

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

SCOTTISH HOLDINGS, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 18-10160 (LSS)

Jointly Administered

Re: D.I. 6

**ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION  
TAXES AND REGULATORY FEES IN THE ORDINARY COURSE OF BUSINESS AND  
(II) AUTHORIZING BANKS AND FINANCIAL INSTITUTIONS TO HONOR AND  
PROCESS CHECKS AND TRANSFERS RELATED THERETO**

Upon consideration of the motion (the "Motion")<sup>2</sup> of the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors") for the entry of an order (the "Order"), pursuant to sections 105(a) and 363 of title 11 of the Bankruptcy Code, (i) authorizing but not directing the Debtors to pay or honor, in the Debtors' sole discretion, certain prepetition taxes and regulatory fees in the ordinary course of business, and (ii) authorizing banks and financial institutions to honor and process checks and transfers related thereto; and upon the *Declaration of Gregg Klingenberg in Support of First Day Relief* (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 *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

<sup>1</sup> The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

<sup>2</sup> Capitalized terms not defined in this Order are defined in the Motion.

this Court 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 proper notice of the Motion having been provided; and the relief requested being in the best interests of the Debtors and their estates and creditors; 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 the 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 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 relief requested by the Motion is GRANTED to the extent set forth herein.
2. The Debtors are authorized but not directed, in the Debtors' sole discretion, to pay and remit taxes and fees in the ordinary course of business without regard to whether the taxes or fees accrued or arose before or after the Petition Date, including prepetition taxes and fees in an aggregate amount not to exceed \$605,000.
3. In accordance with this Order and any other order of this Court, the financial institutions at which the Debtors maintain their accounts (the "Banks") shall be, and hereby are, authorized, when requested by the Debtors (in the Debtors' sole discretion), to honor and pay all checks or electronic fund transfers drawn on the Debtors' accounts for the payments authorized pursuant to this Order, whether such payments were presented prior to or following the Petition Date, provided that sufficient funds are on deposit in such accounts to honor and make such payments.

4. The Banks may rely on the representations of the Debtors with respect to whether any check or electronic fund transfers drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Order.

5. The Debtors are authorized to issue postpetition checks, or to effect postpetition electronic fund transfers, in replacement of any checks or electronic fund transfers in respect of payments authorized by this Order that are dishonored or rejected after the Petition Date.

6. Nothing in the Motion or this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as (a) an admission as to the validity, amount, classification, or priority of any claim or lien against the Debtors, (b) a waiver of the right of the Debtors, or shall impair the ability of the Debtors, to contest the validity, amount, classification, or priority of any claim, lien, or payment made pursuant to this Order; or (c) a request or an approval to assume any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code.

7. The Debtors are authorized and empowered to take such actions as may be reasonably necessary to implement and effectuate this Order.

~~8. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.~~ 

9. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

10. This Court shall retain jurisdiction over the Debtors and any party receiving payment from the Debtors pursuant to this Order with respect to any matters, claims, rights, or disputes arising from or related to the Motion, the implementation of this Order, or the validity of any of claims against the Debtors or payment made pursuant to this Order.

February 20, 2018  
Wilmington, Delaware

*James Sewer-Sawyer*  
UNITED STATES BANKRUPTCY JUDGE