

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X	:	Chapter 11
In re	:	
	:	
Telogy, LLC., <u>et al.</u> , ¹	:	Case No. 10-10206 (MFW)
	:	
Debtors.	:	Jointly Administered
	:	
-----X	:	Ref. Docket No.: 7

ORDER AUTHORIZING DEBTORS TO HONOR CERTAIN PREPETITION OBLIGATIONS TO CUSTOMERS AND TO CONTINUE CUSTOMER PROGRAMS

Upon the motion (the “**Motion**”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for entry of an order, pursuant to sections 105(a) and 363(b) 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**”), authorizing, but not directing, the Debtors to honor certain prepetition obligations to customers and to continue customer programs; 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.

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.

2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

3. The Debtors are authorized, in their sole discretion and in the ordinary course of business, to honor and perform all obligations in respect of the Customer Programs, including the Prepetition Customer Obligations, without regard to whether the Debtors' obligations under any such Customer Programs arose before or after the Petition Date, provided, however, that the Debtors' aggregate cash payments relating to such Prepetition Customer Obligations shall not exceed \$10,000.

4. The Debtors are authorized, but not directed, to continue, renew, replace, modify, and/or terminate their Customer Programs as they deem appropriate, in their discretion, and in the ordinary course of business, without further application to the Court.

5. All applicable banks and other financial institutions are hereby authorized and required to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. 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 this Order.

6. The authorization granted hereby to continue the Customer Programs shall not create any obligation on the part of the Debtors or their officers, directors, attorneys, or agents to pay or provide credits under the Customer Programs, and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay or provide credits under the Customer Programs and nothing contained in this order shall be deemed to increase,

reclassify, elevate to an administrative expense status, or otherwise affect the payments or credits provided under the Customer Programs to the extent they are not paid.

7. Neither the relief granted herein nor any actions or payments made by the Debtors pursuant to this Order shall constitute an approval or assumption of any Customer Program or related agreement or policy pursuant to section 365 of the Bankruptcy Code, or an admission by the Debtors of liability with respect to any Prepetition Customer Obligation.

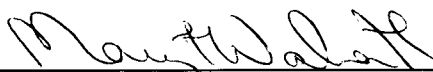
8. The relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors, and timely entry of this Order is not prohibited by Bankruptcy Rule 6003(b).

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

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

11. This Court shall retain jurisdiction over any 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