UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF LOUISIANA

IN RE:	§	
	§	
COPSYNC, INC.	§	CASE NO.: 17-12625
	§	
Debtor	§	CHAPTER 11
	§	
	§	

MOTION FOR AUTHORITY TO (A) PAY INSIDERS OUTSTANDING PRE-PETITION AND POST-PETITION WAGES, SALARIES, EXPENSE REIMBURSEMENTS, BENEFITS AND RELATED AMOUNTS, INCLUDING TAXES; AND (B) CONTINUE SPECIFIED BENEFIT PROGRAMS FOR INSIDERS IN THE ORDINARY COURSE OF BUSINESS

NOW INTO COURT, through undersigned counsel, comes COPsync, Inc. ("COPsync" or "Debtor"), as Debtor in the above-captioned case ("Bankruptcy Case"), and hereby moves the Court, pursuant to Section 105(a) of the Bankruptcy Code, for entry of an order authorizing, but not directing, the Debtor to (a) pay insiders outstanding pre-petition wages/salaries for the two-week pay period immediately preceding the bankruptcy, in accord with rates provided for in any approved budget pursuant to post-petition financing approved by separate motion; and post-petition wages/salaries; expense reimbursements; benefits; and related amounts, including taxes; and (b) continue specified benefit programs for insiders in the ordinary course of business.[1] Debtor further prays that the Court order that any pre-petition wage/salary payment claims which remain unpaid after the pre-petition wage/salary payments authorized herein are made shall be treated as priority claims under 11 U.S.C. § 507(a)(4), to the fullest extent authorized by law, e.g., up to $12,850 for each individual. In support of this motion, Debtor respectfully represents:

[1] Nothing contained in this motion shall be deemed to be an express or implied amendment to any approved budget for any debtor-in-possession financing approved in this case and any payment authorized by this motion and the order corresponding to the same shall be subject to the terms and conditions of such debtor-in-possession financing, from and after its approval.

I.

JURISDICTION AND VENUE

1. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

3. This matter is a core proceeding within the meaning of 28 U.S.C. §157(b)(2).

4. The predicates for the relief requested herein are Sections 105(a) and 363(c)(1) of title 11 of the United States Code ("Bankruptcy Code") and Local Rule 4002-1(C)(2).

II.

PRELIMINARY STATEMENT

5. The Debtor's employees are the backbone of the organization, and a successful chapter 11 proceeding will demand the focus and commitment of all those employees. All interested parties will benefit from the maintenance or enhancement of the value of the business as a going concern. Leading efforts toward that end are six officers hired for their unique ability to shepard and oversee the business during this case (occasionally collectively referred to herein as "Officers"):

a. Rodney Bienvenu, Chief Executive Officer ("Bienvenu");

b. Clint Mock, Chief Financial Officer ("Mock");

c. Danielle Pellegrin, Chief Legal Officer ("Pellegrin");

d. Michael Angle, Chief Operations Officer and Head of Sales ("Angle");

e. Trisha Ahlman, Chief Marketing Officer ("Ahlman"); and

f. Wade Powell, Chief Technology Officer ("Powell").

6. Considering the requirements of Local Rule 4002-1(C)(2), Debtor has filed this motion to ensure that the Debtor has authority, but not a mandate, in the exercise of its business

judgment, to pay its Officers compensation for pre-petition wages/salaries for the two-week pay period immediately preceding the bankruptcy, in accord with salary rates provided for in any approved budget pursuant to post-petition financing approved by separate motion; to pay Officers post-petition wages/salaries; to meet related payroll obligations regarding Officers; and to provide limited, basic benefits to the same, as these Officers not only continue to execute their core functions, but also assume the added burdens of piloting the Debtor's operations in the context of chapter 11 proceedings, maintaining the viability and attractiveness of this business to the ultimate benefit of the estate and its creditors.

III.

BACKGROUND

7. On September 29, 2017 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the Bankruptcy Code. The Debtor is continuing to operate its business and manage its property as debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed and no official committee has been established in this case.

8. COPsync was created in 2005 as a "software for a service" or "SaaS" platform for law enforcement to share real-time information amongst counties, agencies, and departments. It was created in response to the 2000 death of one of COPsync's co-founders' colleagues and friends, Texas Department of Public Safety Trooper Randy Vetter, who was killed making what he believed to be a routine traffic stop for a seatbelt violation. The shooter in that car had made death threats against officers, which were documented months earlier in another department, but never shared with others because a system did not exist for that sharing.

9. The company served its first customer in 2008, expanded to 100 customers by July

2010, and currently serves over 2000 customers, including law enforcement agencies and state, county and local law enforcement departments; schools; and private sector companies that are hi-target facilities.

10. Although it entered the market with one product, it now has over 5 products, including:

a. The COPsync Network, a nationally shared network of law enforcement information. Officers add new data to the Network every day as they gather information that will be important to another officer.

b. Vidtac, a software-driven in-car HD video system with double the range of other cameras and better resolution than any other product on the market, first sold in 2012.

c. COPsync911, a real-time threat alert system, which allowed the company to expand its reach to community buildings such as schools, banks, hospitals, energy companies and other high-risk target facilities. COPsync911 technology has been invaluable in protecting customers from real-time threats such as terrorists and school shooters.

d. COURTsync is a service that enhances security in court buildings and provides a new level of protection for the building's employees. Using COURTsync, buildings under attack or employees being threatened may activate a threat-alert notification from a PC or a mobile device. The notification is broadcast to the closest officers, in their patrol cars, and to the 9-1-1 dispatch center. Plus, when an alert has been activated, everyone shares in a live silent text-based conversation.

e. As an add-on to COURTsync, city and county governments know what it means to have a warrant backlog. There are not enough people on staff in the court to call on warrant holders, and there is not enough money to staff the officers needed to go knock on doors. The problem is that the people holding outstanding warrants are likely being stopped by officers who don't know about the outstanding warrant and then issue yet another citation. That is, until the COURTsync Texas Class C Warrant Database.

f. The Texas Class C Warrant Database is an upgrade to COURTsync called WARRANTsync. It is a unified database of the outstanding Class C warrants for all subscribing courts. Access to the database is shared with the 1,000's of officers on COPsync who have a presence in 80% of the counties across Texas. The officers using COPsync make thousands of traffic stops each day. When they make a traffic stop on someone with an outstanding Class C warrant issued by your court, the officer is informed and can issue a warning or clear the warrant right there at the roadside. This product provides 1,000s of officer’s real-time access to court's warrants 24/7/365. It enables roadside warrant warning or clearing during traffic stops and can expand the court’s warrant clearing staff to include officers across Texas using COPsync.

11. COPsync completed a $10.6 million equity financing capital raise in November 2015 and is listed on the Nasdaq Capital Market exchange (COYN). In tandem with the capital raise, COPsync hired various consultants to help market and grow the company. Despite the capital raise and the marketing and growth strategies (including a failed attempt to expand into Puerto Rico), the company’s stock has been declining since the end of 2015.

12. The company is currently overleveraged and unable to meet its monthly liabilities

and expenses, and is filing bankruptcy to restructure its debts or sell the company, whichever ultimately proves to be in the best interest of the constituent parties.

13. The Board of Directors has recently hired a new management team to shepherd the company through bankruptcy.

IV.

LAW AND ARGUMENT

A. The payments to insiders requested herein are consistent with Debtor's pre-petition operations and thus are ordinary course transactions under Section 363(c) of the Bankruptcy Code.

14. Section 363(c)(1) of the Bankruptcy Code allows a debtor in possession to "enter into transactions . . . in the ordinary course of business, without notice or hearing, and may use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). It is standard for the Officers to receive basic compensation and benefits in return for their services. And as described further below, the payments requested herein for the Officers are reasonable and are at or below payment levels used in Debtor's pre-petition practice. Accordingly, Debtor request that the Court approve of these transactions as ordinary course transactions.

B. Additional bases of relief.

15. Bankruptcy Code § 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." Moreover, Bankruptcy Code § 363(b)(1) of the Bankruptcy Code provides "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate."

16. A bankruptcy court's use of its equitable powers to "authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). Courts

have recognized the applicability of the "necessity of payment" doctrine with respect to the payment of prepetition employee compensation and benefits. *See, e.g.*, *In re CoServ, L.L.C.*, 273 B.R. 487, 494 (Bankr. N.D. Tex. 2002) (noting that "wage claims typically are payable out of necessity as well as by virtue of their priority"); *In re Chateaugay Corp.*, 80 B.R. 279, 285-86 (S.D.N.Y. 1987), *appeal dismissed* 838 F.2d 59 (2d Cir. 1988) (approving lower court order authorizing payment of prepetition wages, salaries, expenses, and benefits). This doctrine is consistent with the paramount goal of chapter 11 of "facilitating the continued operation and rehabilitation of the debtor." *Ionosphere Clubs*, 98 B.R. at 176. The Debtor submits that application of the "necessity of payment" doctrine is wholly warranted in this case. In fact, bankruptcy courts have authorized payment of pre-petition employee compensation and benefits as appropriate under Bankruptcy Code § 105(a). *See, e.g.*, *In re Bass, Ltd.*, 11-51393 (Bankr. W.D. La.); *In re T & M Aviation, Inc.*, 10-51520 (Bankr. W.D. La.). *See also In re TXCO Res. Inc.*, 09-51807 (Bankr. W.D. Tex. May 21, 2009); *In re Spectrum Jungle Labs Corp.*, 09-50455 (Bankr. W.D. Tex. Feb. 5, 2009); *In re One Travel Holdings, Inc.*, 0670085 (Bankr. W.D. Tex. July 10, 2006).

17. In this case, any delay or failure to pay wages, salaries, benefits, and other similar items would impair the Officers' morale, dedication, confidence, and cooperation, and would adversely affect the Debtor's relationship with its Officers at a time when the support of Officers is critical to the Debtor's reorganization efforts.

18. Numerous bankruptcy courts have recognized the importance of paying employees' pre-petition claims. *See, e.g.*, *In re Bass, Ltd.*, 11-51393 (Bankr. W.D. La.); *In re T & M Aviation, Inc.*, 10-51520 (Bankr. W.D. La.). *See also In re Pilgrim's Pride Corp.*, 08-45664 (Bankr. N.D. Tex. Dec. 02, 2008); *In re Tusa-Expo Holdings, Inc.*, 08-45057 (Bankr. N.D. Tex. Nov. 7, 2008). In

In re Tusa-Expo, the United States Bankruptcy Court for the Northern District of Texas noted that satisfying employees' pre-petition claims was essential because, among other reasons, absent paying these claims there would be significant turnover which would interrupt the continuity of the debtor's business. In addition, the court went on to note that even if an employee remains with a debtor despite nonpayment of prepetition wages and benefits, the employee's work would be affected as the employee would likely be preoccupied with his or her personal economic issues which would obstruct the employee's performance of work. Likewise here, the Debtor simply cannot risk the substantial damage to their businesses that would inevitably attend a rapid decline in Officer morale.

19. Absent an order granting the relief requested herein, the Officers will suffer undue hardship and, in many instances, serious financial difficulties, as the Officers need the amounts in question to meet their own personal financial obligations. Without the requested relief, the stability of the Debtor will be undermined, perhaps irreparably, by the distinct possibility that otherwise loyal Officers will seek other employment alternatives. In addition, it would be inequitable to require the Officers to bear personally the cost of any business expenses they incurred prepetition, for the benefit of the Debtor, with the understanding that they would be reimbursed.

20. With respect to Payroll Taxes in particular, the payment of such taxes will not prejudice other creditors of the Debtor’s estate, as the relevant taxing authorities generally would hold priority claims under Bankruptcy Code § 507(a)(8) in respect of such obligations. Moreover, the portion of the Payroll Taxes withheld from an Officer's wages on behalf of the applicable taxing authority is held in trust by the Debtor. As such, these Payroll Taxes are not property of the Debtor’s estates under Bankruptcy Code § 541. *See Begier v. IRS*, 496 US 53 (1990) (withholding

taxes are property held by a debtor in trust for another and, as such, are not property of the debtor's estate).

21. In other chapter 11 cases, bankruptcy courts have approved payment of pre-petition claims for compensation, benefits, and expense reimbursements similar to those described herein. *See, e.g., In re TXCO Res. Inc.*, 09-51807 (Bankr. W.D. Tex. May 21, 2009); *Pilgrim's Pride Corp.*, 08-45664 (Bankr. N.D. Tex. Dec. 02, 2008); Tusa-Expo Holdings, 08-45057 (Bankr. N.D. Tex. Nov. 7, 2008); *In re Home Interiors & Gifts, Inc.*, 08-31961 (Bankr. N.D. Tex. May 2, 2008); *In re Manchester, Inc.*, 08-30703 (Bankr. N.D. Tex. Mar. 7, 2008); *In re Steve & Barry's Manhattan LLC*, 08-12579 (Bankr. S.D.N.Y. July 10, 2008); *In re Fortunoff Fine Jewelry & Silverware, LLC*, 08-10353 (Bankr. S.D.N.Y. Feb. 29, 2008); *In re Charys Holding Co.*, Case No. 08-10289 (Bankr. D. Del. Feb. 15, 2008).

22. Furthermore, in this case, Debtor’s request is reasonable and limited in nature. Debtor requests to pay the Officers pre-petition wages for the two-week pay period immediately preceding the bankruptcy, in accord with salary rates provided for in any approved budget pursuant to post-petition financing approved by separate motion; and to make such payments in the business judgment of the Debtor. Debtor further prays that the Court order that any pre-petition wage/salary payment claims which remain unpaid after the pre-petition wage/salary payments authorized herein are made shall be treated as priority claims under 11 U.S.C. § 507(a)(4), to the fullest extent authorized by law, *e.g.*, up to $12,850 for each individual. The payment of the pre-petition wage/salary claims described herein will not prejudice in any way the priority treatment of remaining wage/salary claims. And Debtor requests to make post-petition payments to the Officers under the terms described below.

23. The Debtor further requests that the Court authorize and direct the Banks to receive, process, and pay any and all checks, electronic fund transfers, and automatic payroll transfers drawn on the Debtor's Disbursement Accounts, to the extent that such checks or transfers relate to any of the payments and obligations described herein. The Debtor also seeks authority to issue new post-petition checks, or effect new electronic fund transfers, on account of such claims to replace any prepetition checks or electronic fund transfer requests that may be dishonored or rejected as a result of the commencement of the Bankruptcy Case.

C. This Motion complies with the requirements of Local Rule 4002-1(C)(2), and, accordingly, Debtor request that this Court grant authority for the Officers to be paid the compensation and benefits requested herein.

24. Under 11 U.S.C. § 101(31), the Bankruptcy Code defines the term "insider" to include, if the debtor is a corporation – like the instant case – a director of the debtor or officer of the debtor or person in control of the debtor.

25. Under some interpretations of these provisions, the Officers may fall under this definition. And, in an abundance of caution, Debtor has proceeded accordingly.[2]

26. Local Rule 4002-1(C)(2) requires that a chapter 11 debtor-in-possession must not compensate any present insider within the meaning of 11 U.S.C. § 101(31) from estate assets without prior court approval. The rule further provides that any motion to compensate any present or former insider must recite the following:

a. The necessity for retaining the insider;

b. The services the insider will perform on behalf of the estate;

c. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking;

---

[2] Debtor reserves all rights to assert that the Officers do not technically qualify as "insiders" under 11 U.S.C. § 101(31).

d. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed; and

e. The insider's salary at the date of the petition.

27. Each of these factors are addressed herein.

(i) Description of pre-petition benefits and expense reimbursements and payroll related obligations applicable to one or more Officers which Debtor seeks authority herein to continue.

28. The benefits described in this section were extended to both Non-Officer Employees and Officers alike pre-petition. And Debtor seeks to continue to offer these basic benefits to the Officers and, by separate motion, to the Non-Officer employees as well, post-petition. Collectively, the Health, Vision and Dental Plans; Expense Reimbursement Obligations; life insurance plans and disability (short-term) insurance plans; Workers' Compensation Program; PTO, Sick Leave, Leaves of Absence; and 401(k) Plan are occasionally collectively referred to herein as the "Basic Pre-Petition Benefits Package"). And the Payroll Taxes and Withholding Obligations described below are herein collectively described as "Payroll Related Obligations".

The Same Health and Dental Benefits Available to Non-Officers

29. Three of the six officers receive both health and dental benefits through the Debtor: Pellegrin, Bienvenu, and Powell. Ahlman receives some Dental benefits through the Debtor. Angle and Mock receive no health or dental benefits through Debtor. The Debtor's health, vision, and dental plans for both non-officers and officers alike are provided by United Health Care for medical and dental Select for vision and dental. Depending on the pertinent plan, premiums relating to the medical, vision, and dental plans are funded either entirely through employee contributions or partially with contributions from the Debtor. Disbursements on account of the health, vision, and dental plans are made between the 20th and 27th of every month based upon the pertinent plan. Approximately $4,000 and $500 is disbursed each month to United Health Care

and Dental Select, respectively, approximately $1,600 of that being attributable to Debtor's contribution, in connection with the Health, vision, and Dental plans for the aforementioned four participating Officers. ("Health, Vision and Dental Plans").

30. Officers should not be denied the same basic benefits which Debtor, by separate motion, seeks to continue for other Non-Officer employees simply based on their status as Officers of the Debtor.

<u>The Same Expense Reimbursements Available to Non-Officers</u>

31. The Debtor reimburses their Officers and Non-Officer employees who incur and pay a variety of approved business-related expenses, in the ordinary course of performing their duties ("Expense Reimbursement Obligations"). Most employees initially incur and pay such expenses by using corporate or personal credit cards, but are subsequently reimbursed by the Debtor after submission and approval of expense reimbursement requests.

32. Because a significant lag time may occur between the time such expenses are incurred and the time an expense reimbursement request is submitted, it is difficult to determine with precision the aggregate outstanding amount of such Expense Reimbursement Obligations. Debtor has estimated that, based upon known submissions, that the outstanding balance due to both Officer and Non-Officer employees combined is approximately $75,000; however, there may be additional reimbursements to be made, additional pre-petition Expense Reimbursement Obligations may be due and owing. The Debtor requests approval to pay all such Obligations to the Officers, and, by separate motion, has sought approval to pay all such Obligations to the Non-Officer employees as well.

33. It would be patently inequitable to require either Officers or Non-Officer employees, to personally bear any expenses that they incurred in furtherance of their responsibilities to the Debtor. Accordingly, the Debtor requests authority, in its discretion and in the exercise of its business judgment, to continue to honor all of its Expense Reimbursement Obligations to the Officers in the ordinary course of business, regardless of when such obligations arose.

<u>Other Benefits Extended to Both Non-Officers and Officers</u>

34. The Debtor provides eligible Officers and Non-Officer employees with insurance for life, short term disability, accident and dismemberment, and workers' compensation. The Debtor pays approximately 90% of the employee's premiums and the Officer or Non-Officer employee pays the remainder of the premium to include 100% of his/her dependents.

35. The Debtor's life insurance plans and disability (short-term) insurance plans are provided by United Healthcare, workers receive a flat $15,000 amount of coverage which is not transferable upon termination or separation from the company. Depending on the applicable plan, premiums relating to the Debtor's life insurance plans and disability (short-term) insurance plans are funded either entirely through Officer and Non-Officer employee contributions or partially with contributions from the Debtor. Disbursements on account of the Debtor's life insurance plans and disability (short-term) insurance plans are made between the 20th and 27th of every month based upon the pertinent plan. Approximately $1,000 is disbursed each month in connection with the Debtor' life insurance and disability plans for both Officers and Non-Officers, combined.

36. The Debtor provides workers' compensation insurance for their Officers and Non-Officer employees at the statutorily-required level (the "<u>Workers' Compensation Program</u>"). The Hartford Insurance Company approximate $5,000 for the yearly policy period for coverage of both Officers and Non-Officer employees. All claims are paid by The Hartford Insurance Company, and the Debtor pays no deductible under their policy.

37. In addition, like Non-Officer employees, Officers, in the ordinary course of business, may be eligible for five days of personal time off ("PTO"), inclusive of sick leave due to illness or injury ("<u>Sick Leave</u>"). Officers may not cash out their unused PTO upon termination. The Debtor also allows its Officers, Like its Non-Officer employees, to take certain other leaves of absence for personal reasons, many of which are required by law ("<u>Leaves of Absence</u>"). Leaves

of Absence include family medical leaves, pregnancy, adoption and foster care leaves, military leaves, jury duty, voting leaves, personal leaves and bereavement leaves.

38. The Debtor also maintains a retirement savings plan meeting the requirements of Section 401(k) of the Internal Revenue Code for the benefit of eligible Officers and Non-Officer employees (the "401(k) Plan"). Officers who are over the age of 21 are eligible to be enrolled in the 401(k) Plan. The 401(k) Plan allows for automatic pre-tax salary deductions of eligible compensation up to the limits set by the Internal Revenue Code. Only one Officer is currently participating in the 401(k) Plan, Wade Powell, and the approximate monthly amount withheld from his paychecks for 401(k) contributions is $400.00.

Payroll Taxes

39. During each pay period, the Debtor withholds deductions from Officers' and Non-Officer employees' direct deposits and/or check payments for obligations such as state income taxes, federal income taxes, social security, and Medicare contributions (collectively, the "Payroll Tax Deductions"), and subsequently the Debtor remits the withholdings to the relevant governmental authorities. The Debtor also pays payroll taxes pursuant to the Federal Insurance Contributions Act ("FICA"), and federal and state unemployment taxes (collectively, the "Payroll Tax Payments" and, together with the Payroll Tax Deductions, the "Payroll Taxes").

Other Withholding Obligations

40. Occasionally, the Debtor is presented with garnishment or child support orders requiring the withholding of Officers' or Non-Officer employees' wages to satisfy such Employee's obligations. Payments of these obligations are made from amounts otherwise payable to the Officers' and Non-Officer employees and are not an incremental cost obligation of the Debtor's estate. The Debtor seeks authority to continue making such deductions and to pay over

such amounts to third parties as requested or required, specifically as it concerns any of the Officers.

(ii) Additional information relevant to Local Rule 4002-1(C)(2) disclosures, by Officer.

<u>Officer 1 - Rodney Bienvenu, Chief Executive Officer</u>

41. The necessity for retaining the insider:

i. Mr. Bienvenu was hired by Debtor on July 28, 2017.

ii. As CEO, Mr. Bienvenu provides strategic direction for the company and has led all discussions for strategic alternatives.

iii. Rodney Bienvenu is a Managing Member of Spear Point Capital Management LLC, an investment firm specializing in active investment strategies and strategic transactions in information technology and other sectors. Since November 2002, Mr. Bienvenu has led numerous special situation actions including PIPE transactions, bankruptcy restructurings, numerous M&A transactions, reverse mergers, and activist campaigns, including "hostile" transactions and a dissenter rights action. Mr. Bienvenu's operational and industry experience includes serving as President of Software at divine, Inc., a publicly traded software company, from May 2001 through July 2002. During his tenure at divine, Mr. Bienvenu led the planning, acquisition and consolidation of over thirty companies, including five public companies. Prior to divine, Mr. Bienvenu served as CEO and President of SageMaker, Inc., a provider of digital asset management solutions for Global 2000 companies that he founded in 1992. Under his guidance, SageMaker raised more than $33 million in venture capital funding and acquired several technology companies in the U.S. and Europe. SageMaker was sold to divine, Inc. in early 2001. Mr. Bienvenu's previous industry experience includes the founding of a successful electronic publishing company which was sold to a major publisher in 1991.

42. The services the insider will perform on behalf of the estate:

i. Mr. Bienvenu will continue to lead day to day operations and continue to pursue strategic alternatives and opportunities.

43. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking:

i. Debtor proposes to pay Mr. Bienvenu a reduced salary rate of $60,000 per year.

ii. The Debtor also proposes to continue to make the Basic Pre-Petition Benefits Package available to Mr. Bienvenu. Debtor's monthly contribution on behalf of Mr. Bienvenu for such benefits would include approximately $503 for medical coverage and $31 for dental/vision coverage, along with *de minimis* contributions included in larger overall payments for company offered short term disability, life insurance, and worker's compensation coverage, described above.

iii. Debtor also proposes to continue to make available to Mr. Bienvenu an automobile for use in his capacity as Chief Executive Officer at a cost of $750.00 a month. This facilitates Mr. Bienvenu's travel and duties on behalf of the Debtor. This is consistent with pre-petition practice of the Debtor.

iv. Finally, Debtor seeks authority to continue to satisfy any Payroll Related Obligations associated with compensation provided to Mr. Bienvenu.

44. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed:

i. Mr. Bienvenu has received approximately $5,000 in payments from the Debtor during the pre-petition period.

ii. Debtor also paid Mr. Bienvenu's portion of the monthly premiums due for medical and dental/vision coverage in the month of September of 2017, in the amount of $1,603 for medical insurance premiums, and $71 for dental insurance premiums.

iii. The Debtor's portion of the monthly premiums due for medical and dental/vision coverage for Mr. Bienvenu pre-petition was $503 for medical insurance premiums, and $31 for dental insurance premiums.

iv. Mr. Bienvenu also executed an Executive Employment Agreement with the Debtor with an effective date of July 28, 2017. That Agreement provided for benefits beyond the Basic Pre-Petition Benefits Package and for additional compensation. For example, the Agreement provided for additional compensation through equity awards and stock options. The Agreement also provided for an increase in the $60,000 annual cash salary described above to a $400,000 cash salary following a year of employment. Further, the Agreement provided for three weeks of paid vacation, and use of a company car. Beyond the use of a company car, Mr. Bienvenu did not actually receive the additional benefits described in the Agreement.

45. The insider's salary at the date of the petition: $400,000 per year, comprising of $60,000 in cash and the remainder in restricted stock.

Officer 2 - Clint Mock, Chief Financial Officer

46. The necessity for retaining the insider:

i. Mr. Mock was hired by Debtor on June 14, 2017.

ii. The SEC requires that a publicly traded company employ a CFO to act in all the capacities that are customary of such a role.

iii. Mr. Mock is a Certified Public Accountant who specializes in the Arts, Technology, and Media industry. With over 10 years of experience as a Financial Executive, he has experience ranging from Fortune 500 and publicly traded companies, to start-ups. He has deep experience in capital markets, the restructuring of distressed companies, taking private companies public, and taking public companies private. He recently merged his firm, Mock & Associates, into Frazier & Deeter, LLC, the 57th largest CPA Firm in America, and now serves as Partner in charge of the firm's National Technology, Entertainment and Digital Media practice. He has assisted in the drafting of legislation for various incentives frameworks in the states of Louisiana, Nevada, North Carolina, and Alaska. He is passionate about high-growth-potential startup companies and has been a keynote speaker and sponsor of New Orleans Entrepreneur Week, Baton Rouge Entrepreneur Week, SeNSE, Los Angeles Locations Expo, and the American Film Market. Mr. Mock serves as an Ambassador for the Louisiana Economic Development, a Strategic Partner with Louisiana Technology Park, and is Member-At-Large for the Louisiana Film &

Entertainment Association. He holds a B.S. degree in Accounting and is also accredited as a Master Financial Controller and is Certified in Cost Control.

47. The services the insider will perform on behalf of the estate:

i. Mr. Mock will execute and oversee all forms of daily accounting and finance, prepare budgets on a weekly basis, prepare a "budget vs. actual" analysis each week, as well as adhere to all of the Chapter 11 Guidelines and Reporting Requirements of the U.S. Trustee, Region 5 Judicial Districts of Louisiana and Mississippi.

48. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking:

i. Debtor proposes to pay Mr. Mock at a salary rate of $60,000 per year.

ii. The Debtor also proposes to continue to make the Basic Pre-Petition Benefits Package available to Mr. Mock. Debtor's monthly contribution on behalf of Mr. Mock for such benefits would include $0.00 for medical coverage and $0.00 for dental/vision coverage, as he has opted out of that coverage. *De minimis* contributions included in larger overall payments for company offered short term disability, life insurance, and worker's compensation coverage, described above, may also be said to benefit Mr. Mock.

iii. Finally, Debtor seeks authority to continue to satisfy any Payroll Related Obligations associated with compensation provided to Mr. Mock.

49. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed:

i. Mr. Mock has received approximately $5,000 in payments from the Debtor in the six months prior to the filing of the bankruptcy petition.

ii. Mr. Mock also executed an Executive Employment Agreement with the Debtor with an effective date of June 13, 2017. That Agreement provided for benefits beyond the Basic Pre-Petition Benefits Package and for additional compensation. For example, the Agreement provided for additional compensation through equity/stock awards. The Agreement also provided for an increase in the $60,000 annual cash salary described above to $250,000 a year cash salary following a year of employment. Further, the Agreement provided for three weeks of paid vacation. Mr. Mock did not actually receive the additional benefits described in that Agreement.

50. The insider's salary at the date of the petition: $225,000 per year, with $60,000 paid in cash, and the remainder paid in restricted stock.

Officer 3 - Danielle Pellegrin, Chief Legal Officer

51. The necessity for retaining the insider and the services the insider will perform on behalf of the estate:

i. Ms. Pellegrin was hired as Chief Legal Officer by Debtor on June 9, 2017.

ii. Ms. Pellegrin is a licensed attorney who specializes in corporate and commercial transactions. Prior to her appointment as Chief Legal Officer of COPsync, Ms. Pellegrin served as chief administrative officer, corporate counsel, and associate in both public and private in-house departments and law firm capacities. As the Chief Legal Officer, Ms. Pellegrin is responsible for directing the company's legal affairs and overseeing all compliance matters. She also serves as the company's chief human resources officer.

iii. As the Chief Legal Officer, Ms. Pellegrin will continue to serve as a critical conduit between attorneys employed for the Debtor and the Debtor's officers and employees. She will employ her knowledge of the Debtor's prior legal position and contractual arrangements to facilitate a more efficient and productive bankruptcy process.

52. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking:

i. Debtor proposes to pay Ms. Pellegrin at a salary rate of $60,000 per year. This is reduced from her pre-petition annually salary of $160,000.

ii. The Debtor also proposes to continue to make the Basic Pre-Petition Benefits Package available to Ms. Pellegrin. Debtor's monthly contribution on behalf of Ms. Pellegrin for such benefits would include approximately $504 for medical coverage and $31 for dental/vision coverage. *De minimis* contributions included in larger overall payments for company offered short term disability, life insurance, and worker's compensation coverage, described above, may also be said to benefit Ms. Pellegrin.

iii. Finally, Debtor seeks authority to continue to satisfy any Payroll Related Obligations associated with compensation provided to Ms. Pellegrin.

53. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed:

i. Ms. Pellegrin has received approximately $0.00 in payments from the Debtor in the six months prior to the filing of the bankruptcy petition. However, she did receive some health benefits through the Basic Pre-Petition Benefits Package. Debtor paid Ms. Pellegrin's portion of the monthly premiums due for medical insurance coverage, in the month of September of 2017, in the amount of $56.

ii. The Debtor's portion of the monthly premiums due for medical and dental/vision coverage for Ms. Pellegrin pre-petition was $504 for medical insurance premiums, and $31 for dental insurance premiums.

iii. Ms. Pellegrin also executed an Executive Employment Agreement with the Debtor with an effective date of June 9, 2017. That Agreement provided for benefits beyond the Basic Pre-Petition Benefits Package and for additional compensation. For example, the Agreement provided for additional compensation through equity/stock awards. The Agreement also provided for cash salary increasing from $140,000 to $160,000 cash by November of this year. Further, the Agreement provided for three weeks of paid vacation. Ms. Pellegrin did not actually receive the additional benefits described in that Agreement.

54. The insider's salary at the date of the petition: $160,000, with $140,000 thereof paid in cash at the time the petition was filed.

<u>Officer 4 - Michael Angle, Chief Operations Officer and Head of Sales</u>

55. The necessity for retaining the insider:

i. Mr. Angle was hired by Debtor on April 21, 2017.

ii. Michael Angle was appointed to serve as Chief Operating Officer of COPsync Inc. in 2017. - Mr. Angle has served for the last four years as CEO of alqemyiQ Inc., a data analytics enterprise software solution for the consumer packaged goods market. In June 2013, Mr. Angle was successful in an overhaul of alqemyiQ and effectively turning the company back to profitably. Since 2008, Mr. Angle has been involved in the startup community founding and co-founding two startups. In addition Mr. Angle has been an investor, advisor, and board member to two additional startups, one of which has currently grown to eight locations in five states. Mr. Angle will be working at COPsync to bring processes and systems to departments creating needed efficiencies.

56. The services the insider will perform on behalf of the estate:

i. Mr. Angle will oversee all operational aspects, including but not limited to order procurement, fulfillment, installation, onboarding, and implementation. He will also oversee all sales aspects, including but not limited to customer retention, past sales, new sales, and training.

ii. Finally, Mr. Angle will oversee Debtor's support desk to keep track of customer issues, support tickets, and general inquiries, as well as making sure customers are able to successfully utilize the software and hardware. Overall he will supervise a closed loop process starting from either new sales or past sales, with procuring, installing, and fulfilling their orders, to then getting them on-boarded, trained, using and running smoothly. All of these functions could benefit from process efficiencies which he hopes to implement.

57. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking:

i. Debtor proposes to pay Mr. Angle a reduced salary rate of $60,000 per year.

ii. The Debtor also proposes to continue to make the Basic Pre-Petition Benefits Package available to Mr. Angle. Debtor's monthly contribution on behalf of Mr. Angle for such benefits would include $0.00 for medical coverage and $0.00 for dental/vision coverage, as he has opted out of that coverage. *De minimis* contributions included in larger overall payments for company offered short term disability, life insurance, and worker's compensation coverage, described above, may be said to benefit Mr. Angle.

iii. Finally, Debtor seeks authority to continue to satisfy any Payroll Related Obligations associated with compensation provided to Mr. Angle.

58. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed:

i. Mr. Angle has received approximately $2,000 in payments from the Debtor in the six months prior to the filing of the bankruptcy petition.

ii. Mr. Angle also executed an Executive Employment Agreement with the Debtor with an effective date of April 21, 2017. That Agreement provided for benefits beyond the Basic Pre-Petition Benefits Package and for additional compensation. For example, the Agreement provided for additional compensation through equity/stock awards, and certain performance bonuses. The Agreement also provided for an increase in the $60,000 annual cash salary described above to a cash salary of $180,000 starting in June of 2018. Further, the Agreement provided for three weeks of paid vacation. Ms. Pellegrin did not actually receive the additional benefits described in that Agreement.

59. The insider's salary at the date of the petition: $180,000, with $60,000 paid in cash, and the remainder paid in stock options.

<u>Officer 5 - Trisha Ahlman, Chief Marketing Officer</u>

60. The necessity for retaining the insider:

i. Ms. Ahlman was hired by Debtor on April 1, 2017.

ii. Debtor asserts that it is imperative to have a cohesive marketing, PR and messaging strategy. As public company, PR is a critical function to shareholders and market stability. Without the proper strategy, the company could face greater challenges, such as loss of customer base and confidence in the market that could weaken the company and result in a loss of value for the estate.

iii. Ms. Ahlman specializes in designing and reengineering operations, marketing, PR and Sales platforms and has worked with hundreds of companies, in 25 countries, and generated over $400M in increased revenues. She has owned and operated her own business for over twenty years, consulting small to mid-sized enterprises around the world in public relations and brand management.

61. The services the insider will perform on behalf of the estate:

i. Ms. Ahlman will oversee and manage internal and external messaging, customer outreach strategies (i.e. Webinars), sales and marketing integration, media and PR management, sales enablement, lead generation, Website and Social media, marketing campaigns and branding.

62. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking:

i. Debtor proposes to pay Ms. Ahlman a salary rate of $20,000 per year, which is reduced from her pre-Petition Date salary of $70,000.

ii. The Debtor also proposes to continue to make the Basic Pre-Petition Benefits Package available to Ms. Ahlman. Debtor's monthly contribution on behalf of Ms. Ahlman for such benefits would include approximately $0.00 for medical coverage and $31 for dental/vision coverage. *De minimis* contributions included in larger overall payments for company offered short term disability, life insurance, and worker's compensation coverage, described above, may be said to benefit Ms. Ahlman.

iii. Finally, Debtor seeks authority to continue to satisfy any Payroll Related Obligations associated with compensation provided to Ms. Ahlman.

63. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed:

i. Ms. Ahlman has received approximately $5,000 in payments from the Debtor in the six months prior to the filing of the bankruptcy petition.

ii. The insider's salary at the date of the petition: $70,000.

Officer 6 - Wade Powell, Chief Technology Officer

64. The necessity for retaining the insider and the services the insider will perform on behalf of the estate:

i. Mr. Powell was hired by Debtor on October 15, 2010.

ii. Mr. Powell has over 20 years of experience in IT Architecture and leadership. Mr. Powell previously served as Vice President of Technology at the COPsync since January of 2012 and is currently responsible for all products and systems operated by the Company. Mr. Powell also served as Director of Technology at COPsync from October 2010 to January 2012. And Mr. Powell served as the Managing Architect for The SCOOTER Store between 2005 and 2010, where he was responsible for the architecture and development of their systems. Furthermore, Mr. Powell previously served with USAA on their Claims Remote Service and Catastrophe teams where he was responsible for the IT development and support of a nationwide network of appraisers and adjusters.

iii. Mr. Powell's knowledge of the It Architecture and expertise in the field is beneficial to COPsync and to the success of any reorganization of the company.

iv. The amount (if any benefits) that the debtor proposed to pay to the insider, and the terms and conditions of the employment or other undertaking:

v. Debtor proposes to pay Mr. Powell at a salary rate of $150,000 per year.

vi. The Debtor also proposes to continue to make the Basic Pre-Petition Benefits Package available to Mr. Powell. Debtor's monthly contribution on behalf of Mr. Powell for such benefits would include approximately $504 for medical coverage and $31 for dental/vision coverage. *De minimis* contributions included in larger overall payments for company offered short term disability, life insurance, and worker's compensation coverage, described above, may be said to benefit Mr. Powell.

vii. As Part of the 401(k) Program, Debtor also plans to continue withholding approximately $625.00 a month from Mr. Powell's compensation to deposit into a 401(k) account benefiting Mr. Powell, consistent with pre-petition practice. The Debtor places no matching funds into the 401(k) account, this is purely a witholding of Mr. Powell's compensation.

viii. Finally, Debtor seeks authority to continue to satisfy any Payroll Related Obligations associated with compensation provided to Mr. Powell.

65. All compensation, benefits, and other payments that the insider has received from the debtor in the six (6) months prior to the bankruptcy petition being filed:

ix. Mr. Powell has received approximately $50,000 in payments from the Debtor in the six months prior to the filing of the bankruptcy petition.

x. Debtor also paid a component of Mr. Powell's portion of the monthly premiums due for medical and dental/vision coverage in the six months prior to filing the bankruptcy, in the collective amount of $1,714 for medical insurance premiums, and $106 for dental insurance premiums.

xi. The Debtor's portion of the monthly premiums due for medical and dental/vision coverage for Mr. Powell pre-petition was $504 for medical insurance premiums, and $31 for dental insurance premiums.

xii. Mr. Powell also executed an Executive Employment Agreement with the Debtor with an effective date of June 1, 2017. That Agreement provided for benefits beyond the Basic Pre-Petition Benefits Package and for additional compensation. For example, the Agreement provided for additional compensation through equity/stock awards, and certain performance bonuses. The Agreement also provided for an increase in the $150,000 annual cash salary described above to a $200,000 cash salary starting after the first year of the agreement. Further, the Agreement provided for three weeks of paid vacation. Mr. Powell did not actually receive the additional benefits described in that Agreement.

66. Mr. Powell's salary at the date of the petition: $200,000, with $150,000 paid in cash and the remainder paid in restricted stock.

D. This Motion complies with Bankruptcy Rule 6003.

67. Pursuant to Rule 6003(b) of the Federal Rules of Bankruptcy Procedure, "a motion to pay all or party of a claim that arose before the filing of the petition" shall not be granted by the Court within 21 days of the petition date "except to the extent that relief is necessary to avoid immediate and irreparable harm . . . ." Fed. R. Bankr. P. 6003(b). For the reasons described herein, the Debtor submits that the requirements of Bankruptcy Rule 6003 have been satisfied, and that the relief requested in this motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate.

E. Waiver of Bankruptcy Rules 6004(a) and (h).

68. To implement the foregoing successfully, the Debtor seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

V.

RESERVATION OF RIGHTS

69. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtor, (ii) a waiver of the Debtor's or any party in interest's rights to dispute any claim, or (iii) an approval or assumption of any agreement, contract, program, policy or lease under Bankruptcy Code § 365. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission to the validity of any claim or a waiver of the Debtor's rights to dispute such claim subsequently. If this motion is granted and Debtor is authorized to make the payments described herein, such authorization should not give rise to administrative or other priority claims; such authorized claims are not to be deemed priority or administrative claims solely due to Debtor's authority to pay the same. Debtor further prays that the Court order that any pre-petition wage/salary payment claims which remain unpaid after the pre-petition wage/salary payments authorized herein are made shall be treated as priority claims under 11 U.S.C. § 507(a)(4), to the fullest extent authorized by law, *e.g.*, up to $12,850 for each individual; the payment of the pre-petition wage/salary claims described herein should not prejudice in any way the priority treatment of remaining wage/salary claims.

VI.

NOTICE

70. As this motion is seeking first day relief, notice of this motion and any related order will be served as required by Local Rule 2002-1A.3, including a mail out to the entire mailing matrix, and service on the following by electronic or facsimile transmission:

a. The United States Trustee;

b. All secured creditors;

c. The twenty (20) largest unsecured creditors;

d. Known administrative claimants, if any;

e. Priority claimants; and

f. Any party requesting notice.

VII.

CONCLUSION

No Prior Application

71. No previous application for the relief sought herein has been made to this or to any other court.

WHEREFORE, the Debtor respectfully request the entry of an Order substantially in the form attached hereto as Exhibit A granting the relief requested herein, and granting such other relief as this Court may deem appropriate and just.

Respectfully submitted;

ADAMS AND REESE LLP

/s/ John M. Duck
JOHN M. DUCK (#5104)
ROBIN B. CHEATHAM (#4004)
VICTORIA P. WHITE (#33430)
4500 One Shell Square
701 Poydras Street, Suite 4500
New Orleans, LA 70139
Ph: (504) 581-3234
Fx: (504) 566-0210
Emails: john.duck@arlaw.com
robin.cheatham@arlaw.com
victoria.white@arlaw.com

Attorneys for the Debtor, COPsync, Inc.

EXHIBIT "A"

TO

ORDER AUTHORIZING THE DEBTOR TO (A) PAY INSIDERS OUTSTANDING PRE-PETITION AND POST-PETITION WAGES, SALARIES, EXPENSE REIMBURSEMENTS, BENEFITS AND RELATED AMOUNTS, INCLUDING TAXES; AND (B) CONTINUE SPECIFIED BENEFIT PROGRAMS FOR INSIDERS IN THE ORDINARY COURSE OF BUSINESS

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA

IN RE:	§	
	§	
COPSYNC, INC.	§	**CASE NO.: 17-12625**
	§	
Debtor	§	**CHAPTER 11**
	§	
	§	

ORDER AUTHORIZING THE DEBTOR TO (A) PAY INSIDERS OUTSTANDING PRE-PETITION AND POST-PETITION WAGES, SALARIES, EXPENSE REIMBURSEMENTS, BENEFITS AND RELATED AMOUNTS, INCLUDING TAXES; AND (B) CONTINUE SPECIFIED BENEFIT PROGRAMS FOR INSIDERS IN THE ORDINARY COURSE OF BUSINESS

CONSIDERING the Motion of COPsync, Inc. ("Debtor" or "Debtor in Possession") for entry of an Order authorizing, but not directing, the Debtor to (a) pay insiders outstanding pre-petition wages/salaries for the two-week pay period immediately preceding the bankruptcy, in accord with rates provided for in any approved budget pursuant to post-petition financing approved by separate motion; and post-petition wages/salaries; expense reimbursements; benefits; and related amounts, including taxes; and (b) continue specified benefit programs for insiders in the ordinary course of business, and the Debtor's further prayer that the Court order that any pre-petition wage/salary payment claims which remain unpaid after the pre-petition wage/salary payments authorized herein are made shall be treated as priority claims under 11 U.S.C. § 507(a)(4), to the fullest extent authorized by law, *e.g.*, up to $12,850 for each individual (collectively, the "Motion"), the record of this case, and applicable law:

IT IS ORDERED that the Debtor is hereby authorized, pursuant to Bankruptcy Code §§ 105(a) and 363(b), but is not obligated or directed, in the reasonable exercise of its business judgment, to pay to Rodney Bienvenu, Chief Executive Officer; Clint Mock, Chief Financial Officer; Danielle Pellegrin, Chief Legal Officer; Michael Angle, Chief Operations Officer and

Head of Sales; Trisha Ahlman, Chief Marketing Officer; and Wade Powell, Chief Technology Officer (collectively the "Officers"); pre-petition wages for the two-week pay period immediately preceding the bankruptcy, in accord with rates provided for in any approved budget pursuant to post-petition financing approved by separate motion; and post-Petition Date[1] wages/salaries; all consistent with the terms described for such compensation in the Motion. Furthermore, Debtor is also authorized in its business judgment to provide Officers with the benefits, vacation, leave, and expense reimbursements as more fully described in the Motion, and to attend to the Payroll Related Obligations described in the Motion related to compensation to the Officers.

IT IS FURTHER ORDERED that all applicable Banks are authorized and directed, when requested by the Debtor and in the Debtor's sole discretion, to receive, process, honor, and pay any and all checks or drafts drawn on the Debtor's accounts to the Officers whether those checks were issued or presented prior to or after the Petition Date, and make other transfers, provided that sufficient funds are available in the applicable accounts whether deposited pre-petition or post-petition to make the payments;

IT IS FURTHER ORDERED that authorization to pay any amount described in the Motion or to take any action described in the Motion shall not affect the Debtor's right to contest the amount or validity of any payment or any obligation described in the Motion, including, without limitation, the payroll tax obligations that may be due to any taxing authority;

IT IS FURTHER ORDERED that nothing contained in this Order or in the Motion shall constitute a rejection or assumption by the Debtor, as debtor-in-possession, of any executory contract or unexpired lease by virtue of reference to any such contract or lease in the Motion;

[1] Capitalized terms herein retain the defined meaning established for the same in the Motion.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over the Debtor and any and all parties who receive payment pursuant to this Order with respect to any matters, claims, rights or disputes arising from or related to the Motion, the implementation of this Order, or the validity of any obligations to an Officer or related payroll tax obligations;

IT IS FURTHER ORDERED that Bankruptcy Rule 6003 has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor, the Officers, the Debtor's estate and creditors;

IT IS FURTHER ORDERED that, notwithstanding the foregoing, nothing contained in this Order shall be deemed to be an express or implied amendment to any approved budget for any debtor-in-possession financing approved in this case and any payment authorized by this Order shall be subject to the terms and conditions of such debtor-in-possession financing, from and after its approval;

IT IS FURTHER ORDERED that notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon entry of this Order; and

IT IS FURTHER ORDERED that nothing contained in this Order shall imbue any payments authorized under this Order with administrative or other priority status; further, any pre-petition wage/salary payment claims which remain unpaid after the pre-petition wage/salary payments authorized herein are made shall be treated as priority claims under 11 U.S.C. § 507(a)(4), to the fullest extent authorized by law, *e.g.*, up to $12,850 for each individual; the payment of the pre-petition wage/salary claims described herein shall not prejudice in any way the priority treatment of remaining wage/salary claims; and

IT IS FURTHER ORDERED that this Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this Order.

This _____ day of ________________, 2017

____
Bankruptcy Judge, Eastern District of Louisiana

Submitted by:

ADAMS AND REESE LLP

JOHN M. DUCK (#5104)
ROBIN B. CHEATHAM (#4004)
VICTORIA P. WHITE (#33430)
4500 One Shell Square
701 Poydras Street, Suite 4500
New Orleans, LA 70139
Ph: (504) 581-3234
Fx: (504) 566-0210
Emails: john.duck@arlaw.com
robin.cheatham@arlaw.com
victoria.white@arlaw.com

Attorneys for the Debtor, COPsync, Inc.