District	EACX4028062	04/30/2024	\$287,257.88
Endurance Assurance Corporation	Payment / Performance	Alisal Union Elementary School District	EACX4026135	04/30/2024	\$201,436.20
Endurance Assurance Corporation	Payment / Performance	Coahoma Community College	EACX4026134	05/31/2024	\$1,781,976.00
Endurance Assurance Corporation	Payment / Performance	Gadsden Independent School District	EACX4029488	06/15/2024	\$594,253.57
Endurance Assurance Corporation	Payment / Performance	IDEA Public Schools	EACX4041450	02/27/2025	\$5,628,984.00
Endurance Assurance Corporation	Payment / Performance	Jurupa Unified School District	EACX4029440	09/30/2024	\$1,755,143.41
Endurance Assurance Corporation	Payment / Performance	Stockton Unified School District	EACX4029436	04/30/2024	\$707,243.66
Federal Insurance Company	Payment / Performance	Jefferson Elementary School District	K4157236A	04/15/2024	\$2,521,405.87
Lexon Insurance Company	Bid	Long Beach Unified School District	N/A	N/A	\$4,000,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Lexon Insurance Company	Payment / Performance	Ontario-Montclair School District	LICX1200943	01/25/2025	\$2,143,476.19
Lexon Insurance Company	Payment / Performance	Rialto Unified School District	LICX1200942	01/04/2025	\$5,712,723.52
Lexon Insurance Company	Payment / Performance	San Diego Unified School District	LICX1200938	08/15/2024	\$320,253.44
Lexon Insurance Company	Licensing & Permitting	State of California, Contractors State License Board	LICX1200940	10/10/2024	\$25,000.00
Lexon Insurance Company	Licensing & Permitting	State of California, Contractors State License Board	LICX1200937	08/08/2024	\$25,000.00
Liberty Mutual Insurance Company	Payment / Performance	Alisal Union Elementary School District	674218207	04/15/2024	\$274,487.17
Liberty Mutual Insurance Company	Payment / Performance	Bear Valley Unified School District	674220888 / 674016307	06/16/2024	\$700,609.25
Liberty Mutual Insurance Company	Excise	Canada Revenue Agency	BDTO142111021	09/17/2024	\$5,000.00
Liberty Mutual Insurance Company	Bid	Canjon Valley UHSD	N/A	N/A	\$600,000.00
Liberty Mutual Insurance Company	Bid	Carmel USD	N/A	N/A	\$340,700.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Liberty Mutual Insurance Company	Payment / Performance	College of the Sequoias	674215501	04/25/2026	\$925,334.74
Liberty Mutual Insurance Company	Payment / Performance	Fort Hays State University	674222468	12/15/2024	\$486,587.67
Liberty Mutual Insurance Company	Payment / Performance	Gallup McKinley County Schools	674222458	08/01/2024	\$2,585,830.00
Liberty Mutual Insurance Company	Bid	Kansas City Kansas Public Schools	N/A	N/A	\$210,000.00
Liberty Mutual Insurance Company	Bid	Kansas City Kansas Public Schools	N/A	N/A	\$51,000.00
Liberty Mutual Insurance Company	Payment / Performance	Long Beach Unified School District	674216569	10/06/2024	\$600,000.00
Liberty Mutual Insurance Company	Payment / Performance	Long Beach Unified School District	674216120	06/30/2024	\$522,641.18
Liberty Mutual Insurance Company	Payment / Performance	Long Beach Unified School District	674220253	07/31/2024	\$55,651.90
Liberty Mutual Insurance Company	Licensing & Permitting	New Mexico Regulation and Licensing Department	674219378	09/01/2025	\$10,000.00
Liberty Mutual Insurance Company	Payment / Performance	Oxnard Union High School District	674217909	06/06/2024	\$1,730,822.87

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Liberty Mutual Insurance Company	Bid	Pike County Board of Education	N/A	N/A	\$655,000.00
Liberty Mutual Insurance Company	Payment / Performance	Rialto Unified School District	674217910	06/30/2024	\$9,889,787.91
Liberty Mutual Insurance Company	Payment / Performance	Riverside Community College District	674220207	04/15/2024	\$517,864.45
Liberty Mutual Insurance Company	Payment / Performance	San Diego Unified School District	674222255	10/30/2024	\$2,402,596.77
Liberty Mutual Insurance Company	Payment / Performance	San Diego Unified School District	674222465	04/30/2024	\$150,129.00
Liberty Mutual Insurance Company	Licensing & Permitting	State of Arizona, Registrar of Contractors	674215833	07/16/2024	\$25,000.00
Liberty Mutual Insurance Company	Licensing & Permitting	State of California	674216628	01/01/2025	\$25,000.00
Liberty Mutual Insurance Company	Licensing & Permitting	State of Colorado	674220208	04/15/2024	\$742,587.14
Liberty Mutual Insurance Company	Licensing & Permitting	Will County, IL	674222519	01/25/2026	\$733,972.17
Travelers Casualty and Surety Company of America	Union	Local Union #164 of the International Brotherhood of Electrical Workers	104717041	04/26/2024	\$85,000.00

Surety/Issuing Carrier	Bond Type	Obligee	Bond #	Expiration Date	Bond Amount
Travelers Casualty and Surety Company of America	Licensing & Permitting	State of California	107369597	03/30/2025	\$25,000.00
Travelers Casualty and Surety Company of America	Licensing & Permitting	U.S. Customs and Border Protection	201007002	10/08/2024	\$100,000.00
Travelers Casualty and Surety Company of America	Licensing & Permitting	Santa Ana Unified School District	107396607	06/30/2025	\$40,052,142.21
Travelers Casualty and Surety Company of America	Licensing & Permitting	State of Iowa, Division of Labor	107369598	06/27/2024	\$25,000.00
Travelers Casualty and Surety Company of America	Licensing & Permitting	State of Tennessee, Department of Commerce and Insurance	107369595	02/07/2025	\$500,000.00
Travelers Casualty and Surety Company of America	Licensing & Permitting	University of Central Missouri	107420761	06/30/2024	\$76,500.00
Westchester Fire Insurance Company	Payment / Performance	CRC Associates, Inc.	K09292925	06/30/2024	\$10,005,245.84