

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

In re:

CalAmp Corp., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-____ (____)

(Joint Administration Requested)

**DEBTORS' MOTION PURSUANT TO SECTION 345
OF THE BANKRUPTCY CODE FOR ENTRY OF INTERIM
AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO
(A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM,
(B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO,
(C) PERFORM INTERCOMPANY TRANSACTIONS, AND (D) MAINTAIN EXISTING
BUSINESS FORMS; (II) AUTHORIZING THE DEBTORS' BANKS TO HONOR ALL
RELATED PAYMENT REQUESTS; AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) seek entry of interim and final orders, substantially in the forms attached hereto as Exhibit A and Exhibit B (the “Proposed Interim Order” and the “Proposed Final Order,” respectively), (i) authorizing the Debtors to (a) continue to operate their Cash Management System (as defined herein), (b) honor certain prepetition obligations related thereto, (c) perform intercompany transactions in the ordinary course of business and consistent with historical practice, and granting administrative expense status for postpetition Intercompany Claims (as defined herein), and (d) maintain existing business forms in the ordinary course of business; (ii) authorizing the Debtors’ banks to honor all related payment requests; and (iii) granting related relief. In support of this motion (this “Motion”), the Debtors respectfully state as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: CalAmp Corp. (7070); CalAmp Wireless Networks Corporation (1740); LoJack Global LLC (4794); and Synovia Solutions LLC (2994). The Debtors’ service address is 15635 Alton Parkway, Suite 250, Irvine, CA 92618.

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over the above-captioned chapter 11 cases (these “Chapter 11 Cases”), the Debtors, property of the Debtors’ estates, and these matters under 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 within the meaning of 28 U.S.C. § 157(b)(2).

2. Pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue of these Chapter 11 Cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a), 345, 363, and 503(b) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 2015-2.

GENERAL BACKGROUND

5. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtors have also filed a motion requesting joint administration of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their business and managing their properties as debtors in

possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made, and no official committees have been appointed in these Chapter 11 Cases.

6. The Debtors are a connected intelligence company that leverages a data-driven solutions ecosystem to help people and organizations improve operational performance. They solve complex problems for customers within the market verticals of transportation and logistics, commercial and state and local government vehicle fleets, industrial equipment, school district yellow and white fleets, and consumer vehicles by providing solutions that track, monitor, and protect their vital assets and assist with stolen vehicle recovery. The data and insights enabled by the Debtors provides real-time visibility into a user's vehicles, assets, drivers, and cargo, giving organizations a greater understanding and control of their operations. Ultimately, these insights drive operational visibility, safety, efficiency, maintenance, and sustainability for organizations globally.

7. The Debtors offer flexible solutions to meet the requirements of varying organizations, business processes, and operational strategies. One of the key components of the Debtors' business is the CalAmp Telematics Cloud platform (the "CTC"). The CTC is the core engine that enables seamless management of data through a diverse set of assets, from service vehicles to high-value equipment. The CTC is an enablement platform that connects the Debtors' customers to provide data and insights for a wide range of applications and software services. This dependable and highly scalable platform seamlessly integrates with the Debtors' edge computing devices to provide customers detailed information and insights via Application Programming Interfaces ("APIs") or software applications built on this platform.

8. The Debtors also offer a series of telematics edge computing devices that serve as the foundation of their mobile connected ecosystem by collecting data insights from vehicles, drivers, assets, and cargo. These wireless enabled devices—including asset tracking units, mobile telematics devices, fixed and mobile wireless gateways and routers—underpin the Debtors’ wide range of proprietary and third-party software applications and services for business-critical deployments demanding secure and reliable communications and controls anywhere in the world. The Debtors’ customers select products and solutions based on optimized feature sets, programmability, configurability, manageability, long-term support, reliability and, in particular, overall value.

9. The information captured through the edge computing products and the CTC helps companies more efficiently manage their vital assets including fleet video intelligence, remote asset tracking, real-time crash response and driver behavior scoring, among others. Customers can choose to access this information via intuitive purpose-built Software-as-a-Service (“SaaS”) applications and/or they can programmatically integrate information from the CTC with their own custom in-house applications and workflows using open APIs also offered by the Debtors. In this way, customers who want a complete turnkey solution can quickly leverage the Debtors’ information and insights while those customers wishing to integrate that information into their own applications and processes can also easily do so.

10. Additional factual background regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the filing of these Chapter 11 Cases is set forth in the *Declaration of Jikun Kim in Support of the Debtors’ Chapter*

11 Petitions and First Day Pleadings (the “First Day Declaration”), which is incorporated herein by reference.²

11. As detailed in the First Day Declaration, these Chapter 11 Cases are “prepackaged” cases commenced for the purpose of implementing restructuring transactions agreed upon among the Debtors and the Consenting Lenders. Prior to the Petition Date, the Debtors entered into the Restructuring Support Agreement, dated as of May 31, 2024. A joint prepackaged chapter 11 plan of reorganization reflecting the terms of the Restructuring Support Agreement (as may be amended, modified, or supplemented, the “Plan”) was filed contemporaneously herewith, along with (a) a corresponding disclosure statement (as may be amended, modified or supplemented, the “Disclosure Statement”) and (b) a motion seeking, among other things, approval of the Disclosure Statement and confirmation of the Plan. The Plan was solicited prior to the Petition Date and the Debtors received approval from 100% of the Term Loan Secured Party—the only impaired class entitled to vote on the Plan. Importantly, the Plan contemplates that all Allowed Secured Notes Claims and Allowed General Unsecured Claims (each as defined in the Plan) will be unimpaired with respect to their legal, equitable, and contractual rights to avoid disruption to the normal operations of the Debtors’ business. Therefore, the relief requested herein seeks to alter only the timing, not the amount or priority, of the payments requested in this Motion.

RELIEF REQUESTED

12. The Debtors seek entry of the Proposed Interim Order, pending the entry of the Proposed Final Order, (a) authorizing, but not directing, the Debtors to (i) continue to operate their Cash Management System (defined below) in the day-to-day operation of their business, (ii) honor certain prepetition obligations in accordance with the operation of the Cash Management System,

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

(iii) continue to perform Intercompany Transactions (defined below) consistent with historical practice, and (iv) maintain existing forms; (b) granting administrative expense status to postpetition Intercompany Claims (defined below); and (c) granting related relief. The Debtors also request that, upon entry of the Proposed Interim Order, the Court schedule a final hearing (the “Final Hearing”) on the Motion to consider the relief requested herein on a final basis.

FACTS RELEVANT TO THIS MOTION

A. Overview of the Debtors’ Cash Management System.

13. The Debtors and their non-Debtor affiliates operate an integrated system of bank accounts to facilitate the collection and disbursement of funds across the Debtor entities (the “Cash Management System”). The Cash Management System enables transactions and transfers among the Debtors’ various bank accounts required to affect the Debtors’ collection and disbursement activities and facilitates the Debtors’ reporting through the development of timely and accurate information. The Debtors’ finance and accounting departments maintain oversight of the Cash Management System and implement cash management controls for receiving, processing, and releasing funds.

14. As of the Petition Date, the Debtors maintain fourteen (14) bank accounts (collectively, the “Bank Accounts”), eight (8) of which are held at JPMorgan Chase Bank, N.A. or an affiliate (collectively, “JPM”); five (5) of which are held at PNC Bank, N.A. (“PNC”); and one (1) of which is held at BMO Harris (“BMO” and together with JPM and PNC, the “Banks”).³

15. A list of the Bank Accounts, including the last four digits of the account number for each Bank Account, is attached hereto as **Exhibit C**. JPM, PNC, and BMO are each party to a Uniform Depository Agreement (“UDA”) with the Office of the United States Trustee (the “U.S.”).

³ The Debtors’ non-Debtor foreign affiliates also maintain bank accounts for their global operations.

Trustee”) per the Operating Guidelines for Chapter 11 Cases as promulgated by the U.S. Trustee for Region 3, District of Delaware (the “Operating Guidelines”).

16. The Debtors have centralized substantially all U.S. banking activity in the JPM Bank Accounts. The Bank Account at BMO remains open pending the full integration of a new JPM account for Synovia receipts in CAD. The Bank Accounts at PNC remain open on account of certain of the Debtors’ letters of credit that are cash-secured through the PNC Bank Accounts.

17. Namely, certain of the Debtors are party to that certain Revolving Credit and Security Agreement, dated as of July 13, 2022 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “PNC Loan Agreement”), by and among (i) CalAmp Corp., CalAmp Wireless, and Synovia as borrowers, (ii) the financial institutions from time to time party thereto, and lenders, and (iii) PNC as agent for the lenders. On December 14, 2023, the Debtors paid off the balance due under the PNC Loan Agreement.

18. The Debtors have six letters of credit with PNC in the approximate aggregate amount of \$4.8 million, one of which relates to a security deposit for an office lease. The other five letters of credit were required by foreign service provider Worldpay (UK) Limited Corporation (“Worldpay”) in connection with credit card processing services (the “Worldpay LoCs”). The Worldpay LoCs were fully collateralized at 120% of the total amount under the Worldpay LoCs to secure payment to Worldpay. PNC required, in connection with the Worldpay LoCs, an amendment to the PNC Loan Agreement dated May 10, 2024 and entry into that certain Reimbursement Agreement for Standby and Commercial Letter(s) of Credit, dated May 10, 2024. While the Debtors have switched to a new foreign payment processor, there are, and may be, trailing charges that the Debtors would be responsible for through the Worldpay LoCs. Accordingly, the Debtors need to keep the Worldpay LoCs in place to avoid disruption to the

Debtors' business operations and the Debtors' obligations under their agreements with PNC and the foreign payment processor. The Debtors maintain a money market Bank Account with PNC (last four digits 4744) that holds restricted cash on account of the Worldpay LoCs.⁴

19. Through JPM, the Debtors utilize a zero-sum concentration account (last four digits 3355) (the "Concentration Account") held by Debtor CalAmp Corp. into which collections sweep and out of which disbursements sweep. The Debtors' excess cash is invested solely into Money Market Funds using a JPM platform called "Morgan Money" and can be liquidated daily.

20. CalAmp Wireless and Synovia maintain customer collections accounts through JPM (last four digits 0315 and 6195, respectively), as well as through PNC (last four digits 9465 and 4939, respectively). The PNC activity is being wound down, but collections for several customers are still processed through PNC as of the Petition Date. Synovia also maintains an account at BMO for collections from Canadian customers. However, this account is being wound down, with the activity being transferred to an account at JPM (last four digits 2245).

21. The Debtors process payroll amounts through ADP, which amounts are auto-debited without active approval in JPM from the Debtors' disbursement account at JPM (last four digits 0786) (the "Disbursement Account"). Generally, on the day following the disbursement of payroll amounts, certain amounts related to payroll taxes and 401(k) payments are processed through ADP and auto-debited from the Disbursement Account following active approval in the Debtors' JPM ACH filter.

22. The Debtors also use ADP to manage their deferred compensation plan. The funds for such plan are held in a Rabbi Trust. When a distribution is made to a plan participant, the funds

⁴ For the avoidance of doubt, the Debtors maintain that the LOC and the proceeds therefrom are not property of the estate. *See, e.g., In re Sabratek Corp.*, 257 B.R. 732, 735 (Bankr. D. Del. 2000) (explaining that letters of credit and their proceeds are not property of the estate).

are deposited into the Disbursement Account and disbursed through ADP. For the avoidance of doubt, these funds do not represent estate property.

23. The Debtors' benefit programs are managed through Cigna. The Debtors maintain a separate JPM Bank Account (last four digits 0421) (the "Cigna Account") that is managed by Cigna and used for paying claims. The Cigna Account is funded through auto-debits from the Disbursement Account.

24. The Debtors make accounts payable and debt interest payments through a weekly selection of payments by the Debtors' accounts payable manager, the Debtors' controller, and the Debtors' chief financial officer. The accounts payable manager then initiates payment, and the funds are released by the controller.

25. Additionally, the Debtors maintain five corporate credit cards for purchases related to operating the Debtors' business in the ordinary course. Balances on these cards are auto-debited from the Disbursement Account monthly. The Debtors' credit card program has a \$75,000 credit limit.

26. The Debtors pay their taxes through third-party service providers, which draw funds via auto-debit and manage final disbursements to local authorities.

27. The Debtors request authority to maintain and continue to use their Bank Accounts during these Chapter 11 Cases in the ordinary course of their business, including depositing funds in, and withdrawing funds from, the Bank Accounts consistent with historical practice, including through check, wire transfer, automated clearinghouse ("ACH") transfer, draft, electronic fund transfer, centralized lockbox, or other items presented, issued, or drawn on the Bank Accounts, subject, in all respects, to the terms of any orders(s) of the Court approving the use of cash

collateral (any such order, a “Cash Collateral Order”), including any budget in connection with such Cash Collateral Order.

28. Continuity of the Cash Management System is critical to the Debtors’ business operations, but so is flexibility. To that end, the Debtors also request authority to implement reasonable changes to the Cash Management System that they deem necessary or appropriate in the ordinary course, after obtaining written consent from the Required Consenting Lenders, including closing any Bank Account and establishing new bank accounts and that the applicable banks be authorized to honor such changes.

B. Bank Fees and Related Expenses.

29. In the ordinary course of business, certain of the Banks debit the Bank Accounts on account of payments and transfers made from the Bank Accounts. In connection with these payments and the general maintenance of the Bank Accounts, certain of the Banks charge, and the Debtors pay such to the applicable Banks, certain service charges and other fees, costs, and expenses (collectively, the “Bank Fees”). These Bank Fees are paid by automatic deductions from the Debtors’ Bank Accounts held at the applicable Banks. Although monthly Bank Fees can fluctuate on a month-to-month basis depending on the number of transactions the Debtors engage in, the Bank Fees can exceed \$35,000 in a given month.

30. Although the Debtors cannot ascertain the exact amount of Bank Fees owed as of the Petition Date, out of an abundance of caution, the Debtors request authority, but not direction, to pay up to \$40,000 for any outstanding Bank Fees, which if owed, will come due during the first twenty-one (21) days after the Petition Date (the “Interim Period”) and to pay any postpetition Bank Fees in the ordinary course when due.

C. The Intercompany Transactions.

31. In the ordinary course of business, the Debtors exchange cash between each other as well as with their non-Debtor affiliates (collectively, the “Intercompany Transactions”). Generally, cash flows on an overall net basis from the non-Debtor affiliates to CalAmp Wireless, the Debtors’ main U.S. operating entity. The non-Debtor affiliates generate payables which derive from (i) purchase of inventory (centrally purchased in the U.S. and sold to foreign subsidiaries); (ii) intercompany SaaS services related to international customer platforms, which are built on top of U.S. SaaS infrastructure, and (iii) intercompany shared support services. Each quarter, the Debtors’ Italian and Mexican non-Debtor affiliates remunerate funds to the Debtors in the amount of approximately \$4 million and \$200,000, respectively.

32. Additionally, from time to time, the Debtors send cash to their non-Debtor affiliates for working capital purposes. For example, in 2023, the Debtors provided an intercompany loan to Brazilian subsidiary CalAmp Do Brasil Servicos Telematicos LTDA.

33. Reconciliation of payables through the Intercompany Transactions, especially with respect to the Italian and Mexican non-Debtor affiliates, along with the ability of the Debtors to provide working capital to their non-Debtor affiliates, are essential to the Debtors’ operational consistency. Accordingly, the Debtors request authority to continue the Intercompany Transactions in the ordinary course consistent with past practice.

34. As a result of the various Intercompany Transactions, at any given time, there may be intercompany balances owing between: (i) a Debtor and another Debtor; or (ii) a Debtor and one or more non-Debtor affiliates (collectively, the “Intercompany Claims”). For the reasons set forth herein and given the importance, and net-positive benefit, of the Intercompany Transactions to the Debtors’ business operations, if the Debtors were unable to maintain such Intercompany

Transactions, their businesses and their estates would be severely impacted. Therefore, the Debtors request that all Intercompany Claims be granted administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code, subject and junior to the claims, including any adequate protection claims, granted in connection with any Cash Collateral Orders. If the Intercompany Claims are accorded administrative expense priority status, each entity utilizing funds that flow through the Cash Management System should continue to bear ultimate repayment responsibility for such ordinary-course transactions.

35. Because the Debtors engaged in the Intercompany Transactions on a prepetition basis and such transactions are common for businesses such as the Debtors, the Debtors believe that they may continue Intercompany Transactions in the ordinary course of business under section 363(c)(1) of the Bankruptcy Code without Court approval. Nonetheless, by this Motion, and in 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 Intercompany Transactions and can ascertain, trace, and account for all of the Intercompany Transactions.

D. Business Forms.

36. As part of the Cash Management System, the Debtors utilize preprinted business forms (the “Business Forms”) in the ordinary course of their business. The Debtors also maintain books and records to document, among other things, their revenue and expenses. To minimize expenses to the estates and avoid confusion on the part of employees, vendors, and suppliers during the pendency of these Chapter 11 Cases, the Debtors request that the Court authorize the Debtors’ continued use of all correspondence and Business Forms (including, without limitation, letterheads, invoices, and preprinted checks) as such forms were in existence immediately before the Petition Date, without reference to the Debtors’ status as debtors in possession, rather than

requiring the Debtors to incur the expense and delay of ordering entirely new Business Forms as required under the Operating Guidelines.

BASIS FOR RELIEF

I. Maintaining the Existing Cash Management System is Essential to the Debtors' Ongoing Operations and Restructuring Efforts.

37. The Operating Guidelines require a debtor in possession to, among other things:

- a. establish one debtor in possession bank account for all estate monies required for the payment of taxes, including payroll taxes;
- b. close all existing bank accounts and open new debtor in possession accounts;
- c. maintain a separate debtor in possession account for cash collateral; and
- d. obtain checks that bear the designation "debtor in possession" and reference the bankruptcy case number and type of account on such checks.

38. These requirements are designed to provide a clear line of demarcation between prepetition and postpetition claims and payments and help protect against the inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the petition date. However, the Debtors' continued use of the Bank Accounts is nevertheless permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes the 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). Additionally, courts in this and other districts have recognized that an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash." *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff'd in part and rev'd in part*, 997 F.2d 1039 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts "would be a

huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (finding that a cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets”). Accordingly, the Debtors respectfully request that the Court allow the Bank Accounts to be maintained as they were in the ordinary course of business prior to the Petition Date.

39. Bankruptcy courts treat requests for authority to continue utilizing existing cash management systems as a relatively “simple matter.” *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). In *In re Charter Co.*, 778 F.2d 617 (11th Cir. 1985), for example, the bankruptcy court entered an order authorizing the debtor and 43 of its subsidiaries “to continue to consolidate the management of their cash as has been usual and customary in the past, and to transfer monies from affiliated entity to entity, including operating entities that are not debtors.” *Id.* at 620 (internal quotations omitted). The United States Court of Appeals for the Eleventh Circuit then affirmed a subsequent district court decision denying a creditor’s motion for leave to appeal the bankruptcy court’s cash management order, holding that authorizing the debtors to utilize their prepetition “routine cash management system” was “entirely consistent” with applicable provisions of the Bankruptcy Code. *Id.* at 621; *see also Columbia Gas*, 997 F.2d at 1061 (recognizing that a requirement to maintain all accounts separately “would be a huge administrative burden and economically inefficient”).

40. This Court has routinely granted chapter 11 debtors the same or similar relief as requested in this Motion. *See, e.g., In re Number Holdings, Inc.*, No. 24-10719 (Bankr. D. Del. May 7, 2024) (authorizing the use of existing cash management system); *In re NanoString*

Technologies, Inc., No. 24-10160 (Bankr. D. Del. Mar. 1, 2024); *In re Restoration Forest Products Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (same).⁵

41. Here, the Debtors satisfy the standards for maintaining their existing Cash Management System. The Debtors utilize the Cash Management System as part of their ordinary and usual business practices, and as such, the Debtors believe the continued use of the Cash Management System falls within the purview of ordinary course transactions permitted under Bankruptcy Code section 363(c)(1). Moreover, appropriate circumstances exist for the Court to authorize the Debtors' continued use of the Cash Management System under Bankruptcy Code sections 363(b)(1) and 105(a). The relief requested in this Motion will help minimize any disruption in the Debtors' business operations as they focus on and advance the Chapter 11 Cases and reorganize their estates. Indeed, any disruptions in the Cash Management System could lead to delays in satisfying the Debtors' obligations to employees, vendors, and suppliers. To avoid the potential erosion of value that could ensue from any such interruptions, the Debtors believe it is imperative that they be authorized to continue the Cash Management System consistent with the Debtors' historical practice.

42. Strict adherence to the Operating Guidelines would prove to be exceedingly burdensome to the Debtors and their management, reduce efficiencies, and cause unnecessary expense. The delays that would result from opening new accounts, revising cash management procedures, and instructing customers to redirect payments would disrupt the Debtors' business operations at this critical time, have little or no benefit to the Debtors' estates, and erode the value of the Debtors' enterprise to the detriment of all stakeholders. Accordingly, the Debtors should be allowed to continue using the Cash Management System consistent with their historical practice.

⁵ Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon request.

II. Waiving the Deposit and Investment Requirements of Section 345 of the Bankruptcy Code is Warranted.

43. The Debtors further request a waiver of the deposit and investment requirements of section 345 of the Bankruptcy Code to the extent the Bank Accounts do not strictly comply therewith.

44. Section 345(a) of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money 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) requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate entity, or "the deposit of securities of the kind specified in section 9303 of title 31." 11 U.S.C. § 345(b).⁶

45. As discussed above, the Debtors' Bank Accounts are maintained at JPM and PNC, both of which are parties to Uniform Depository Agreements with the U.S. Trustee and are insured by the Federal Deposit Insurance Corporation. Therefore, the Bank Accounts comply with section 345(b) of the Bankruptcy Code. Out of an abundance of caution, however, to the extent that the Bank Accounts do not strictly comply with section 345 of the Bankruptcy Code, the Debtors submit that cause exists to waive any such noncompliance as set forth herein given that all funds are deposited safely and prudently at a financially stable banking institution.

⁶ Strict compliance with the requirements of section 345(b) of the Bankruptcy Code would, in cases such as this, 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) of the Bankruptcy Code to provide that its strict investment requirements may be waived or modified if the Court so orders "for cause." 140 Cong. Rec. H. 10,767 (Oct. 4, 1994), 1994 WL 54773.

III. Authorizing the Banks to Continue to Maintain, Service, and Administer the Bank Accounts in the Ordinary Course of Business is Warranted.

46. The Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks should be authorized to debit the Bank Accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Bank Accounts which are cashed at such Banks' counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of the Bank Accounts 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 Debtors are responsible for such items prior to the Petition Date; and (iii) 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.

47. The Debtors further request that those certain existing deposit agreements between the Debtors and their existing Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, remain in full force and effect, without the need for further Court order. In addition, the Debtors request that either the Debtors, after obtaining written consent from the Required Consenting Lenders, or the Banks may, without further order of the Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to the terms of those existing deposit agreements, including, without limitation, the opening and closing of Bank Accounts.

48. The Debtors further request that the Court authorize the Banks to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored consistent with any orders of the Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated before or subsequent to the Petition Date. The Debtors also request that, to the extent a Bank relies 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, pursuant to the Proposed Interim Order, Proposed Final Order, or any other order of this Court, such Bank shall not have any liability to any party for relying on such representation by the Debtors. The Debtors respectfully submit that such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise. Moreover, the Debtors request that the Court authorize the Banks to (i) continue to charge the Debtors regular and ordinary course Bank Fees, as applicable, and (ii) charge back returned items to the Bank Accounts whether such items are dated before, on, or subsequent to the Petition Date, in the ordinary course of business.

IV. The Court Should Authorize the Debtors to Continue Intercompany Transactions and Grant Administrative Expense Priority Status to Postpetition Intercompany Claims.

49. As described above, the Debtors enter into certain Intercompany Transactions amongst themselves, as well as the non-Debtor affiliates, in the ordinary course of business. The Intercompany Transactions are necessary to the efficient operation of the Debtors' businesses and

the performance. Consequently, the Debtors submit they should be authorized to continue entering into, and performing under, the Intercompany Transactions.

50. The continuation of the Intercompany Transactions will not prejudice the Debtors' estates or their creditors. The Intercompany Transactions are necessary for, among other things, preserving the value of the Debtors' brand, and maintaining critical services. Accordingly, the Debtors believe that continuation of the Intercompany Transactions is in the best interests of the Debtors' estates and creditors.

51. The Debtors believe the Intercompany Transactions are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code and, therefore, do not require the Court's approval. Notwithstanding, because of their routine nature, the continuation of such transactions is integral to the Debtors' ability to operate their business. Accordingly, out of an abundance of caution, the Debtors are seeking express authority to continue the Intercompany Transactions postpetition.

52. The Debtors further request that the Court grant administrative expense status to all Intercompany Claims between: (i) a Debtor and another Debtor; or (ii) a Debtor and one or more non-Debtor affiliates that arise postpetition as a result of an Intercompany Transaction pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, in each case, subject and junior to the claims, including any adequate protection claims, granted in connection with any Cash Collateral Orders. Granting Intercompany Claims administrative expense status would cause each entity utilizing the Cash Management System to bear ultimate responsibility for its own funding requirements.

53. Administrative expenses treatment for postpetition intercompany claims has been granted in other similarly large chapter 11 cases in this District. *See, e.g., In re Number Holdings,*

Inc., No. 24-10719 (Bankr. D. Del. May 7, 2024) (providing for administrative expense status for intercompany claims arising after the petition date); *In re NanoString Technologies, Inc.*, No. 24-10160 (Bankr. D. Del. Mar. 1, 2024); *In re Restoration Forest Products Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (same).

V. The Court Should Authorize the Debtors to Continue Using Their Existing Business Forms.

54. To avoid disruption of the Cash Management System and unnecessary expense, pursuant to Local Rule 2015-2(a), the Debtors request that they be authorized to continue to use their Business Forms substantially in the form existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession. The Debtors submit that changing business forms is unnecessary and unduly burdensome, and that parties in interest will not be prejudiced if the Debtors are authorized to continue to use their Business Forms substantially in the forms existing immediately before the Petition Date. Once the Debtors' existing check stock has been used, the Debtors will reorder checks, with "Debtor in Possession" and the jointly administered case number for these Chapter 11 Cases printed on all checks.

55. Courts in this district have routinely allowed debtors to use their prepetition business forms without the "debtor in possession" label. *See, e.g., In re Number Holdings, Inc.*, No. 24-10719 (Bankr. D. Del. May 7, 2024) (authorizing the use of existing business forms); *In re NanoString Technologies, Inc.*, No. 24-10160 (Bankr. D. Del. Mar. 1, 2024); *In re Restoration Forest Products Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (same).

RESERVATION OF RIGHTS

56. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors;

(iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code; or (v) a promise to pay a claim. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

57. The Court may grant the relief requested in this Motion immediately if the “relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bank. P. 6003; *In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008). The Third Circuit has interpreted the language “immediate and irreparable harm” in the context of preliminary injunctions. In that context, the Third Circuit has instructed that irreparable harm is that which “cannot be redressed by a legal or an equitable remedy following a trial.” *Instant Air Freight Co. v. C.F. Air Freight, Inc.*, 882 F.2d 797, 801 (3d Cir. 1989). 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 to the Debtors and their estates.

58. Accordingly, the Debtors 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.

NOTICE

59. Notice of the hearing of this Motion has been provided to: (a) the Office of the United States Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (c) counsel to the Required Consenting Lenders; (d) the Secured Notes Collateral Agents; (e) the Internal Revenue Service; (f) the Securities and Exchange Commission; (g) the United States Attorney's Office for the District of Delaware; (h) the Banks; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking "first day" relief, within forty-eight (48) hours of the entry of an order with respect to this Motion, the Debtors will serve copies of this Motion and any order entered with respect to this Motion as required by Local Rule 9013-1(m). The Debtors respectfully submit that, in light of the nature of the relief requested, no further notice is necessary.

[Remainder of Page Intentionally Left Blank]

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Proposed Interim Order and the Proposed Final Order, substantially in the forms annexed hereto as **Exhibit A** and **Exhibit B**, respectively, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: June 3, 2024
Wilmington, Delaware

Respectfully submitted,

/s/ Aaron H. Stulman

L. Katherine Good (No. 5101)

Aaron H. Stulman (No. 5807)

Gregory J. Flasser (No. 6154)

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Interim Order

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

In re:

CalAmp Corp., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-____ (____)

(Joint Administration Requested)

Re: Docket No. __

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO
(A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM,
(B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO,
(C) PERFORM INTERCOMPANY TRANSACTIONS, AND (D) MAINTAIN EXISTING
BUSINESS FORMS; (II) AUTHORIZING THE DEBTORS' BANKS TO HONOR
ALL RELATED PAYMENT REQUESTS; AND (III) 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 interim order (this "Interim Order"), (a) authorizing the Debtors to (i) continue to operate the Cash Management System, (ii) honor certain prepetition obligations related thereto, (iii) perform intercompany transactions in the ordinary course of business and consistent with historical practice, and granting administrative expense status for postpetition Intercompany Claims, and (iv) maintain existing business forms in the ordinary course of business; (b) authorizing the Debtors' banks to honor all related payment requests; (c) granting related relief; and (d) setting a Final Hearing, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter in accordance with 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

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: CalAmp Corp. (7070); CalAmp Wireless Networks Corporation (1740); LoJack Global LLC (4794); and Synovia Solutions LLC (2994). The Debtors' service address is 15635 Alton Parkway, Suite 250, Irvine, CA 92618.

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

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 having found that venue of these Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; 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 that such relief is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and upon all of the proceedings had before the Court 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.
2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2024, at ____:____.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed with the Court, and served so as to be **received** by the following parties, **by no later than 4:00 p.m., prevailing Eastern Time, on _____, 2024:** (i) proposed counsel to the Debtors, Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801 (Attn: L. Katherine Good (kgood@potteranderson.com), Aaron H. Stulman (astulman@potteranderson.com), and Gregory J. Flasser (gflasser@potteranderson.com)); (ii) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Rosa Sierra-Fox (rosa.sierra-fox@usdoj.gov)); (iii) counsel to the Required Consenting Lenders, (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036-6745 (Attn: Michael S. Stamer (mstamer@akingump.com) and Jason Rubin (jrubin@akingump.com)), and (b) Pashman Stein Walder Hayden P.C., 1007 North Orange Street, 4th Floor #183, Wilmington, DE 19801 (Attn: John W. Weiss

(jweiss@pashmanstein.com) and Joseph C. Barsalona II (jbarsalona@pashmanstein.com)); and (iv) if any statutory committee has been appointed in these Chapter 11 Cases, counsel to such committee.

3. Subject to the terms and conditions of this Interim Order, the Debtors are authorized, but not directed, to: (a) continue operating the Cash Management System, as described in the Motion; (b) honor their prepetition obligations related thereto; (c) continue to perform Intercompany Transactions; *provided*, that Intercompany Transactions from Debtors to non-Debtor affiliates shall not exceed \$100,000 during the Interim Period; and (d) maintain existing business forms, subject to the limitations set forth in this Interim Order.

4. Subject to the immediately preceding paragraph, the Debtors are further authorized, in consultation with the Required Consenting Lenders, to: (a) continue to use, with the same account number, the Bank Accounts in existence as of the Petition Date; (b) use, in their present form, all correspondence and business forms (including letterhead, and invoices), as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date and thereafter, without reference to the Debtors' status as debtors in possession; *provided*, *however*, that once the Debtors' existing check stock has been used, the Debtors shall, when reordering checks, require the designation "Debtor in Possession" and the jointly administered case number of these Chapter 11 Cases on all checks; *provided, further*, that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend and the jointly administered case number of these Chapter 11 Cases on such items as soon as practicable; (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (d) deposit funds in and withdraw funds from the Bank Accounts by all

usual means, including checks, wire transfers, and other debits; and (e) otherwise perform their obligations under the documents governing the Bank Accounts.

5. The Debtors are authorized to pay or reimburse their Banks and service providers, in the ordinary course of business for any Bank Fees arising during the Interim Period and, if any, prior to the Petition Date, *provided however that*, that amount shall not exceed \$40,000.00.

6. Each of the Banks is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtors' accounts with such 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 (iii) 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; *provided that*, in addition to the requirements thereof, any checks, drafts, wires, or ACH Transfers drawn or issued by the Debtors before the Petition Date shall be timely honored by the Banks to the extent necessary to comply with any order of this Court authorizing payment of certain prepetition claims, subject to the availability of funds, unless the Banks are instructed by the Debtors to stop payment on or otherwise dishonor such check, draft, wire, or ACH Transfer.

7. Those certain existing deposit agreements between the Debtors and their existing Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, without the need for further

order from this Court. In addition, either the Debtors, after obtaining written consent from the Required Consenting Lenders, or the Banks may, without further order of this Court, but upon notice to the U.S. Trustee and any statutory committee, implement non-material changes to the Cash Management System and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements and consistent with this Interim Order.

8. The Banks shall not honor or pay any bank payments drawn on the Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issued stop payment orders in accordance with the documents governing the Banks, as applicable.

9. In the course of providing cash management services to the Debtors, the Banks are authorized, without further order of this Court, to deduct the undisputed Bank Fees, whether arising prepetition or postpetition from the appropriate accounts of the Debtors, and further, to charge back to the appropriate accounts of the Debtors 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 items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

10. Subject to the terms set forth herein, the Banks may 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 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.

11. The Banks are further authorized to (a) honor the Debtors' directions with respect to the opening and closing of any Bank Account (subject to all the other terms of this Interim

Order), and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided, however*, that the Banks shall not have any liability to any party for relying on such directions or representations.

12. If the Banks honor a prepetition check or other item drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtors to honor such prepetition check or item, (b) in belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of customary item handling procedures, the Banks shall not be deemed to be, nor shall be liable to, the Debtors or the estates or otherwise in violation of this Interim Order.

13. The Debtors are authorized, subject to the prior written consent of the Required Consenting Lenders, to open any new bank accounts or close any existing Bank Accounts; *provided, that* in the event that the Debtors open any bank accounts or close any existing Bank Accounts, such opening or closing shall be timely indicated on the Debtors' monthly operating reports and advance notice of such opening or closing shall be provided to the U.S. Trustee and counsel to the official committee of unsecured creditors, if any, at least 5 days prior to such opening or closing; *provided, further*, that the Debtors shall only open such new bank account(s) at banks that have executed a Uniform Depository Agreement with the U.S. Trustee's Office, or at such banks that are willing to execute such an agreement; and *provided, further*, that any such new bank accounts opened by the Debtors shall be subject to the terms of this Interim Order.

14. For all Banks at which the Debtors maintain a Bank Account that are party to a Uniform Depository Agreement with the U.S. Trustee's Office, the Debtors shall, as soon as practicable, (a) contact the Banks, (b) provide the Debtors' employer identification numbers, and

(c) identify the Bank Accounts at the Banks as being held by a debtor in possession in a bankruptcy case.

15. The Debtors are authorized, but not directed, to continue engaging in Intercompany Transactions in the ordinary course of business consistent with historical practices subject to the terms of this Interim Order. The Debtors shall maintain accurate and detailed records of all transactions and transfers, including the Intercompany Transactions, so that the transactions may be readily traced, ascertained, and recorded properly. All Intercompany Claims between: (i) a Debtor and another Debtor; or (ii) a Debtor and one or more non-Debtor affiliates, arising after the commencement of these Chapter 11 Cases as a result of the Intercompany Transactions shall have administrative expense priority in accordance with section 503(b) of the Bankruptcy Code based on the net amount, subject and junior to the claims, including any adequate protection claims, granted in connection with the Cash Collateral Orders (as defined below).

16. The Debtors shall make their best effort to comply with the requirements (if any) imposed on the Debtors under any order(s) of this Court approving the use of cash collateral (any such order, a “Cash Collateral Order”), including any budget in connection with such Cash Collateral Order.

17. Upon reasonable request of the Required Consenting Lenders, the Debtors shall provide counsel to the Required Consenting Lenders a summary of any postpetition Intercompany Transactions that occurred during the preceding month, which summary shall include (i) the name of the Debtor transferor, (ii) the name of the transferee, (iii) the amount of the transfer, and (iv) the purpose of the transfer.

18. Notwithstanding use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity makes those disbursements.

19. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code; or (v) a promise to pay a claim.

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

21. This Interim Order shall be immediately effective and enforceable upon its entry. The fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.

22. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

23. The notice requirement of Bankruptcy Rule 6004(a) is waived.

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

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

EXHIBIT B

Proposed Final Order

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

In re:

CalAmp Corp., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-____ (____)

(Joint Administration Requested)

Re: Docket No. __

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO
(A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM,
(B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO,
(C) PERFORM INTERCOMPANY TRANSACTIONS, AND (D) MAINTAIN EXISTING
BUSINESS FORMS; (II) AUTHORIZING THE DEBTORS' BANKS TO HONOR
ALL RELATED PAYMENT REQUESTS; AND (III) 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 "Final Order"), (a) authorizing the Debtors to (i) continue to operate the Cash Management System, (ii) honor certain prepetition obligations related thereto, (iii) perform intercompany transactions in the ordinary course of business and consistent with historical practice, and granting administrative expense status for postpetition Intercompany Claims, and (iv) maintain existing business forms in the ordinary course of business; (b) authorizing the Banks to honor all related payment requests; and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter in accordance with 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

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: CalAmp Corp. (7070); CalAmp Wireless Networks Corporation (1740); LoJack Global LLC (4794); and Synovia Solutions LLC (2994). The Debtors' service address is 15635 Alton Parkway, Suite 250, Irvine, CA 92618.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion and the Interim Order, as applicable.

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 having found that venue of these Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; 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 that such relief is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and upon all of the proceedings had before the Court after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. All relief granted in the Interim Order is hereby granted on a final basis.
3. Subject to the terms and conditions of this Final Order, the Debtors are authorized, but not directed, to: (a) continue operating the Cash Management System, as described in the Motion; (b) honor their prepetition obligations related thereto; (c) continue to perform Intercompany Transactions; and (d) maintain existing business forms, subject to the limitations set forth in this Final Order.
4. Subject to paragraph 3 of this Final Order, the Debtors are further authorized, in consultation with the Required Consenting Lenders, to: (a) continue to use, with the same account number, the Bank Accounts in existence as of the Petition Date; (b) use, in their present form, all correspondence and business forms (including letterhead, and invoices), as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date and thereafter, without reference to the Debtors' status as debtors in possession; *provided, however*, that once the Debtors' existing check stock has been used, the Debtors shall, when reordering

checks, require the designation “Debtor in Possession” and the jointly administered case number of these Chapter 11 Cases on all checks; *provided, further*, that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the “Debtor in Possession” legend and the jointly administered case number of these Chapter 11 Cases on such items as soon as practicable; (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (d) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; and (e) otherwise perform their obligations under the documents governing the Debtors’ Bank Accounts.

5. The Debtors are authorized to pay or reimburse their Banks and service providers, in the ordinary course of business for any Bank Fees arising during these Chapter 11 Cases and pay the Banks on account of any Bank Fees that arose prior to the Petition Date, *provided that*, that amount shall not exceed \$40,000 on a final basis.

6. Each of the Banks is authorized to debit the Debtors’ accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtors’ accounts which are cashed at such Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtors’ accounts with such 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 (iii) 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; *provided that*, in addition to the requirements thereof, any checks, drafts, wires, or ACH Transfers drawn or issued by the Debtors before the Petition Date shall be timely honored by the Banks to the extent necessary to

comply with any order of this Court authorizing payment of certain prepetition claims, subject to the availability of funds, unless the Banks are instructed by the Debtors to stop payment on or otherwise dishonor such check, draft, wire, or ACH Transfer.

7. Those certain existing deposit agreements between the Debtors and their existing depository and disbursement Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, without the need for further order from this Court. In addition, either the Debtors, after obtaining written consent from the Required Consenting Lenders, or the Banks, may without further order of this Court, but upon notice to the U.S. Trustee and any statutory committee, implement non-material changes to the Cash Management System and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements.

8. The Banks shall not honor or pay any bank payments drawn on the Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issued stop payment orders in accordance with the documents governing the Banks, as applicable.

9. In the course of providing cash management services to the Debtors, the Banks are authorized, without further order of this Court, to deduct the undisputed Bank Fees, whether arising prepetition or postpetition from the appropriate accounts of the Debtors, and further, to charge back to the appropriate accounts of the Debtors 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 items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

10. Subject to the terms set forth herein, the Banks may 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 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.

11. The Banks are further authorized to (a) honor the Debtors' directions with respect to the opening and closing of any Bank Account (subject to all other terms of this Final Order), and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided, however*, that the Banks shall not have any liability to any party for relying on such directions or representations.

12. If the Banks honor a prepetition check or other item drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors to honor such prepetition check or item, (b) in belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of customary item handling procedures, the Banks shall not be deemed to be, nor shall be liable to, the Debtors or the estates or otherwise in violation of this Final Order.

13. The Debtors are authorized, subject to the prior written consent of the Required Consenting Lenders, to open any new bank accounts or close any existing Bank Accounts; *provided, that* in the event that the Debtors open any bank accounts or close any existing Bank Accounts, such opening or closing shall be timely indicated on the Debtors' monthly operating reports and advance notice of such opening or closing shall be provided to the U.S. Trustee and counsel to the official committee of unsecured creditors, if any, at least 5 days prior to such opening or closing; *provided, further*, that the Debtors shall only open such new bank account(s) at banks

that have executed a Uniform Depository Agreement with the U.S. Trustee's Office, or at such banks that are willing to execute such an agreement; and *provided, further*, that any such new bank accounts opened by the Debtors shall be subject to the terms of this Final Order.

14. For all Banks at which the Debtors maintain a Bank Account that are party to a Uniform Depository Agreement with the U.S. Trustee's Office, the Debtors shall as soon as practicable, (a) contact the Banks, (b) provide the Debtors' employer identification numbers, and (c) identify the Bank Accounts at the Banks as being held by a debtor in possession in a bankruptcy case.

15. The Debtors are authorized, but not directed, to continue engaging in Intercompany Transactions in the ordinary course of business, consistent with historical practices. The Debtors shall maintain accurate and detailed records of all Intercompany Transactions so that the transactions may be readily traced, ascertained, and recorded properly. All Intercompany Claims between: (i) a Debtor and another Debtor; or (ii) a Debtor and one or more non-Debtor affiliates, arising after the commencement of these Chapter 11 Cases as a result of the Intercompany Transactions shall have administrative expense priority in accordance with section 503(b) of the Bankruptcy Code based on the net amount, subject and junior to the claims, including any adequate protection claims, granted in connection with the Cash Collateral Orders (as defined below).

16. The Debtors shall make their best effort to comply with the requirements (if any) imposed on the Debtors under any order(s) of this Court approving the use of cash collateral (any such order, a "Cash Collateral Order"), including any budget in connection with such Cash Collateral Order.

17. Upon reasonable request of the Required Consenting Lenders, the Debtors shall provide counsel to the Required Consenting Lenders a summary of any postpetition Intercompany

Transactions that occurred during the preceding month, which summary shall include (i) the name of the Debtor transferor, (ii) the name of the transferee, (iii) the amount of the transfer, and (iv) the purpose of the transfer.

18. Notwithstanding use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity makes those disbursements.

19. The requirements of section 345 of the Bankruptcy Code, to the extent the Bank Accounts do not strictly comply therewith, are waived with respect to the Bank Accounts.

20. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code; or (v) a promise to pay a claim.

21. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

22. All objections to entry of this Final Order, to the extent not withdrawn or settled, are overruled.

23. This Final Order shall be immediately effective and enforceable upon its entry. The fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.

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

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

EXHIBIT C

Debtors' Bank Accounts

BANK ACCOUNTS

Debtor Entity	Bank Name	Account Description	Currency	Account No. (Last 4 Digits)
CalAmp Corp.	JP Morgan Asset Management Bank	Investment of Credit Agreement Funds	USD	6331
CalAmp Corp.	JP Morgan Chase	Concentration	USD	3355
CalAmp Corp.	JPMorgan Chase Bank, N.A.	Commercial Money Market Savings (Security for LoC and Credit Cards)	USD	1036
CalAmp Corp.	PNC BANK	Concentration	USD	3551
CalAmp Corp.	PNC BANK	Money Market Account (Restricted cash for LoCs)	USD	4744
CalAmp Wireless Networks Corporation	PNC BANK	CWNC Collections	USD	9465
CalAmp Wireless Networks Corporation	PNC BANK	US Disbursements	USD	9457
CalAmp Wireless Networks Corporation	JP Morgan Chase	Receipts Lockbox	USD	0315
CalAmp Wireless Networks Corporation	JP Morgan Chase	Disbursement	USD	0786
CalAmp Wireless Networks Corporation ¹¹	JP Morgan Chase	Cigna Insurance	USD	0421
Synovia Solutions LLC ¹²	BMO Harris	Pay CAD GST, Collect CAD Payments	CAD	8072
Synovia Solutions LLC ¹³	JP Morgan Chase	Canada Synovia Receipts / Pay GST	CAD	2245
Synovia Solutions LLC	JP Morgan Chase	Receipts Lockbox	USD	6195
Synovia Solutions LLC	PNC BANK	Synovia collections	USD	4939

¹¹ While this account is under the name of CalAmp Wireless, it is primarily controlled by Cigna for insurance disbursement purposes.

¹² This account is located in Canada.

¹³ This account is located in Canada.