

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11
: :
Telogy LLC., et al., : Case No. 10-10206 (MFW)
: :
Debtors. : Jointly Administered
: :
: Ref. Docket No.: 5
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**ORDER AUTHORIZING:
(A) CONTINUED USE OF THE DEBTORS' CASH MANAGEMENT
SYSTEM AND PROCEDURES; (B) MAINTENANCE AND CONTINUED
USE OF EXISTING BANK ACCOUNTS; (C) WAIVER OF CERTAIN
OPERATING GUIDELINES RELATING TO THE
DEBTORS' BANK ACCOUNTS AND BUSINESS FORMS;
AND (D) WAIVER OF THE REQUIREMENTS OF SECTION
345 OF THE BANKRUPTCY CODE ON AN INTERIM AND FINAL BASIS**

Upon the motion (the "**Motion**") of the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**")¹ for an order, pursuant to sections 105(a), 345, and 363 of title 11 of the United States Code (the "**Bankruptcy Code**"), as supplemented by Rule 6003 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2015-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Code for the District of Delaware (the "**Local Rules**"), authorizing: (i) the continued use of the Debtors' cash management system and procedures (the "**Cash Management System**"); (ii) maintenance and continued use of the Debtors' existing bank accounts; (iii) a waiver of certain operating guidelines relating to bank accounts; and (iv) waiver of the requirements of section 345(b) of the Bankruptcy Code on an interim basis and on a final basis

¹ The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) e-Cycle, LLC (1582) and (ii) Telogy, LLC (1530). The Debtors' executive headquarters are located at 3200 Whipple Road, Union City, California 94587.

on the terms set forth in the Motion; and upon the Affidavit of Gary B. Phillips, Chief Executive Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings (the “Phillips Affidavit”); and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion is in the best interests of these estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted.
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Debtors are authorized and empowered to continue to manage their cash pursuant to the Cash Management System maintained by the Debtors prior to the commencement of these chapter 11 cases and to collect and disburse cash in accordance with the Cash Management System.
4. The requirement of the U.S. Trustee Guidelines that the Debtors close all existing bank accounts and open new debtor in possession accounts is hereby waived. Further, the requirement of the U.S. Trustee Guidelines that the Debtors establish specific bank accounts for tax payments is hereby waived.
5. The Debtors may disburse funds by checks, drafts, wires, debits, ACH transfers or by any other means.
6. The Debtors are authorized to use their checks and other business forms, substantially in the forms existing immediately prior to the Petition Date, without reference to their status as debtors in possession; provided, however, in the event that the Debtors need to

purchase new check stock during the pendency of these chapter 11 cases, such check stock will include a legend referring to the Debtors as “Debtors in Possession” or “DIP.”

7. The Debtors are authorized to continue to invest and deposit funds in the Bank Accounts in accordance with their prepetition practices, without the need for a bond or other collateral as required by section 345(b) of the Bankruptcy Code, notwithstanding that this practice may not strictly comply with the requirements of section 345(b) of the Bankruptcy Code, and that the entities with which the Debtors’ money is invested shall be excused from compliance with the requirements of section 345(b) of the Bankruptcy Code for a period of sixty (60) days from the Petition Date, without prejudice to the Debtors’ right to seek a further interim waiver or final waiver upon final hearing.

8. Subject to terms of the immediately preceding paragraph, all applicable Banks and other financial institutions are authorized to accept and hold or invest funds as directed by the Debtors.

9. The Banks where the Debtors maintain the Bank Accounts are authorized and directed to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession without interruption and in the usual and ordinary course, and to receive, process and honor and pay any and all checks, drafts, wires or ACH transfers issued or initiated by the Debtors, and drawn on the Bank Accounts, after the Petition Date by the holders or makers thereof, as the case may be, provided there are sufficient funds, whether deposited prior or subsequent to the Petition Date, in the requisite Bank Account, or otherwise available to cover and permit payment thereof; provided, however, that any check drawn or issued by the Debtors before the Petition Date may be honored by any Bank only if specifically authorized by order of this Court.

10. Except for those checks that may be honored and paid to comply with any order(s) of this Court authorizing payment of certain prepetition claims, no checks or drafts issued on the Bank Accounts before the Petition Date but presented for payment after the Petition Date shall be honored or paid. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to orders of this Court.

11. Notwithstanding any other provision of this Order, no Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order: (a) at the direction of the Debtors; (b) in a good faith belief that the Court has authorized such prepetition check or item; or (c) as the result of a good faith error made despite implementation of reasonable item handling procedures, shall be liable to the Debtors or their estates or otherwise in violation of this Order.

12. For Banks that are a party to a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**"), within fifteen (15) days from the date of entry of this Order, the Debtors shall (a) contact each Bank, (b) provide the Bank with each of the Debtors' employer identification numbers, and (c) identify each of their accounts held at such banks as being held by a debtor in possession.

13. For Banks that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the Bank to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within forty-five (45) days of the date of entry of this Order.

14. The Debtors shall record the consolidated balances of each of their Bank Accounts as of the Petition Date so that all postpetition transfers and transactions respecting such

Bank Accounts shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors prior to the commencement of these chapter 11 cases.

15. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Accounts, as they may deem necessary and appropriate, and the Banks are authorized to honor the Debtors request to open or close, as applicable, such Bank Accounts or other bank accounts, and the Debtors shall provide notice of same in their monthly operating report filed in these cases.

16. As promptly as possible, but in no event later than five (5) business days after entry of this Order, the Debtors shall serve a copy of this Order on all Banks whose Bank Accounts are listed on Exhibit A attached to the Motion.

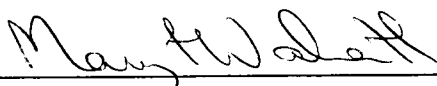
17. The relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors, and timely entry of this Order is not prohibited by Bankruptcy Rule 6003(b).

18. The notice requirements of Bankruptcy Rule 6004(a) are hereby deemed waived.

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

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

Dated: Wilmington, Delaware
January 26, 2010



Mary F. Walrath
United States Bankruptcy Judge