

**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 FOR ENTRY OF INTERIM AND FINAL
ORDERS (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO
(A) PAY PREPETITION WAGES, COMPENSATION, EMPLOYEE BENEFITS, AND
OTHER EMPLOYEE OBLIGATIONS AND (B) CONTINUE CERTAIN EMPLOYEE
BENEFIT PROGRAMS IN THE ORDINARY COURSE; (II) AUTHORIZING ALL
BANKS TO HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION
EMPLOYEE OBLIGATIONS; 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, but not directing, the Debtors to (a) pay prepetition wages, compensation, employee benefits, and other employee obligations and (b) continue certain employee benefit programs in the ordinary course; (ii) authorizing all banks to honor prepetition checks for payment of prepetition employee obligations; and (iii) granting other 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), 363(b), 363(c), 507(a), and 541 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 9013-1.

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 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 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 detail 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

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

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 and the Proposed Final Order, pursuant to Bankruptcy Code sections 105(a), 362, 363, 507(a), and 541, authorizing, but not directing, the Debtors to (i) pay the Employee Obligations (as defined below) in an aggregate amount not to exceed \$1,332,700 on an interim basis, and \$2,107,084 on a final basis, in each case, subject to the terms and conditions of any order(s) of this Court approving the use of cash collateral, including any budget in connection with such Cash Collateral Order; (ii) honor and continue the Employee Programs (as defined below) in the ordinary course of business until further notice; and (iii) grant related relief.

13. To assist in implementing the relief requested, the Debtors also request entry of an order (i) authorizing for the Debtors' banks to receive, process, honor, and pay all of the Debtors' prepetition checks and to fund transfers on account of any Employee Obligations to the extent sufficient funds are available; and (ii) authorizing, but not directing, the Debtors to issue new postpetition checks or effect new postpetition fund transfers on account of the Employee Obligations to replace any prepetition checks or fund transfer requests that may be dishonored or rejected.

FACTS RELEVANT TO THIS MOTION

14. As of the Petition Date, the Debtors employ 259 employees, independent contractors, advisors, and managers (the "Employees"), a majority of whom are employed within the United States. Of this total, 216 Employees are full-time salaried Employees, 29 are hourly Employees, and 14 are independent contractors and consultants.

15. The Employees provide a variety of essential functions, including engineering, operations, sales, product management, marketing, and shared services which include finance, human resources, information technology and legal. The Employees include personnel that are intimately familiar with the Debtors' business, possess unique skills, experience, knowledge and understanding of the Debtors' operations and infrastructure, and have developed relationships with the Debtors' customers, suppliers, and key constituents essential to the Debtors' business. Thus, the Employees are essential to the effective operation of the Debtors' business and their ability to administer these Chapter 11 Cases.

16. In the ordinary course of their business, the Debtors maintain the certain compensation and benefit programs and pay various administrative fees in connection therewith

(collectively, the “Employee Programs” and the obligations to the Employees, Independent Contractors, and PEO are the “Employee Obligations,”), each as more fully described below).³

17. To effectuate a successful chapter 11 process, and continue operating within these Chapter 11 Cases, the Debtors need the Employees’ continued commitment and support. Therefore, the Debtors are requesting the relief set forth in this Motion to minimize any hardship to the Employees resulting from the commencement of these Chapter 11 Cases. The Debtors must take all necessary steps to retain the Employees and ensure their continued services to preserve and maximize the value of the Debtors’ estates.

18. The Debtors estimate that they have accrued approximately \$2,107,084 in prepetition Employee Obligations. The prepetition Employee Obligations that the Debtors expect will become payable during the Chapter 11 Cases are summarized below.

Employee Obligations	Interim Amount	Final Amount
Wages	\$790,000	\$790,000
Payroll Processor Fees	\$2,500	\$2,500
Withholdings	\$365,000	\$365,000
401(k) Employee Savings Plan	\$132,000	\$132,000
Independent Contractors	\$0	\$0
Q1 Commissions	\$0	\$651,750
Personal Time Off / Sick Time	\$0	\$117,834
Reimbursable Expenses	\$23,000	\$23,000
Health and Welfare Programs	\$20,200	\$25,200
Total:	\$1,332,700	\$2,107,084

³ The summary of the Employee Obligations provided herein is qualified entirely by the Debtors’ official policies or other practices, programs, or agreements, whether written or unwritten, evidencing an arrangement among the Debtors and their Employees (each, an “Official Policy”). In the event of any inconsistency or ambiguity between the summary contained herein and an Official Policy, the terms of such Official Policy shall govern, but, for the avoidance of doubt, in no event shall the Debtors make any prepetition payments or honor any prepetition obligations other than what is authorized by the Court after consideration of this or other motion.

19. Except as expressly provided herein, the Debtors will not pay any individual Employee an amount in excess of the \$15,150 limit contained in section 507(a)(4) of the Bankruptcy Code (the “Priority Cap”) on account of prepetition Employee Obligations without further order of this Court.

A. Employee Compensation.

i. Employee Wages.

20. In the ordinary course of business, the Debtors pay their Employees on a biweekly basis (the “Wages”), which accounts for amounts owed for the preceding two (2) weeks through the end of the week payment. On average, the Debtors’ payroll obligations total approximately \$3,900,000 per month including Withholdings (defined below). The Debtors’ next payroll is this Thursday, June 6, 2024 for the period of May 19, 2024 to June 1, 2024.

21. As of the Petition Date, the Debtors estimate that there is approximately \$790,000 outstanding in prepetition obligations owed on account of the Wages, all of which will become payable during the first 21 days in these Chapter 11 Cases (the “Interim Period”). The Debtors request authority, but not direction, to pay the prepetition Wages outstanding, in the ordinary course of business, as well as continue to pay Wages in the ordinary course of business. For the avoidance of doubt, the Debtors are not seeking authorization to make any prepetition or postpetition bonus, incentive, retention, severance payments, or any other similar payments, including any payments that would violate or implicate section 503(c) of the Bankruptcy Code to any Insiders (as such term is defined in section 101(31) of the Bankruptcy Code), without further order of this Court.

ii. Payroll Processing Fees.

22. The Debtors' payroll process is administered through Automatic Data Processing, Inc. ("ADP"). In the ordinary course, the Debtors process payroll amounts through ADP, which amounts are auto-debited without active approval in JP Morgan Chase Bank, N.A. ("JPM") from the Debtors' disbursement account at JPM (last four digits 0786) (the "Disbursement Account").

23. The Debtors pay service fees of approximately \$2,500 per payroll in arrears to ADP (the "ADP Payroll Processor Fees") on account of the administration of Employee payroll. The Debtors owe approximately \$2,500 on account of ADP Payroll Processor Fees, all of which will become due during the Interim Period. The Debtors request authority, but not direction, to pay the Payroll Processor Fees incurred prepetition, as well as continue to pay Payroll Processor Fees as they become due in the ordinary course.

iii. Social Security, Income Taxes, and Other Withholdings.

24. In connection with paying wages and salaries, the Debtors routinely withhold from Employees' Wages amounts that the Debtors are required to transmit to third parties ("Withholdings"). Examples of such Withholdings include, without limitation, FICA (Social Security and Medicare), federal, state, and local income taxes, garnishments, health care payments, and certain voluntary payroll deductions. On average, total Withholdings are approximately \$400,000 per pay period, including both the Debtors' obligations and the Employees' obligations. As of the Petition Date, the Debtors estimate that there is approximately \$365,000 outstanding in prepetition obligations owed on account of the Withholdings, all of which will become payable during the Interim Period. Such Withholdings, to the extent that they remain in the Debtors' possession, constitute monies held in trust and, therefore, are not property of the Debtors' estates. Accordingly, the Debtors hereby request authority, but not direction to continue

deducting and remitting amounts to the appropriate third parties, as applicable, in a manner consistent with historical practice for any unpaid Withholdings and to continue to honor the Withholdings in the ordinary course on a postpetition basis and consistent with past practice.

iv. The 401(k) Plan.

25. The Debtors sponsor a 401(k) retirement savings plan (the “401(k) Plan”) for eligible Employees. The 401(k) Plan provides for pre-tax salary deductions of compensation up to limits established under the Internal Revenue Code. The 401(k) Plan is administered by ADP. Employee participants in the 401(k) Plan have contributions deducted from their payroll based on predetermined contribution amounts (the “401(k) Employee Contributions”). These amounts are held in trust by the Debtors until they are remitted to the 401(k) Plan by ADP.

26. The Debtors’ Employees are eligible to participate in the 401(k) starting the first of the month following the date of hire. Temporary Employees are eligible after completing 1,000 hours of work. The annual maximum contribution under the plan is \$23,000 and catch-up contributions of up to \$7,500 are allowed for employees above the age of 50 years old. The Debtors provide a safe harbor matching contribution (the “401(k) Debtor Contributions”) of up to 100% of the first 3% of eligible compensation that an Employee defers into the plan maximum of 3%.

27. As of the Petition Date, the Debtors anticipate approximately \$132,000 in prepetition obligations on account of the 401(k) Plan, all of which will become due and owing during the Interim Period. The Debtors request authority, but not direction, to pay the accrued prepetition Contributions and to continue to contribute amounts on account of the 401(k) Plan as they become due in the ordinary course of business.

v. Independent Contractor Obligations.

28. The Debtors utilize various independent contractors to perform certain sales, marketing, accounting, advisory, and consulting services important to the Debtors' operations (collectively, the "Independent Contractors"). The Debtors occasionally rely on the support of the Contractors to complete discrete projects in furtherance of the Debtors' business.

29. The average monthly expense for the Independent Contractors is approximately \$109,000 depending on the Debtors' needs and the projects with which the Contractors are involved (the "Contracting Obligations"). The Independent Contractors are paid on a monthly and bi-monthly basis.

30. As of the Petition Date, the Debtors respectfully submit that there are no outstanding prepetition obligations due and owing on account of the Contracting Obligations, that will become due and owing during the Interim Period. The Debtors request authority, but not direction to continue paying the Contracting Obligations in the ordinary course of business.

vi. Employee Commissions for Q1 2024

31. In the ordinary course of the Debtors' business, the Debtors pay their sales and customer service Employees quarterly commissions (the "Commissions", and for the first quarter of 2024, the "Q1 Commissions") as part of their compensation. The Commissions are typically paid between 45-60 days following the end of a fiscal quarter and are paid on a per-person basis. With respect to the Q1 Commissions, the Debtors anticipate that twenty-eight (28) Employees will be eligible for Q1 Commissions totaling approximately \$651,750.⁴ These amounts represent prepetition wages earned by the Debtors' Employees prepetition but for which would not typically

⁴ Note that this amount is an estimate based on current figures. The Debtors' first fiscal quarter does not end until the end of May, and therefore, the exact amount cannot be calculated until after the fiscal quarter ends. To the extent the amount is above this amount, the Debtors will file a supplement to this Motion.

be paid until middle to end of July. Certain of the Employees entitled to the Q1 Commissions would be paid in excess of the \$15,150 cap to the extent they receive Q1 Commissions they have earned. However, these Employees are critical to Debtors' salesforce and revenue production. Accordingly, the Debtors request authority to pay the amounts accrued and unpaid on account of the Q1 Commissions in connection with approval of the Proposed Final Order.

vii. Professional Employer Organization

32. The Debtors also use a professional employer organization ("PEO"), Horizons Global Technology PTE Ltd. ("Horizons"), to handle various aspects of employment for foreign workers. Horizons provides services such as payroll management, benefits administration, HR compliance, and handles employment taxes for these individuals. The Debtors currently utilize four individuals managed by Horizons to support their foreign operations—one in New Zealand, one in Australia, and two in Canada. These individuals have gained substantive, critical working knowledge of the Debtors' operations. The Debtors do not owe any prepetition amounts to Horizons and request authority, but not direction, to continue to pay amounts that become due to Horizons in the ordinary course of business.

B. Other Employee Compensation.

33. In addition to Wages, the Debtors offer their Employees other forms of compensation, in the forms of paid holidays and personal days (*i.e.*, vacation or illness) (collectively, "Paid Time Off"). The Debtors also reimburse certain business expenses incurred by Employees. These forms of compensation are usual, customary, and necessary if the Debtors are to retain qualified Employees to continue operating in the normal course during the Chapter 11 Cases. Accordingly, the Debtors request authority, but not direction, to honor outstanding prepetition obligations with respect to Paid Time Off and expense reimbursements in the ordinary

course of business, in consultation with the Required Consenting Lenders, and applicable restrictions under the Debtors' policies.

i. Personal Time Off / Sick Leave

34. In the ordinary course of business, the Debtors grant salaried Employees flexible time off, which means that an Employee can request time off as needed, so long as the Employee's manager approves the request. This paid time off does not accrue and does not get paid out in cash.

35. The Debtors also provide their hourly Employees accrued personal time off, where a certain amount of Paid Time Off is accrued each pay period. Part-time and temporary hourly Employees are eligible to accrue 1 hour of sick time for every 30 hours worked/per week.

36. The Debtors also maintain policies governing requests by eligible Employees for time off from work, whether paid or unpaid, as the result of, among other things, bereavement leave, voting time, jury duty, family and medical leave, and other leaves of absences in compliance with applicable federal and state laws. The Debtors seek authority, but not direction, to continue to honor their additional time-off policies in the ordinary course of business during the pendency of these Chapter 11 Cases.

37. As of the Petition Date, the Debtors estimate approximately \$117,834 of accrued obligations on account of the Paid Time Off policy. The Debtors do not believe any such amounts will come due during the Interim Period. Accordingly, the Debtors seek authority, but not direction, to continue to honor this Paid Time Off policy in the ordinary course of business and pay up to \$117,834 on account of accrued Paid Time Off in connection with approval of the Proposed Final Order.

ii. Deferred Compensation Plan

38. In recognition of the services provided by certain key Employees, the Debtors adopted the CalAmp Deferred Compensation Plan adopted August 23, 2013 (“Deferred Comp Plan”), to make additional retirement benefits and increased financial security available on a tax-favored basis to those individuals. The Deferred Compensation Plan has 16 Employee participants. Employees have funded the Deferred Comp Plan with approximately \$8 million in total assets, consisting of \$5 million in cash and \$3 million in CalAmp’s common stock. Importantly, these assets are not estate property and the Debtors do not contribute to the Deferred Comp Plan, other than paying for the management of the plan on behalf of the Employees. The Deferred Compensation Plan is managed by Reliance Trust (“Reliance”), which serves as the custodian of the Plan. The Debtors do not believe any prepetition amounts are due or owing to Reliance; however, in an abundance of caution, the Debtors respectfully request authority to pay any amounts that may come due in the ordinary course of business and to continue the Deferred Comp Plan in the ordinary course of business. The Debtors also seek authority to continue or terminate the Deferred Comp Plan within the Debtors’ business judgment, in consultation with the Required Consenting Lenders.

iii. Employee Stock Purchase Plan

39. Employees of the Debtors who have at least five months of employment in a calendar year and work more than 20 hours per week may enroll in the Employee Stock Purchase Plan (“ESPP”). The ESPP permits Employees to purchase common stock through the Debtors and via payroll deductions from their Wages. The Debtors then purchase common stock of CalAmp Corp on behalf of the Employees at a discount of 15%. There are currently 62 Employees enrolled in the ESPP. Due to restrictions under the Employee Stock Purchase Plan, each Employee can

only contribute a maximum amount of \$262 into the ESPP and the ESPP currently limits the amount of shares an Employee can purchase of up to 86 shares. Typically, the Debtors purchase common stock on behalf of its Employees bi-annually. As of the Petition Date, the ESPP has been funded with approximately \$15,000 in cash that has not been invested in CalAmp. Corp. common stock on behalf of the Employees. Importantly, these funds are not estate property and the Debtors do not contribute to the ESPP, other than paying for the management of the plan on behalf of the Employees. Accordingly, the Debtors respectfully request authority to return these uninvested funds to the Employees and terminate the ESPP going forward.

iv. Reimbursable Expenses

40. In the ordinary course of business, the Debtors routinely reimburse eligible Employees for certain reasonable expenses incurred within the scope of their employment, including expenses for travel, lodging, ground transportation, meals, supplies, and other business expenses (collectively, the “Reimbursable Expenses”). The Debtors require Employees to submit claims for reimbursement within a timely manner after the expense is incurred. The Employees may charge the Reimbursable Expenses to their personal credit cards and submit a request for reimbursement from the Debtors. The Debtors pay approximately \$40,000 monthly, on account of Reimbursable Expenses.

41. The Debtors believe that payment of the Reimbursable Expenses is important to the morale of the Debtors’ workforce, which, in turn, is critical to maintaining operations during the pendency of these Chapter 11 Cases. Absent payment of the Reimbursable Expenses, the Debtors would encounter difficulties with retention of their Employees, who are the key to the Debtors’ ability to continue operating during these Chapter 11 Cases. The Reimbursable Expenses represent a relatively minimal cost to the Debtors’ estates in light of the overall benefits achieved.

42. As of the Petition Date, the Debtors estimate that they owe approximately \$23,000 in Reimbursable Expenses, all of which will become payable during the Interim Period. Requiring Employees to personally bear the cost of any approved, business-related expenses incurred in furtherance of their responsibilities to the Debtors would significantly impair Employee morale. Accordingly, to avoid harm to the Debtors' businesses, the Debtors seek authority, but not direction, to pay all outstanding prepetition Reimbursable Expenses and to continue honoring their expense reimbursement policy in the ordinary course of business.

C. Health and Welfare Programs.

43. In the ordinary course of business, the Debtors have established standard and customary plans and policies to provide their eligible Employees with health benefits, including medical, prescription drug, dental, vision, access to a healthcare flexible spending account, life insurance, workers' compensation insurance, and other ancillary benefits programs (collectively, the "Health and Welfare Programs"). As of the Petition Date, the Debtors estimate that they owe approximately \$25,200 on account of prepetition amounts due under the Health & Welfare Programs, of which \$20,200 will become due and owing during the Interim Period. The Debtors request authority, but not direction, to pay these amounts and to continue the Health and Welfare Programs in the ordinary course of business.

i. Health Insurance Benefits.

44. The Debtors offer eligible Employees and their dependents with medical and prescription healthcare, dental, and vision plans (the "Healthcare Plans") through Cigna Healthcare ("Cigna"). The Debtors pay an average of approximately \$350,000 per month to Cigna for premiums and administration fees on account of the Healthcare Plans. Such amounts are payable

in advance and therefore, there are no prepetition amounts due or owing under the current Healthcare Plans.

45. However, the Debtors previously self-funded their Healthcare Plans and believe, based on historical estimates, that approximately \$20,000 and \$25,000 may come due during the Interim and Final Period, respectively, that relate to trailing prepetition amounts from the prior Healthcare Plans.

46. The Debtors also offer eligible Employees a flexible spending account plan through WEX Inc. (the “FSA Plan”), which allows Employees to set aside tax-free income to cover qualified health and dependent care expenses.

47. The Debtors also provide Employees with COBRA insurance coverage, through WEX Inc., to ensure that employees may keep their group health insurance for a limited time after a job loss or other life event. The Debtors pay for the administrative fees associated with the program and estimate that, as of the Petition Date, approximately \$200 in prepetition amounts may be due and owing, all of which will become payable during the Interim Period. The Debtors request authority, but not direction, to pay these amounts in connection with the Proposed Interim Order.

48. Each of the Healthcare Plans is important to the maintenance of Employee welfare and morale and is therefore critical to the uninterrupted operation of the Debtors’ business. The Debtors request the authority, but not direction, to continue to pay the amounts that become due under the Health Insurance Benefits in the ordinary course of business.

ii. Life and AD&D Benefits.

49. The Debtors offer eligible Employees the option to purchase (a) basic life and accidental death and dismemberment insurance that pays benefits to the Employee’s beneficiary

in the event of a covered accident or death and (b) optional life and accidental death and dismemberment insurance that provides additional coverage in the event of a covered accident or death (the “Life and AD&D Programs,” and the obligations thereunder, the “Life and AD&D Obligations”). The provider for each of the Life and AD&D Programs is Standard Insurance Company (“Standard”). The Debtors pay approximately \$20,000 monthly to Standard to administer the Life and AD&D Programs.

iii. Workers’ Compensation Program.

50. The Debtors also provide eligible Employees with workers’ compensation insurance (the “Workers’ Compensation Program”), which is provided by Chubb Group of Insurance Company (“Chubb”). The Debtors annually pre-pay the premiums and related fees on account of the Workers’ Compensation Program every December. As of the Petition Date, the Debtors estimate that there are no prepetition obligations on account of the Workers’ Compensation Program. The Debtors do not believe they have any outstanding claims on account of the Workers’ Compensation Program.

51. The Debtors may be statutorily or contractually obligated to maintain the Workers’ Compensation Program, and their inability to do so may result in adverse legal consequences that potentially could disrupt the reorganization process. The Workers’ Compensation Program is similarly critical to maintaining Employee morale. The Debtors respectfully request authority to: (a) pay any prepetition amounts owed on account of the Workers’ Compensation Program; (b) modify the automatic stay solely to permit Employees to proceed with their workers’ compensation claims in the appropriate judicial or administrative forum; and (c) pay all workers’ compensation obligations, including any outstanding insurance premiums, as they become due in the ordinary course of the Debtors’ business.

iv. Board Fees

52. The Debtors' Board of Directors consists of eight members. In the ordinary course of business, the Debtors pay quarterly fees in advance to, and reimburse expenses for, the members of the Debtors' Board of Directors (the "Board"). The Debtors pay quarterly fees equal to \$131,000 for the Board, save for one Board member, who is paid \$35,000 monthly, in advance. The Board's services are necessary for the continued management of the Debtors and, accordingly, it is essential that the Debtors be authorized to pay the Board's fees and any business-related expenses incurred by the Board that have accrued as of the Petition Date (the "Board Obligations").

53. As of the Petition Date, the Debtors do not believe that any amounts are owing to the Board, but out of an abundance of caution, the Debtors request authority, but not direction, to honor any prepetition Board Obligations that may arise in the ordinary course of business.

BASIS FOR RELIEF

54. As a result of the commencement of these Chapter 11 Cases and in the absence of an order of the Court providing otherwise, the Debtors will be prohibited from paying or otherwise satisfying their prepetition Employee Obligations, and the checks, wire transfers, and direct deposit transfers issued in respect of any such prepetition Employee Obligations would be dishonored. Failing to honor these obligations would have devastating consequences on the Debtors' business and, thus, these Chapter 11 Cases. Moreover, since the Plan contemplates payment in full of priority and unsecured claims, the Debtors' payment of Employee Obligations at this juncture would only affect the timing of such payments, if at all, not the amounts ultimately received by Employees.

I. The Proposed Payment of Employee Obligations is Warranted under Section 363(b) of the Bankruptcy Code and the Doctrine of Necessity.

55. Under section 363 of the Bankruptcy Code, a bankruptcy court is empowered to authorize a chapter 11 debtor to expend funds in the Court’s discretion outside the ordinary course of business. 11 U.S.C. § 363. Under section 363(b), courts require only that the debtor “show that a sound business purpose justifies such actions.” *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (requiring that the debtor show a “sound business purpose” to justify its actions under section 363 of the Bankruptcy Code) (internal citations omitted); *see also In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring a “good business reason for a sale under section 363 of the Bankruptcy Code”); *In re Adelphia Commc’ns Corp.*, 2003 WL 22316543, at *30 (Bankr. S.D.N.Y. Mar. 4, 2003) (requiring a “good business reason” for disposition of assets outside of the ordinary course in bankruptcy).

56. Payment of prepetition wage and salary claims to preserve and protect a debtor’s business, maximize value of the estate, and maintain positive employee morale, even if such payments were deemed to be outside the ordinary course of business, is a sufficient business justification for such an authorization. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). Accordingly, this Court should grant the requested relief herein under section 363 of the Bankruptcy Code.

57. Even if a particular claim is not entitled to priority, payment is nonetheless justified under section 105(a) of the Bankruptcy Code and the well-established “necessity of payment doctrine.” Under the “necessity of payment doctrine” and section 105(a) of the Bankruptcy Code, courts have consistently permitted immediate payment of prepetition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors, specifically including payment of prepetition employee claims. *See, e.g., Miltenberger v. Logansport C. &*

S.W. Ry. Co., 106 U.S. 286, 312 (1882) (stating that payment of pre-receivership claim prior to reorganization permitted to prevent “stoppage of . . . [crucial] business relations”); *see also Gregg v. Metro Trust Co.*, 197 U.S. 183, 187 (1905) (stating that “the payment of the employees of the [rail]road is more certain to be necessary in order to keep it running than the payment of any other class of previously incurred debts”); *Ionosphere*, 98 B.R. at 175-76 (finding that payment of prepetition wages, salaries, reimbursable business expenses, and health benefits to active employees of debtor airline authorized). The modern application of the doctrine of necessity is largely unchanged from the Supreme Court’s reasoning in *Miltenberger*. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581-82 (3d Cir. 1981) (“[I]n order to justify payment under the ‘necessity of payment’ rule, a real and immediate threat must exist that failure to pay will place the continued operation of the [debtor] in serious jeopardy.”); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 825 (Bankr. D. Del. 1999) (“The Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11.”); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994).

58. As described above, the Employees are highly skilled and experienced, without whom the Debtors could not operate. Thus, the Debtors’ ability to continue operating depends, in large part, upon the retention and motivation of the Employees. Most of the Debtors’ Employees (and their families) are dependent upon the wages, salaries, reimbursements, and other benefits they receive from the Debtors. Any disruption from Employee resignations or lack of morale could have devastating effects on the Debtors’ restructuring efforts. Indeed, payments which maintain the morale of the Debtors’ workforce add value to the estates because an unplanned reduction in the workforce or productivity could have significant effect on the Debtors’ business

operations. Accordingly, it is critical that the Debtors be authorized to honor their Employee Obligations, subject to the limitations described herein.

II. The Proposed Payments of Employee Obligations Do Not Exceed the Statutory Caps Under Section 507 of the Bankruptcy Code.

59. The Debtors believe that substantially all of the amounts they seek to pay are entitled to priority under sections 507(a)(4) or (a)(5) of the Bankruptcy Code. Section 507(a)(4)(A) of the Bankruptcy Code grants priority to employee claims for “wages, salaries, or commissions, including vacation, severance and sick leave pay” earned within 180 days before the filing of the applicable petition up to \$15,150 per employee. 11 U.S.C. § 507(a)(4). Similarly, section 507(a)(5) of the Bankruptcy Code provides that claims for contributions to certain employee benefit plans are also afforded priority treatment to the extent of the number of employees covered by each plan multiplied by \$15,150, less any amounts paid pursuant to section 507(a)(4) of the Bankruptcy Code. 11 U.S.C. § 507(a)(5). Thus, granting the relief sought herein would affect only the timing, and not the amount, of payment of the Employee Obligations to the extent they constitute priority claims.

III. The Proposed Payment of Withholdings is Authorized by Section 541 of the Bankruptcy Code.

60. Moreover, a portion of the Employee Obligations constitutes funds held in trust for payment to third parties. Specifically, under Bankruptcy Code section 541, all prepetition legal or equitable interests of a debtor are considered property of the estate subject to certain exclusions. Bankruptcy Code section 541(b)(7) explicitly excludes amounts withheld by an employer from employee wages as employee contributions to employee benefit plans under ERISA and health insurance plans under state law. Thus, the payment of the employee contribution component of the employer taxes or payment of garnished wages will not prejudice the Debtors’ estates because such withholdings are held in trust for the benefit of the related payees and, thus, do not constitute

property of the Debtors' estates under section 541 of the Bankruptcy Code. *See Begier v. IRS*, 496 U.S. 53, 57 (1990); *In re Am. Int'l Airways, Inc.*, 70 B.R. 102, 103 (Bankr. E.D. Pa. 1987) (funds held in trust for federal excise and withholding taxes are not property of debtor's estate and, therefore, not available for distribution to creditors).

61. Courts in this district have routinely granted to chapter 11 debtors the same or similar relief requested in this Motion. *See, e.g., In re Nogen Inc.*, No. 23-11945 (CTG) (Bankr. D. Del. Jan. 10, 2024) (order authorizing debtors to continue employee compensation and benefit programs and pay certain prepetition obligations related thereto on a postpetition basis); *In re Humanigen Inc.*, No. 24-10003 (BLS) (Bankr. D. Del. Jan. 8, 2024) (order authorizing debtors to continue employee compensation and benefit programs and to honor certain prepetition expenses); *In re Restoration Forest Products Group, LLC, et al.*, No. 24-10120 (KBO) (Bankr. D. Del. Jan. 31, 2024 (same)); *In re Ambri Inc.*, No. 24-10952 (LSS) (Bankr. D. Del. May 7, 2024) (same).⁵

IV. A Limited Waiver of the Automatic Stay for Workers' Compensation Claims is Appropriate Here.

62. Section 362(a) of the Bankruptcy Code operates to stay:

[T]he commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title[.]

11 U.S.C. § 362(a)(1). Section 362(d) of the Bankruptcy Code, however, permits a debtor or other parties in interest to request a modification or termination of the automatic stay for "cause." *Id.* at § 362(d)(1).

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.

63. In accordance with section 362(d) of the Bankruptcy Code, the Debtors seek to modify the automatic stay to permit Employees to proceed with their workers' compensation claims, if any, in the appropriate judicial or administrative forum. Cause exists here to modify the automatic stay because staying the workers' compensation claims could have a detrimental effect on the financial wellbeing and morale of certain Employees and lead to the departure of Employees who are critical at this juncture. Such departures could cause a severe disruption in the Debtors' businesses, which would be to the detriment of all parties in interest.

64. For all the reasons previously set forth herein, the Debtors submit that payment of the Employee Obligations and the continuation of the Employee Programs are necessary to the success of the Debtors' Chapter 11 Cases and should be authorized by this Court.

RESERVATION OF RIGHTS

65. 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 dispute such claim subsequently.

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

66. 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.

67. 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

68. Notice of this Motion will be provided to the following parties or their respective counsel: (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) 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; and (h) 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.

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)

POTTER ANDERSON & CORROON LLP

1313 N. Market Street, 6th Floor

Wilmington, Delaware 19801

Telephone: (302) 984-6000

Facsimile: (302) 658-1192

Email: kgood@potteranderson.com

astulman@potteranderson.com

gflasser@potteranderson.com

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, BUT NOT DIRECTING, THE DEBTORS TO
(A) PAY PREPETITION WAGES, COMPENSATION, EMPLOYEE BENEFITS, AND
OTHER EMPLOYEE OBLIGATIONS AND (B) CONTINUE CERTAIN EMPLOYEE
BENEFIT PROGRAMS IN THE ORDINARY COURSE; (II) AUTHORIZING ALL
BANKS TO HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION
EMPLOYEE OBLIGATIONS; 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”), (i) authorizing, but not directing, the Debtors to (a) pay prepetition wages, compensation, employee benefits, and other employee obligations and (b) continue certain employee benefit programs in the ordinary course; (ii) authorizing all banks to honor prepetition checks for payment of prepetition employee obligations; and (iii) granting other 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 U.S.C. § 157(b)(2) and that this Court may enter

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.

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 (collectively, the “Notice Parties”).

3. The Debtors are authorized, but not directed, to pay and honor in consultation with the Required Consenting Lenders, all prepetition Employee Obligations, including processing and administrative fees, in an aggregate amount not to exceed \$1,332,700 during the Interim Period. The Commissions shall not be paid pursuant to this Interim Order, and that relief will be considered on a final basis.

4. Notwithstanding the foregoing, payments and/or transfers to, or on behalf of, any Employee or Independent Contractor on account of prepetition obligations during the Interim Period shall be limited by 11 U.S.C. §§ 507(a)(4) or 507(a)(5), unless applicable state law requires payments upon termination of an Employee that, in combination with the other payments authorized by this Interim Order, would exceed the limits of §§ 507(a)(4) and 507(a)(5). Other than as expressly contemplated in the Motion, if unpaid prepetition claims or obligations to any Employee exceed the \$15,150 priority wages cap imposed by section 507(a)(4) of the Bankruptcy Code, prior to paying any such amounts to Employees over \$15,150, the Debtors shall file and serve a notice (the “Exception Notice”) of the amounts the Debtors intend to pay such Employees (the “Noticed Amounts”), along with the title of the Employee(s) to be paid. Provided no objections are received by the Debtors to the proposed payment of the Noticed Amounts within 14 days of filing the Exception Notice, and upon the filing of a certification of no objection, the Debtors shall be authorized, but not directed, to pay the Noticed Amounts without further order of the Court.

5. The Debtors are authorized, but not directed, in consultation with the Required Consenting Lenders, to honor and continue, and, subject to the consent of the Required Consenting Lenders, amend, renew, replace, modify, revise, supplement, or terminate the Employee Programs that were in effect as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee Programs under section 365(a) of the Bankruptcy Code; *provided, however*, that any change to the Employee Programs that would implicate section 503(c) of the Bankruptcy Code shall be subject to further motion and notice.

6. Nothing herein shall be deemed to (1) authorize the payment of any amounts in satisfaction of bonus or severance obligations, or which are subject to section 503(c) of the Bankruptcy Code; or (2) authorize the Debtors to cash out unpaid vacation/leave time except upon termination of an employee, if applicable state law requires such payment.

7. The Debtors will continue to honor Paid Time Off in the ordinary course.

8. 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.

9. The Debtors’ banks and other financial institutions shall be and hereby are authorized to receive, process, honor, and pay all prepetition and postpetition checks and fund transfers on account of the Employee Obligations that had not been honored and paid as of the Petition Date, up to the amounts authorized to be paid pursuant to this Interim Order, *provided that* sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors shall be and hereby are authorized to issue new postpetition checks or effect new postpetition funds

transfers on account of the Employee Obligations to replace any prepetition checks or funds transfer requests that may be dishonored or rejected.

10. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified solely to the extent necessary to allow Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees are authorized to so proceed. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business. The modification of the automatic stay set forth in this paragraph pertains solely to claims under the Workers' Compensation Program.

11. The Debtors are authorized to pay any and all Withholdings, including social security, FICA, federal and state income taxes, garnishments, health care payments, retirement fund withholding, and other types of withholdings, whether these relate to the period prior to Petition Date or subsequent thereto.

12. The Debtors are authorized, but not directed, in consultation with the Required Consenting Lenders, to pay all processing fees associated with, and all costs incident to, the foregoing, including but not limited to, the Payroll Processor Fees.

13. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in the Motion or this Interim Order shall be deemed: (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of any party's right to dispute any claim on any grounds; (iii) a promise or requirement to pay any claim; (iv) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (v) a waiver of any party's rights under the Bankruptcy Code or any other

applicable law; or (vi) to create any rights in favor of, or enhance the status of, any claim held by any person or entity.

14. The 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.

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

16. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable upon entry hereof.

17. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

18. 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, BUT NOT DIRECTING, THE DEBTORS TO
(A) PAY PREPETITION WAGES, COMPENSATION, EMPLOYEE BENEFITS, AND
OTHER EMPLOYEE OBLIGATIONS AND (B) CONTINUE CERTAIN EMPLOYEE
BENEFIT PROGRAMS IN THE ORDINARY COURSE; (II) AUTHORIZING ALL
BANKS TO HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION
EMPLOYEE OBLIGATIONS; 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”), (i) authorizing, but not directing, the Debtors to (a) pay prepetition wages, compensation, employee benefits, and other employee obligations, and (b) continue certain employee benefit programs in the ordinary course; (ii) authorizing all banks to honor prepetition checks for payment of prepetition employee obligations; and (iii) granting other 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 U.S.C. § 157(b)(2) and that this Court may enter

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.

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. The Debtors are authorized, but not directed, to pay and honor in their discretion, all prepetition Employee Obligations, including processing and administrative fees, in an aggregate amount not to exceed \$2,107,084.
3. The Debtors are authorized, but not directed, in their discretion and in consultation with the Required Consenting Lenders, to honor and continue, and, subject to the consent of the Required Consenting Lenders, amend, renew, replace, modify, revise, supplement, or terminate, the Employee Programs that were in effect as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee Programs under section 365(a) of the Bankruptcy Code; *provided, however*, that any change to the Employee Programs that would implicate section 503(c) of the Bankruptcy Code shall be subject to further motion and notice.
4. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified solely to the extent necessary to allow Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees are

authorized to so proceed. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business. The modification of the automatic stay set forth in this paragraph pertains solely to claims under the Workers' Compensation Program.

5. Notwithstanding the foregoing, payments and/or transfers to, or on behalf of, any Employee or Independent Contractor on account of prepetition obligations shall be limited by 11 U.S.C. §§ 507(a)(4) or 507(a)(5), unless applicable state law requires payments upon termination of an Employee that, in combination with the other payments authorized by this Interim Order, would exceed the limits of §§ 507(a)(4) and 507(a)(5). Other than as expressly contemplated in the Motion, if unpaid prepetition claims or obligations to any Employee exceed the \$15,150 priority wages cap imposed by section 507(a)(4) of the Bankruptcy Code, prior to paying any such amounts to Employees over \$15,150, the Debtors shall file and serve a notice (the "Exception Notice") of the amounts the Debtors intend to pay such Employees (the "Noticed Amounts"), along with the title of the Employee(s) to be paid. Provided no objections are received by the Debtors to the proposed payment of the Noticed Amounts within 14 days of filing the Exception Notice, and upon the filing of a certification of no objection, the Debtors shall be authorized, but not directed, to pay the Noticed Amounts without further order of the Court.

6. Nothing herein shall be deemed to authorize the payment of any amounts that would violate or implicate section 503(c) of the Bankruptcy Code.

7. 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.

8. The Debtors' banks and other financial institutions shall be and hereby are authorized to receive, process, honor, and pay all prepetition and postpetition checks and funds transfers on account of the Employee Obligations that had not been honored and paid as of the Petition Date, up to the amounts authorized to be paid pursuant to this Final Order, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors shall be and hereby are authorized to issue new postpetition checks or effect new postpetition funds transfers on account of the Employee Obligations to replace any prepetition checks or funds transfer requests that may be dishonored or rejected.

9. The Debtors are authorized to pay any and all Withholdings, including social security, FICA, federal and state income taxes, garnishments, health care payments, retirement fund withholding, and other types of withholdings, whether these relate to the period prior to Petition Date or subsequent thereto.

10. The Debtors are authorized, but not directed, in consultation with the Required Consenting Lenders, to pay all processing fees associated with, and all costs incident to, the foregoing, including but not limited to, the Payroll Processor Fees.

11. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in the Motion or this Final Order shall be deemed: (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of any party's right to dispute any claim on any grounds; (iii) a promise or requirement to pay any claim; (iv) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (v) a waiver of any party's rights under the Bankruptcy Code or any other applicable law; or (vi) to create any rights in favor of, or enhance the status of, any claim held by any person or entity.

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

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

14. 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.

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