



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

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

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*Proposed Attorneys for Nostrum Laboratories,
Inc.*

In re:

NOSTRUM LABORATORIES, INC.,

Debtor.

Case No.: 24-19611

Chapter 11

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

**INTERIM ORDER (I) AUTHORIZING DEBTOR TO MAINTAIN EXISTING
CORPORATE BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM, AND (II)
GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through twelve (12), is
ORDERED.

DATED: October 9, 2024

A handwritten signature in dark ink, appearing to read "J.K. Sherwood", is written over a horizontal line.

Honorable John K. Sherwood
United States Bankruptcy Court

Debtor: Nostrum Industries, Inc. Certificate of Notice Page 2 of 14

Case No.: 24-19611 (JKS)

Caption of Order: Interim Order Authorizing Debtor to (I) Maintain Existing Corporate Bank Accounts and Cash Management System, and (II) Granting Other Relief

Upon the Debtor's Motion For Interim and Final Orders Authorizing Debtor to (I) Maintain Existing Corporate Bank Accounts and Cash Management System, and (II) Granting Other Relief (the "Motion") for an entry of an interim order (the "Interim Order"), authorizing Debtor to (a) maintain the existing cash management system, (b) to continue using debit, wire and ACH transfers, (c) waive the U.S. Trustee Guidelines regarding authorized depositories on an interim basis, (d) waive the U.S. Trustee Guidelines regarding payroll and tax trust accounts, and (e) granting related relief, and (f) scheduling a final hearing (the "Final Hearing") to consider approval of the Motion on a final basis as more fully set forth in the Motion, and upon the First Day Declaration; 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 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 therefor **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on an interim basis as set forth herein.

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2. The Final Hearing on the Motion will be held on **Tuesday, Nov. 12, 2024, at 10:00 a.m. (Eastern Time)**. Objections, if any, that relate to the Motion shall be filed and served so as to be actually received by the Debtor's proposed counsel and the following parties on or before **Tuesday, November 5, 2024, at 5:00 p.m. (Eastern Time)**: (a), Department of Justice, 1100 L Street, NW, 7th Floor, Ste 7002, Washington, D.C. 20005, Attn: Leah Victoria Lerman (leah.v.lerman@usdoj.gov); (b) Stradley, Ronon, Stevens & Young, LLC, 457 Haddonfield Road, Suite 100, Cherry Hill, New Jersey 08002, Attn: Julie M. Murphy (jmmurphy@stradley.com) and Daniel M. Pereira (dpereira@stradley.com); and (c) United States Department of Justice, Office of the U.S. Trustee, One Newark Center, Suite 2100, Newark, New Jersey 07102-55044, Attn: Fran B. Steele (Fran.B.Steele@usdoj.gov). If no objections are filed to the Motion, the Court may enter an order approving the relief requested in the Motion on a final basis without further notice or hearing.

3. The Debtor is authorized, but not directed, on an interim basis, to: (a) continue operating the Cash Management System as described in the Motion; (b) honor its prepetition obligations related thereto; (c) continue to use, with the same account numbers, the Debtor Bank Accounts in existence as of the Petition Date, in the names and with the account numbers existing immediately before the Petition Date, and need not comply with the U.S. Trustee Guidelines requiring the opening of separate debtor-in-possession accounts; (d) treat the Debtor Bank Accounts for all purposes as accounts of the Debtor as debtor in possession; (e) deposit funds in and withdraw funds from the Debtor Bank Accounts by all usual means, including checks, wire transfers, and other debits; and (f) pay the Bank Fees, including any prepetition amounts and any post-petition ordinary-course Bank Fees incurred in connection with the Debtor Bank Accounts

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and to otherwise perform its obligations under the documents governing the Debtor Bank Accounts, provided that in each case, such action is taken in the ordinary course of business and consistent with historical practices. Notwithstanding the foregoing, once the Debtor have exhausted its existing supply of correspondence, business forms stock and checks, the Debtor will obtain new business forms stock and checks reflecting its status as “Debtor-in-Possession” and include the corresponding bankruptcy case number on all checks. Further, within fourteen (14) days of entry of this Interim Order, the Debtor shall update any electronically produced checks to reflect its status as “Debtor-in-Possession” and to include the corresponding bankruptcy case number.

4. The Cash Management Banks are authorized to continue to maintain, service, and administer the Debtor Bank Accounts as accounts of the Debtor as debtor in possession, without interruption and in the ordinary course of business consistent with historical practices, and to receive, process, honor, and pay, to the extent of available funds and consistent with the DIP Orders, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Debtor Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be, 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 Interim Order; *provided* that the Debtor shall only instruct or request any Cash Management Bank to pay or honor any check, draft, or other payment item issued on a Debtor Bank Account prior to the Petition Date but presented to such Cash Management Bank for payment after the Petition Date as authorized by an order of the Court.

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5. The Cash Management Banks are authorized to debit the Debtor Bank Accounts in the ordinary course of business, consistent with historical practices and the Cash Management System, without the need for further order of this Court for: (a) all checks drawn on the Debtor Bank Accounts that are cashed at such Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtor Bank Accounts with such Cash Management Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Cash Management Bank as service charges for the maintenance of the Cash Management System

6. The Cash Management Banks are hereby authorized, but not directed, to release, as soon as practicable, the Debtor's funds from any applicable bank accounts held or otherwise controlled by the Cash Management Banks so as to allow the Debtor to make payments, as approved by any Interim Order or any Interim Wages Order, consistent with the Debtor's ordinary-course operations.

7. Any existing deposit agreements between or among the Debtor, the Cash Management Banks, and other parties shall continue to govern the post-petition cash management relationship between the Debtor and the Cash Management Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect unless otherwise ordered by the Court.

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8. To the extent any of the Debtor Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines (the "U.S. Trustee Guidelines"), the Debtor shall have thirty (30) days from the date of this Interim Order to come into compliance with section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines, without prejudice to seeking an additional extension or a final waiver of such requirements; *provided* that nothing herein shall prevent the Debtor or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached within that time period (or such other period as is agreed to by the Debtor and the U.S. Trustee).

9. For Cash Management Banks at which the Debtor hold Debtor Bank Accounts that are party to a Uniform Depository Agreement for the District of New Jersey ("UDA") with the U.S. Trustee, within five (5) days of entry of this Interim Order, the Debtor shall (a) contact each Cash Management Bank, (b) provide the Cash Management Banks with each of the Debtor's employer identification numbers, and (c) identify each of its Debtor Bank Accounts held at such Cash Management Banks as being held by a debtor in possession in a bankruptcy case, and provide the case number.

10. For banks at which the Debtor holds accounts that are not party to a UDA with the U.S. Trustee, the Debtor shall use its good-faith efforts to cause the banks to execute a UDA in a form prescribed by the U.S. Trustee within thirty (30) days of the date of this Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a UDA in a form prescribed by the U.S. Trustee are fully preserved.

11. The Debtor and the Cash Management Banks may, without further order of this Court, agree to and implement changes to the Cash Management System and procedures related

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thereto in the ordinary course of business, consistent with historical practices, the Debtor's prepetition secured debt agreements, and in accordance with the terms of any other DIP Orders, including, without limitation, the opening of any new bank accounts, the closing of any existing Debtor Bank Accounts, and entrance into ancillary agreements, including new deposit account control agreements related to the foregoing, as the Debtor and the Cash Management Banks may deem necessary and appropriate; *provided*, however, that any such changes will be subject to the terms and conditions of this order, and the Debtor shall, to the extent reasonably practicable, provide counsel to Citizens Bank with not less than five (5) business days' notice prior to making any material changes to the Cash Management System. The Debtor shall provide reasonable notice to the U.S. Trustee and the advisors to any statutory committee appointed in these chapter 11 cases of any material changes to the Cash Management System

12. The Debtor is authorized to open and close bank accounts; *provided*, however, that any such new bank account shall be established at an institution that is (a) a party to a UDA with the U.S. Trustee or is willing to immediately execute a UDA and (b) agrees to be bound by the terms of this Interim Order. The Debtor shall provide notice within one (1) business day to the U.S. Trustee, counsel to Citizens Bank, and counsel to any statutory committees of the opening of a new bank account or closing of an existing Debtor Bank Account. In addition, the opening or closing of a bank account shall be timely indicated on the Debtor's monthly operating reports. The U.S. Trustee, Citizens Bank, and any statutory committees appointed in these chapter 11 cases will have fourteen (14) days from receipt of such notice to file any objection with regard to the opening or closing of a bank account, or such later date as may be extended by the Court or agreed to between the Debtor, the U.S. Trustee, Citizens Bank, and/or any statutory committees appointed

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in these chapter 11 cases. Any new debtor-in-possession bank account must bear the designation “Debtor-in-Possession” and designated as “Debtor-in-Possession” accounts with the case number.

13. The relief granted in this Interim Order is extended to any new bank account opened by the Debtor in the ordinary course of business and consistent with historical practice after the date hereof, which account shall be deemed a “Debtor Bank Account,” and to the bank at which such account is opened, which bank shall be deemed a “Cash Management Bank.”

14. All Cash Management Banks maintaining any of the Debtor Bank Accounts that are provided with notice of this Interim Order shall not honor or pay any bank payments drawn on the listed Debtor Bank Accounts or otherwise issued before the Petition Date for which the Debtor specifically issue timely stop payment orders in accordance with the documents governing such Debtor Bank Accounts.

15. The Cash Management Banks are authorized, without further order of this Court, to deduct any applicable fees from the applicable Debtor Bank Accounts in the ordinary course of business consistent with historical practices.

16. The Cash Management Banks are authorized, without further order of this Court, to charge back to the appropriate accounts of the Debtor any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned items were deposited or transferred prepetition or post-petition and regardless of whether the returned items relate to prepetition or post-petition items or transfers.

17. Subject to the terms set forth herein, any bank, including the Cash Management Banks, may rely upon the representations of the Debtor, without any duty to inquire otherwise,

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with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to any order of this Court, of which items the Debtor shall promptly notify the Cash Management Banks, and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtor, (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake made despite implementation of reasonable customary handling procedures, shall be deemed to be nor shall be liable to the Debtor, its estates, or any other party on account of such prepetition check or other item being honored post-petition, or otherwise deemed to be in violation of this Interim Order

18. Any banks, including the Cash Management Banks, are further authorized to honor the Debtor's directions with respect to the opening and closing of any Debtor Bank Account and accept and hold, or invest, the Debtor's funds in accordance with the Debtor's instructions; *provided* that the Cash Management Banks shall not have any liability to any party for relying on such representations.

19. Nothing contained in the Motion or this Interim Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date or (b) alter or impair the validity, priority, enforceability, or perfection of any security interest or lien or setoff right, in favor of any person or entity, that existed as of the Petition Date.

20. 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

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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 Interim Order.

21. Nothing contained in the Motion or this Interim Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Interim Order), is intended as or shall be construed or deemed to be: (a) 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; (b) a waiver of the Debtor's or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) 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 Interim Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) 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; or (g) 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.

22. The Debtor shall maintain records of all transfers within the Cash Management System, so that all transfers and transactions shall be adequately and promptly documented in, and ascertainable from, the Debtor's books and records, to the same extent as maintained prior to the commencement of these chapter 11 cases.

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23. 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 to prepetition amounts owed in connection with the relief granted herein.

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

25. Notwithstanding anything to the contrary in the Motion or this Interim Order, any payment made by the Debtor pursuant to the authority granted in this Interim Order must be in compliance with and any authorization of the Debtor contained herein is subject to: (a) any interim or final orders entered by the Court approving the Debtor's entry into any post-petition debtor-in-possession financing facility and/or authorizing the use of cash collateral; and (b) the documentation in respect of any such debtor-in-possession financing or use of cash collateral.

26. Pending resolution of the Motion to Prohibit Debtor's Use of Cash Collateral filed on behalf of Citizens Bank, National Association under Docket Entry No. 22 and any Cross-Motion of the Debtor to Use Cash Collateral filed subsequently thereto ("Cash Collateral Motions"), this Interim Order shall only authorize the banks to release funds and for the Debtor to utilize its existing cash management systems to pay pre-petition wages permitted by Court Order, which authorization may ultimately extend to the Debtor's ability or inability to utilize cash collateral pending further Order of the Court or resolution of the Cash Collateral Motions.

27. The Debtor has demonstrated that the requested relief is "necessary to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003.

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28. 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.

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

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

31. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

32. Any party may move for modification of this Order in accordance with Local Rule 9013-5(e).

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

In re:
Nostrum Laboratories, Inc.
Debtor

Case No. 24-19611-JKS
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0312-2
Date Rcvd: Oct 09, 2024

User: admin
Form ID: pdf903

Page 1 of 2
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Oct 11, 2024:

Recip ID	Recipient Name and Address
db	+ Nostrum Laboratories, Inc., 1800 N. Topping Avenue, Kansas City, MO 64120-1228

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Oct 11, 2024

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on October 9, 2024 at the address(es) listed below:

Name	Email Address
Anthony Sango	on behalf of Debtor Nostrum Laboratories Inc. asango@ansell.law, courtfilings@ansellgrimm.com
Anthony J D'Artiglio	on behalf of Debtor Nostrum Laboratories Inc. ADARTIGLIO@ANSELL.LAW, courtfilings@ansellgrimm.com
Brian Ashnault	on behalf of Debtor Nostrum Laboratories Inc. bashnault@ansell.law, courtfilings@ansellgrimm.com
Carol A. Slocum	on behalf of Creditor AmerisourceBergen Drug Corporation cslocum@klehr.com lclark@klehr.com
Daniel M Pereira	on behalf of Creditor Citizens Bank National Association dpereira@stradley.com
Fran B. Steele	on behalf of U.S. Trustee U.S. Trustee Fran.B.Steele@usdoj.gov

District/off: 0312-2

User: admin

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Date Rcvd: Oct 09, 2024

Form ID: pdf903

Total Noticed: 1

James G. Aaron

on behalf of Debtor Nostrum Laboratories Inc. jga@ansellgrimm.com, madeline@ansellgrimm.com

Julie M. Murphy

on behalf of Creditor Citizens Bank National Association jmmurphy@stradley.com

Layne Alison Feldman

on behalf of Debtor Nostrum Laboratories Inc. lfeldman@ansell.law

Leah Victoria Lerman

on behalf of Creditor United States of America leah.v.lerman@usdoj.gov

Michele M. Dudas

on behalf of Creditor McKesson Corporation and certain corporate affiliates mdudas@msbnj.com

Morton R. Branzburg

on behalf of Creditor AmerisourceBergen Drug Corporation mbranzburg@klehr.com jtaylor@klehr.com;nyackle@klehr.com

Nicole Arianna Benis

on behalf of Debtor Nostrum Laboratories Inc. nbenis@ansell.law, courtfilings@ansellgrimm.com

U.S. Trustee

USTPRegion03.NE.ECF@usdoj.gov

TOTAL: 14