

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

In re:	)	
	)	Chapter 11
CONEXANT SYSTEMS, INC., <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 13-10367 ( )
	)	
Debtors.	)	Joint Administration Requested
	)	

**DEBTORS' MOTION FOR  
ENTRY OF INTERIM AND FINAL ORDERS  
(I) DETERMINING ADEQUATE ASSURANCE OF PAYMENT  
FOR FUTURE UTILITY SERVICES, (II) PROHIBITING UTILITY  
PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING UTILITY  
SERVICE AND (III) ESTABLISHING ADEQUATE ASSURANCE PROCEDURES**

Conexant Systems, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "***Debtors***"),<sup>2</sup> respectfully represent:

**Jurisdiction**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors' main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660.

<sup>2</sup> A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors' chapter 11 cases, are set forth in greater detail in the Declaration of Sailesh Chittipeddi, President and CEO of Conexant Systems, Inc., in Support of First Day Pleadings (the "***First Day Declaration***"), filed contemporaneously with the Debtors' voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***"), on February 28, 2013 (the "***Petition Date***").

3. The bases for the relief requested herein are sections 105(a) and 366 of the Bankruptcy Code, Rule 6003(b) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and Rule 9013-1(m) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”).

#### **Relief Requested**

4. By this motion, the Debtors request entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “*Interim Order*” and “*Final Order*,” respectively), (a) determining that the Debtors’ utility providers (as such term is used in section 366 of the Bankruptcy Code and as described herein, collectively the “*Utility Providers*”) have been provided with adequate assurance of payment within the meaning of section 366 of the Bankruptcy Code, (b) approving the Debtors’ proposed adequate assurance, (c) prohibiting the Utility Providers from altering, refusing or discontinuing services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtors’ proposed adequate assurance pending entry of the Final Order, (d) determining that the Debtors are not required to provide any additional adequate assurance beyond what is proposed by this motion and the adequate assurance procedures annexed as **Exhibit 1** to **Exhibit A** attached hereto and incorporated herein by reference (the “*Adequate Assurance Procedures*”) and (e) scheduling a final hearing (the “*Final Hearing*”) to consider entry of the Final Order to the extent a Final Hearing is necessary.

#### **Basis for Relief**

##### **A. Utility Services**

5. In the ordinary course of business, the Debtors obtain gas, water, sewer, electric, telephone, internet and other similar utility services from various Utility Providers. As of the

Petition Date, approximately 30 Utility Providers render these services to the Debtors. A list of the Utility Providers that provide services to the Debtors as of the Petition Date (the “*Utility Service List*”) is set forth on Exhibit 2 to Exhibit A attached hereto.<sup>3</sup> On average, the Debtors spend approximately \$145,000 per month for utility services.

6. Uninterrupted utility services are essential to the Debtors’ ongoing operations. Indeed, any interruption in utility services – even for a brief period of time – would negatively affect the Debtors’ operations, customer relationships, revenues and profits, thereby seriously jeopardizing the Debtors’ reorganization efforts and, ultimately, value and creditor recoveries. Thus, it is critical that utility services continue uninterrupted during these chapter 11 cases.

#### **B. The Proposed Adequate Assurance**

7. The Debtors intend to pay postpetition obligations owed to the Utility Providers in a timely manner. Contemporaneously herewith, the Debtors have filed a motion seeking authority to enter into a \$15 million debtor in possession credit facility (the “*Proposed DIP Facility*”).<sup>4</sup> The Debtors expect that cash flows from operations and borrowings under the

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<sup>3</sup> Contemporaneously herewith, the Debtors filed a motion to reject certain real property leases. *See Debtors’ Motion for Entry of an Order Authorizing the Rejection of Certain Unexpired Leases*. Because the Debtors are no longer utilizing these properties or utility services related thereto, the Debtors have not included on the Utility Service List those Utility Providers providing utility services to a leased property subject to rejection. The Debtors reserve the right to modify the Utility Service List with regard to these Utility Providers, or any Utility Providers at a new location leased by the Debtors, as necessary. Additionally, the listing of an entity on the Utility Service List is not an admission that such entity is a Utility Provider within the meaning of section 366 of the Bankruptcy Code. The Debtors reserve the right to contest any such characterization at any time in the future.

<sup>4</sup> Contemporaneously herewith, the Debtors filed a motion to approve the Proposed DIP Facility. *See Debtors’ Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 363(e), 364 and 507 and Fed. R. Bankr. P. 2002, 4001 and 9014 (I) Authorizing the Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Authorizing Use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (III) Granting Liens and Super-Priority Claims, (IV) Granting Adequate Protection to the Prepetition Secured Parties and (V) Scheduling a Final Hearing Pursuant to Fed. R. Bankr. P. 4001(B) and (C).*

Proposed DIP Facility will be sufficient to pay postpetition obligations related to their utility services.

8. To provide additional assurance of payment for future services to the Utility Providers, the Debtors propose to deposit \$72,000 – which represents an amount equal to the estimated aggregate cost for two weeks of utility service, calculated as a historical average over the past twelve months (the “*Adequate Assurance Deposit*”) – into a segregated, interest-bearing account (the “*Utility Deposit Account*”) for the benefit of Utility Providers on or before the date that is 20 days after the Petition Date.<sup>5</sup>

9. In the event that the Debtors amend the Utility Service List to add one or more additional Utility Providers, the Debtors shall promptly add to the Adequate Assurance Deposit in the Utility Deposit Account the estimated amount equivalent to two weeks of utility services for each subsequently-added Utility Provider.

10. The Debtors submit that the Adequate Assurance Deposit, in conjunction with the Debtors’ demonstrated ability to pay for future utility services in the ordinary course of business (together, the “*Proposed Adequate Assurance*”), constitutes sufficient adequate assurance to the Utility Providers in full satisfaction of section 366 of the Bankruptcy Code.

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<sup>5</sup> The Debtors further request that any Adequate Assurance Deposit required by and deposited into the Utility Deposit Account on behalf of any Utility Provider, be returned to the Debtors after the effective date of any plan of reorganization in these chapter 11 cases or a sale of the Debtors pursuant to section 363 of the Bankruptcy Code, if not applied earlier by any such Utility Provider.

**C. The Adequate Assurance Procedures**

11. If a Utility Provider is not satisfied with the Proposed Adequate Assurance, any such Utility Provider may make requests for additional or different adequate assurance of future payment pursuant to the Adequate Assurance Procedures (each a “*Request*”).

12. The Adequate Assurance Procedures set forth a streamlined process to enable Utility Providers to address potential concerns with respect to the Proposed Adequate Assurance, while at the same time allowing the Debtors to continue their business operations uninterrupted. More specifically, the Adequate Assurance Procedures permit a Utility Provider to object to the Proposed Adequate Assurance by filing and serving a Request upon the Notice Parties (as defined in the Adequate Assurance Procedures) within a specified period of time. The Debtors may then resolve, in their discretion, subject to the prepetition secured lender’s consent, any Request by mutual agreement with the Utility Provider and without further order by the Court. If the Request cannot be resolved, the Debtors request the right to seek a hearing with the Court to resolve the Request. Furthermore, the Adequate Assurance Procedures set forth notice procedures to Utility Providers subsequently added to the Utility Service List. Subsequently added Utility Providers will also be bound by the Adequate Assurance Procedures. The Debtors request that the relief granted in the Interim Order and the Final Order apply to all Utility Providers rendering utility services to the Debtors and not be limited to those listed on the Utility Service List.

**D. Final Hearing Date**

13. Section 366(c)(2) of the Bankruptcy Code provides that a utility provider may alter, refuse or discontinue service if the Debtor does not provide adequate assurance of payment “satisfactory” to the utility provider within 30 days of the petition date. The Debtors request

that, pursuant to the Adequate Assurance Procedures, all Utility Providers be required to raise any objections to the Proposed Adequate Assurance so that objections may be heard within the first 30 days of these chapter 11 cases. Requiring objections to be heard within 30 days will avoid the potentially harmful consequence of a Utility Provider claiming that the Proposed Adequate Assurance is not “satisfactory” and suddenly discontinuing service.

14. Accordingly, the Debtors request that the Court schedule the Final Hearing within 30 days after the Petition Date. The Debtors will send notice of the Final Hearing (the “*Final Hearing Notice*”) annexed as Exhibit 3 to Exhibit A attached hereto, together with this motion and the Interim Order, to all Utility Providers listed on the Utility Service List, no later than three business days after entry of the Interim Order. The Debtors further request that in the event no objections to entry of the Final Order are timely received, the Court may enter the Final Order without need for the Final Hearing.

#### Supporting Authority

##### **A. The Utility Providers are Adequately Assured of Payment for Future Service**

15. Approval of the Proposed Adequate Assurance, including the Adequate Assurance Deposit and the Adequate Assurance Procedures, is appropriate pursuant to sections 105(a) and 366 of the Bankruptcy Code.<sup>6</sup>

16. Section 366(a) of the Bankruptcy Code provides that “a utility may not alter, refuse, or discontinue service to, or discriminate against, the trustee or the debtor solely on the

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<sup>6</sup> Section 105(a) of the Bankruptcy Code also provides that the Court “may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” The purpose of section 105(a) of the Bankruptcy Code is “to assure the bankruptcy courts [sic] power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.” Collier on Bankruptcy P 105.01 (Alan N. Resnick & Henry J. Sommer eds., 16th ed.).

basis of the commencement of a case under this title or that a debt owed by the debtor to such utility for service rendered before the order for relief was not paid when due.” 11 U.S.C. § 366(a).

17. Sections 366(b) and (c), however, provide that a utility may discontinue service to a debtor after specified periods where the debtor has failed to provide adequate assurance of payment for future services. Specifically, section 366(b) of the Bankruptcy Code provides that a utility provider “may alter, refuse, or discontinue service if neither the trustee nor the debtor, within 20 days after the date of the order for relief, furnishes adequate assurance of payment, in the form of deposit or other security, for services after such date.” 11 U.S.C. § 366(b). Similarly, section 366(c)(2) of the Bankruptcy Code provides that a utility provider may discontinue its services to a debtor if the debtor has not furnished adequate assurance of payment “satisfactory” to the Utility Provider within 30 days after the petition date. 11 U.S.C. § 366(c)(2).

18. Congress enacted section 366 of the Bankruptcy Code to protect debtors from utility service cutoffs upon a bankruptcy filing, while at the same time providing utility companies with adequate assurance that the debtors will pay for postpetition services. *See* H.R. REP. NO. 95-595, at 350 (1978), reprinted in 1978 U.S.C.C.A.N. 5963, 6306. Accordingly, section 366 of the Bankruptcy Code protects debtors by prohibiting utilities from altering, refusing or discontinuing services to a debtor solely on account of unpaid prepetition amounts for a period of 20 days after a chapter 11 filing. At the same time, section 366 of the Bankruptcy Code protects utilities by permitting them to alter, refuse or discontinue service after 30 days if the debtor has not furnished “adequate assurance” of payment in a form “satisfactory” to the utility provider. 11 U.S.C. § 366(c)(2).

19. Section 366(c) of the Bankruptcy Code also restricts the factors that a court may consider when determining whether adequate assurance is, in fact, adequate. Specifically, courts no longer may consider (a) the absence of a security deposit before a debtor's petition date; (b) a debtor's history of timely payments; or (c) the availability of an administrative expense priority when determining the amount of a deposit. 11 U.S.C. § 366(c). Notwithstanding these changes, Congress did not intend to – nor did it– abrogate the bankruptcy court's ability to determine the amount of adequate assurance necessary or change the fundamental requirement that assurance of payment must simply be “adequate.”

20. Thus, while section 366(c) of the Bankruptcy Code limits the factors a court can consider when determining whether a debtor has provided adequate assurance of payment, it does not limit a court's ability to determine the appropriate amount of assurance of payment. Instead, section 366(c) of the Bankruptcy Code gives courts the same discretion in determining the amount necessary for adequate assurance that they previously had under section 366(b) of the Bankruptcy Code. *Compare* 11 U.S.C. § 366(b) (2005) (“On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.”), *with* 11 U.S.C. § 366(c)(3)(A) (2005) (“On request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance payment under paragraph (2).”), *and In re Circuit City Stores, Inc.*, Case No. 08-35653, 2009 WL 484553, at \*4 (Bankr. E.D.Va. Jan. 14, 2009) (“Section 366(c)(3) uses language almost identical as that employed in § 366(b) in allowing courts to modify the amount of adequate assurance. It follows that courts retain similar discretion even after the enactment of the BAPCPA.”) *See also In re Bedford Town Condominium*, 427 B.R. 380 (Bankr. D. Md. 2010) (“The Debtor's payment of the adequate



assurance required by the [u]tilities is not a condition precedent to the Court's authority to modify that amount under § 366(c)(3)(A).")

21. Further, section 366 of the Bankruptcy Code requires only that a utility provider's assurance of future payment be "adequate." 11 U.S.C. § 366. Courts recognize that adequate assurance of performance does not constitute an absolute guarantee of a debtor's ability to pay. *See, e.g., In re Circuit City Stores, Inc.*, Case No. 08-35653, 2009 WL 484553, at \*4 (Bankr. E.D.Va. Jan. 14, 2009) ("A debtor need not provide utility companies an absolute guarantee of payment."); *see also In re Steinebach*, 303 B.R. 634, 641 (Bankr. D. Ariz. 2004) ("Adequate assurance of payment is not, however, absolute assurance . . . a Bankruptcy Court is not required to give a utility company the equivalent of a guarantee of payment, but must only determine that the utility is not subject to any unreasonable risk of non-payment for postpetition services.") (citing *In re Adelphia Bus. Solutions, Inc.*, 280 B.R. 63, 80 (Bankr. S.D.N.Y. 2002)); *see also In re Caldor, Inc.-N.Y.*, 199 B.R. 1, 3 (Bankr. S.D.N.Y. 1996) (section 366(b) "does not require an 'absolute guarantee of payment'"), *aff'd sub nom. Virginia Elec. & Power Co. v. Caldor, Inc.-N.Y.*, 117 F.3d 646 (2d Cir. 1997).

22. Courts have also recognized that, in determining the requisite level of adequate assurance, bankruptcy courts should "focus upon the need of the utility for assurance, and to require that the debtor supply *no more than that*, since the debtor almost perforce has a conflicting need to conserve scarce financial resources." *Virginia Elec. & Power Co.*, 117 F.2d at 650 (emphasis in original); *see also In re Penn. Cent. Transp. Co.*, 467 F.2d 100, 103-04 (3d Cir. 1972) (affirming bankruptcy court's ruling that no utility deposits were necessary where such deposits likely would "jeopardize the continuing operation of the [debtor] merely to give further security to suppliers who already are reasonably protected"). Accordingly, demands by a

utility provider for a guarantee of payment should be refused when the debtor's specific circumstances already afford adequate assurance of payment.

23. The Debtors submit that the Proposed Adequate Assurance provides more than adequate assurance of payment to the Utility Providers. Contemporaneously herewith, the Debtors are seeking approval of the Proposed DIP Facility that will enable them to pay their operating costs and expenses, including utility costs, as they come due. The Debtors anticipate having sufficient resources to pay, and intend to pay all valid postpetition obligations for utility services in a timely manner, especially considering that the aggregate amount of the Debtors' utility obligations is not overwhelming. In addition, the Debtors' reliance on utility services for the operation of their businesses provides them with a powerful incentive to stay current on their utility obligations. These factors, which the Court may (and should) consider when determining the amount of any adequate assurance payments, justify a finding that the Proposed Adequate Assurance is appropriate.

24. Further, the proposed Adequate Assurance Procedures are necessary for the Debtors to carry out their restructuring efforts. If the Adequate Assurance Procedures are not approved, the Debtors could be forced to address a multitude of requests by their Utility Providers in a disorganized manner at critical points in these chapter 11 cases. *See, e.g., In re Circuit City Stores, Inc.*, Case No. 08-35653, 2009 WL 484553, at \*4 (Bankr. E.D.Va. Jan. 14, 2009) (recognizing that without such procedures "debtors could be forced to address numerous requests by utility companies in an unorganized manner" and that an orderly process is necessary for a smooth transition in chapter 11); *see also In re Syroco, Inc.*, 374 B.R. 60 (Bankr. D.P.R. 2007) (noting that prohibiting the use of reasonable procedures to implement the protections afforded under section 366 of the Bankruptcy Code threatens a debtors' efforts to reorganize).

Discontinuation of utility services, particularly telecommunications or electricity services, at any given location, could jeopardize the Debtors' ability to respond and distribute products and services to their customers, which could essentially shut down the Debtors' operations. Of course, any significant disruption of operations would jeopardize the Debtors' restructuring efforts.

25. Courts in this jurisdiction have approved relief similar to the relief requested in this motion. *See, e.g., In re Vertis Holdings, Inc.*, No. 12-12821 (CSS) (Bankr. D. Del. Nov. 1, 2012) (final order deeming utility providers adequately assured of future performance upon deposit or letter of credit equal to, or greater than, two weeks of utilities services or advance payment for utilities services); *In re Neb. Book Co.*, No. 11-12005 (PJW) (Bankr. D. Del. July 21, 2011) (deeming utility providers adequately assured of future performance upon a deposit, equal two weeks of utilities services, into a segregated, interest bearing account); *In re Appleseed's Intermediate Holdings, LLC*, No. 11-10160 (KG) (Bankr. D. Del. Feb. 17, 2011) (same); *In re MagnaChip Semiconductor Finance Co.*, No. 09-12008 (PJW) (Bankr. D. Del. June 15, 2009) (same); *In re Spansion Inc.*, No. 09-10690 (KJC) (Bankr. D. Del. Mar. 23, 2009) (same).<sup>7</sup>

#### **The Requirements of Bankruptcy Rule 6003 are Satisfied**

26. As described above, the Debtors are seeking authority pursuant to the Interim Order to provide adequate assurance of payment for future utility services in the form of the Debtors' proposed Adequate Assurance Deposit during the first 21 days of these chapter 11 cases. Under Bankruptcy Rule 6003, the Court may authorize the Debtors to provide the

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<sup>7</sup> Because of the voluminous nature of the orders cited herein, such orders are not attached to this motion. Copies of these orders are available upon request to the Debtors' counsel.

proposed Adequate Assurance Deposit within the 21-day period after the Petition Date because such relief is necessary to avoid immediate and irreparable harm to the Debtors' estates. *See* Fed. R. Bankr. P. 6003(b). Immediate and irreparable harm exists where the absence of relief would impair a debtor's ability to reorganize or threaten the debtor's future as a going concern. *See In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (discussing the elements of "immediate and irreparable harm" in relation to Bankruptcy Rule 4001).

27. As discussed above, it is essential that the Debtors are assured immediate and continuous access to the Utility Providers' services. Any disruption in the Debtors' ability to obtain those services may result in an immediate interruption or diminution in the Debtors' business operations to the detriment of their estates and all parties in interest in these chapter 11 cases. Accordingly, the Debtors respectfully submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and seek authority to pay the Adequate Assurance Deposit into the Utility Deposit Account pursuant to the Interim Order.

#### **Waiver of Bankruptcy Rules Regarding Notice and Stay of an Order**

28. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and any stay of an order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h), 7062, 9014 or otherwise.

#### **The Debtors' Reservation of Rights**

29. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim or an approval or assumption of any agreement, agreement, contract or lease under section 365 of the Bankruptcy Code. Additionally, nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors or a waiver of the

Debtors' rights to dispute any claims regarding escheatment. The Debtors expressly reserve their rights to contest any claim or billing dispute. 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 as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

**Notice**

30. The Debtors have provided notice of this motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the Debtors' prepetition secured lender and debtor in possession lender; (d) the agent for the Debtors' prepetition secured notes; (e) counsel to each of the prepetition equity holders; (f) the Delaware Secretary of State; (g) the Delaware Secretary of Treasury; (h) the Delaware State Attorney General; (i) the Office of the United States Attorney General for the State of Delaware; (j) the Internal Revenue Service; and (k) the Securities and Exchange Commission. In light of the nature of the relief requested in this motion, the Debtors respectfully submit that no further notice is necessary.

**No Prior Request**

31. No prior motion for the relief requested herein has been made to this or any other court.

*[Remainder of page intentionally left blank.]*

WHEREFORE, for the reasons set forth herein and in the First Day Declaration, the Debtors respectfully request that the Court enter the Interim Order and Final Order, substantially in the forms attached hereto as Exhibit A, and Exhibit B, respectively, (a) determining that the Debtors' Utility Providers have been provided with adequate assurance of payment, (b) approving the Proposed Adequate Assurance, including the related Adequate Assurance Procedures, (c) prohibiting the Utility Providers from altering, refusing or discontinuing services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtors' proposed adequate assurance pending entry of a Final Order, (d) determining that the Debtors are not required to provide any additional adequate assurance beyond what is proposed by this motion and the Adequate Assurance Procedures annexed as Exhibit 1 to Exhibit A attached hereto, (e) scheduling the Final Hearing and (f) granting such other and further relief as may be appropriate.

Dated: February 28, 2013  
Wilmington, Delaware

/s/ *Domenic E. Pacitti*

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*Proposed Co-Counsel to the Debtors  
and Debtors in Possession*

**Exhibit A**

**Proposed Interim Order**



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

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In re:

CONEXANT SYSTEMS, INC., *et al.*,<sup>1</sup>

Debtors.

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) Chapter 11  
)  
) Case No. 13-10367 ( )  
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)  
) Joint Administration Requested  
)  
) Related to Docket No.

**INTERIM ORDER (I) DETERMINING  
ADEQUATE ASSURANCE OF PAYMENT FOR  
FUTURE UTILITY SERVICES, (II) PROHIBITING  
UTILITY PROVIDERS FROM ALTERING, REFUSING  
OR DISCONTINUING UTILITY SERVICE AND (III) ESTABLISHING  
ADEQUATE ASSURANCE PROCEDURES AND SETTING A FINAL HEARING**

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Upon the motion (the “*Motion*”)<sup>2</sup> of the Debtors for entry of an interim order (this “*Order*”) pursuant to sections 105(a) and 366 of the Bankruptcy Code, Bankruptcy Rule 6003(b) and Rule 9013-1(m) of the Local Rules, (a) determining that the Utility Providers have been provided with adequate assurance of payment, (b) approving the Proposed Adequate Assurance, including the related Adequate Assurance Procedures, (c) prohibiting the Utility Providers from altering, refusing or discontinuing services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtors’ proposed adequate assurance pending entry of a Final Order, (d) determining that the Debtors are not required to provide any additional adequate assurance beyond what is proposed by the Motion and the Adequate Assurance

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors’ main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

Procedures attached hereto as Exhibit 1 and (e) scheduling the Final Hearing, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Motion (the "*Hearing*"); and upon consideration of the First Day Declaration, the record of the Hearing and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on an interim basis to the extent provided herein.
2. The Debtors are authorized to deposit the Adequate Assurance Deposit, on or before the date that is 20 days after the Petition Date, in the amount of \$72,000 into the Utility Deposit Account.
3. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future utility services in the ordinary course of business, shall constitute adequate assurance of future payment as required by section 366(b) of the Bankruptcy Code, pending entry of the Final Order.

4. All Utility Providers are prohibited from altering, refusing or discontinuing service on account of any unpaid prepetition charges or the commencement of these chapter 11 cases, pending entry of a Final Order.

5. The Adequate Assurance Procedures attached hereto as **Exhibit 1** are hereby approved. All Utility Providers are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

6. Any Utility Provider that desires to request additional or different adequate assurance of future payment (each, a “***Request***”) must do so in accordance with the Adequate Assurance Procedures.

7. All Utility Providers who do not file an objection or make a Request pursuant to the Adequate Assurance Procedures are deemed to consent to the Adequate Assurance Procedures and shall be bound by the Final Order.

8. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

9. The Debtors are authorized, in their discretion, to amend the Utility Service List, a copy of which is attached hereto as **Exhibit 2**, to add or delete any Utility Provider and the Debtors shall add to the Adequate Assurance Deposit an amount equal to two weeks of utility service for each subsequently-added Utility Provider as soon as practicable, subject to the prepetition secured lender’s consent. Any Utility Provider subsequently added to the Utility Service List shall be bound by the Adequate Assurance Procedures attached hereto as **Exhibit 1**.

10. The relief granted herein is for all Utility Providers providing utility services to the Debtors and is not limited to those parties or entities listed on the Utility Service List.

11. The Final Hearing Notice attached hereto as Exhibit 3 is hereby approved. The Debtors shall serve a copy of the Motion, this Order and the Final Hearing Notice on each of the Utility Providers on the Utility Service List within three business days of entry of this Order.

12. The Debtors' service of the Motion upon the Utility Service List shall not constitute an admission or concession that such entities are a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

13. Notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, or budget in connection therewith approved by this Court in these cases.

14. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Order or any payment made pursuant to this Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or the assumption or adoption of any agreement, contract or lease under section 365 of the Bankruptcy Code.

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

16. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion or are otherwise deemed waived.

17. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry.

18. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry. The Final Hearing on the Motion shall be held on \_\_\_\_\_, 2013 at \_\_\_\_:\_\_\_\_ a.m./p.m. prevailing Eastern Time. Any objections or responses to entry of the proposed Final Order shall be filed **seven days before** the Final Hearing and served on the following parties: (a) the Debtors, 4000 MacArthur Blvd., Newport Beach, California 92660, Attn: Dennis Gallagher, Esq.; (b) proposed counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, Esq.; (c) proposed co-counsel for the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti, Esq.; (d) counsel to the senior secured noteholders, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Michael S. Stamer, Esq.; (e) counsel to Golden Gate Private Equity, Inc., DLA Piper, 203 North LaSalle Street, Suite 1900, Chicago, Illinois 60601, Attn: Chris L. Dickerson, Esq.; (f) counsel to August Capital, Cooley LLP, 101 California Street, 5th Floor, San Francisco, California 94111-5800, Attn: Robert L. Eisenbach III, Esq.; (g) counsel to any statutory committee appointed in these chapter 11 cases; and (h) the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Tiiara Patton, Esq. In the event no objections to entry of the Final Order are timely received, the Court may enter the Final Order without need for the Final Hearing.

19. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Date: \_\_\_\_\_, 2013  
Wilmington, Delaware

\_\_\_\_\_  
United States Bankruptcy Judge

**Exhibit 1 to Exhibit A**

**Adequate Assurance Procedures**

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

In re:	)	
	)	Chapter 11
CONEXANT SYSTEMS, INC., <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 13-10367 ( )
	)	
Debtors.	)	Joint Administered Requested
	)	

**ADEQUATE ASSURANCE PROCEDURES**

Pursuant to the *Interim Order (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Service and (III) Establishing Adequate Assurance Procedures and Setting a Final Hearing* (the “**Interim Order**”),<sup>2</sup> the following adequate assurance procedures (collectively, the “**Adequate Assurance Procedures**”) shall apply in the chapter 11 cases of the above-captioned debtors (collectively, the “**Debtors**”) with respect to any request by the utility providers (as such term is used in section 366 of the Bankruptcy Code, the “**Utility Providers**”) for additional or different adequate assurance of future payment (each, a “**Request**”) unless the Court provides otherwise:

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors’ main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the *Debtors’ Motion for Entry of Interim and Final Orders (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Service and (III) Establishing Adequate Assurance Procedures* [Docket No. \_\_\_\_].

- a. Any Request must be sent so that it is received by the following parties: (a) the Debtors, 4000 MacArthur Blvd., Newport Beach, California 92660, Attn: Dennis Gallagher, Esq.; (b) proposed counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, Esq.; (c) proposed co-counsel for the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti, Esq.; (d) counsel to the senior secured noteholders, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Michael S. Stamer, Esq.; (e) counsel to any statutory committee appointed in these chapter 11 cases; and (h) the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Tiara Patton, Esq. (collectively, the "*Notice Parties*").
- b. Any Request must (i) be made in writing; (ii) set forth the location for which utility services are provided; (iii) include a summary of the Debtors' payment history relevant to the affected account(s), including any security deposits; and (iv) explain why the Utility Provider believes the Debtors' Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- c. Any Utility Provider that objects to the Debtors' Proposed Adequate Assurance must file and serve a Request.
- d. For those Utility Providers that are added to the Utility Service List, the Debtors will serve a copy of the Motion, the Interim order and/or the Final Order, as appropriate, the Utility Service List and a notice substantially in the form attached to the Interim Order as Exhibit 3, on such subsequently added Utility Provider. If a subsequently added Utility Provider objects to the Debtors' Proposed Adequate Assurance, such Utility Provider shall file a Request and serve it upon the Notice Parties.
- e. The Debtors are authorized to resolve, in their discretion, subject to the prepetition secured lender's consent, any Request by mutual agreement with the Utility Provider and without further order of the Court and, in connection with any such agreement, in their sole discretion, provide a Utility Provider with alternative adequate assurance of payment, including cash deposits, prepayments and other



forms of security, without further order of this Court if the Debtors believe such alternative assurance is reasonable.<sup>3</sup>

- f. To the extent the Debtors are unable to consensually resolve a Request by mutual agreement, the Debtors reserve the right to seek a hearing with the Court (at the Final Hearing or otherwise) (the “**Determination Hearing**”) to determine the appropriate amount of adequate assurance required with respect to such Request pursuant to section 366(c)(3) of the Bankruptcy Code.
- g. Pending resolution of any such Determination Hearing, the Utility Provider filing such Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

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<sup>3</sup> The Debtors reserve the right to decrease the amount of the Adequate Assurance Deposit on a proportionate basis with respect to any resolved Request.

**Exhibit 2 to Exhibit A**

**Utility Service List**

**Utility Service List**

PROVIDER	PROVIDER ADDRESS	SERVICE	ACCOUNT # (IF KNOWN)	ADEQUATE ASSURANCE
AT&T	P. O. BOX 105107 ATLANTA, GA 30348-5107 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 105068 ATLANTA, GA 30348 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5091 CAROL STREAM, IL 60197-5091 USA	COMMUNICATIONS		\$100
AT&T DATA	PO BOX 5019 CAROL STREAM, IL 60197 USA	COMMUNICATIONS		\$1000
AT&T DATA	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$1000
AT&T DATA	PO BOX 5091 CAROL STREAM, IL 60197-5091 USA	COMMUNICATIONS		\$1000
ATT MOBILITY	NATIONAL BUSINESS SERVICES PO BOX 9004 CAROL STREAM, IL 60197-9004 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100

PROVIDER	PROVIDER ADDRESS	SERVICE	ACCOUNT # (IF KNOWN)	ADEQUATE ASSURANCE
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
BRIGHT HOUSE	PO BOX 30765 TAMPA, FL 33630- 3765 USA	COMMUNICATIONS	8223170144052130	\$100
CHINA TELECOM	607 HERNDON PARKWAY HERNDON, VA 20170 USA	COMMUNICATIONS	AMCONEXD	\$250
CITY TREASURER SAN DIEGO	WATER DEPARTMENT PO BOX 129020 SAN DIEGO, CA 92112-9020 USA	WATER/SEWER		\$2000
COMCAST	PO BOX 1577 NEWARK, NJ 07101 USA	COMMUNICATIONS		\$1000
COX COMMUNICATIONS	PO BOX 53214 PHOENIX, AZ 85072- 3214 USA	COMMUNICATIONS		\$1000
EDCO DISPOSAL CORPORATION	6670 FEDERAL BLVD. LEMON GROVE, CA 91945 USA	WATER/SEWER		\$500
EMCOR SERVICE MESA ENERGY SYSTEMS	2 CROWWELL IRVINE, CA 92618	GAS/ELECTRIC	CONE02	\$1000
GXS	PO BOX 31001-0828 PASADENA, CA 91110-0828 USA	COMMUNICATIONS		\$1000
HTS - HAZARDOUS WASTE TRANSPORTATION SERVICES, INC.	10600 SO. PAINTER AVE. SANTA FE SPRINGS, CA 90670 USA	WASTE		\$1000
INTERCALL	PO BOX 281866 ATLANTA, GA 30384 USA	COMMUNICATIONS		\$4000
IRVINE RANCH WATER DISTRICT	PO BOX 51403 LOS ANGELES, CA 90051-5703 USA	WATER/SEWER		\$2000

PROVIDER	PROVIDER ADDRESS	SERVICE	ACCOUNT # (IF KNOWN)	ADEQUATE ASSURANCE
LEVEL 3 COMMUNICATIONS	PO BOX 910182 DENVER, CO 80291 USA	COMMUNICATIONS		\$5000
NTT AMERICA	PO BOX 660322 DALLAS, TX 75266 USA	COMMUNICATIONS	40062204	\$5000
PAETEC	PO BOX 1283 BUFFALO, NY 14240- 1283 USA	COMMUNICATIONS	2570731	\$1000
SAN DIEGO GAS & ELECTRIC COMPANY	PO BOX 25111 SANTA ANA, CA 92799-5111 USA	GAS/ELECTRIC	85179667263	\$2000
SKYPE	3210 PORTER DR PALO ALTO, CA 94304 USA	COMMUNICATIONS	1233711206	\$1000
SOUTHERN CALIFORNIA EDISON	PO BOX 300 ROSEMEAD, CA 91772-0001 USA	ELECTRIC		\$26000
THE GAS COMPANY	PO BOX C MONTEREY PARK, CA 91756 USA	GAS	10290793016	\$3000
TW TELECOM	PO BOX 172567 DENVER, CO 80217- 2567 USA	COMMUNICATIONS		\$3000
VERIZON-BUSINESS	PO BOX 660072 DALLAS, TX 75266- 0072 USA	COMMUNICATIONS		\$1000
VERIZON WEST	PO BOX 920041 DALLAS, TX 75392- 0041 USA	COMMUNICATIONS		\$1000
VERIZON WIRELESS	PO BOX 25505 LEHIGH VALLEY, PA 18002-5505 USA	COMMUNICATIONS		\$100
WATER & WASTEWATER SERVICES	PO BOX 129020 SAN DIEGO, CA 92112 USA	WATER/SEWER		\$2000
BOUGUES TELECOM	SERVICE CLIENTS 60436 NOAILLES FRANCE	COMMUNICATIONS		\$500
EDF GDF (DD) AGENCE DE SURESNES	49 51 RUE DE STALINFRAD NANTERRE CEDEX 92023 FRANCE	GAS/ELECTRIC		\$1000
ORANGE	SERVICE CLIENT ORANGE BUSINESS SERVICES 41964 BLOIS FRANCE	PHONE AND INTERNET SERVICES		\$500

**Exhibit 3 to Exhibit A**

**Final Hearing Notice**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

CONEXANT SYSTEMS, INC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 13-10367 ( )  
)  
)  
) Joint Administration Requested  
)

NOTICE OF FINAL HEARING OF THE  
DEBTORS' MOTION FOR ENTRY OF INTERIM AND  
FINAL ORDERS (I) DETERMINING ADEQUATE ASSURANCE OF  
PAYMENT FOR FUTURE UTILITY SERVICES, (II) PROHIBITING UTILITY  
PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING UTILITY  
SERVICE AND (III) ESTABLISHING ADEQUATE ASSURANCE PROCEDURES

**Commencement of Chapter 11 Cases.** On February 28, 2013, (the "**Petition Date**"), Conexant Systems, Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, the "**Debtors**") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**").

**Debtors' Adequate Assurance.** On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Service and (III) Establishing Adequate Assurance Procedures*, [Docket No. \_\_\_\_] (the "**Motion**"). On \_\_\_\_, 2013, the Bankruptcy Court entered the *Interim Order (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Service and (III) Establishing Adequate Assurance Procedures and Setting a Final Hearing*, [Docket No. \_\_\_\_] (the "**Interim Order**"). A copy of the Interim Order is enclosed herewith.

**YOU ARE RECEIVING THIS NOTICE BECAUSE THE FINAL ORDER MAY AFFECT YOUR RIGHTS. IF YOU HAVE BEEN IDENTIFIED BY THE DEBTORS AS A UTILITY PROVIDER, YOUR ADDRESS AND THE SERVICES YOU PROVIDE TO THE DEBTORS ARE LISTED ON THE TABLE BELOW.**

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors' main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660

PROVIDER	PROVIDER ADDRESS	SERVICE	ACCOUNT # (IF KNOWN)	ADEQUATE ASSURANCE
AT&T	P. O. BOX 105107 ATLANTA, GA 30348-5107 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 105068 ATLANTA, GA 30348 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$100
AT&T	PO BOX 5091 CAROL STREAM, IL 60197-5091 USA	COMMUNICATIONS		\$100
AT&T DATA	PO BOX 5019 CAROL STREAM, IL 60197 USA	COMMUNICATIONS		\$1000
AT&T DATA	PO BOX 5019 CAROL STREAM, IL 60197-5019 USA	COMMUNICATIONS		\$1000
AT&T DATA	PO BOX 5091 CAROL STREAM, IL 60197-5091 USA	COMMUNICATIONS		\$1000
ATT MOBILITY	NATIONAL BUSINESS SERVICES PO BOX 9004 CAROL STREAM, IL 60197-9004 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100



PROVIDER	PROVIDER ADDRESS	SERVICE	ACCOUNT # (IF KNOWN)	ADEQUATE ASSURANCE
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
ATT WEST	PO BOX 5025 CAROL STREAM, IL 60197-5025 USA	COMMUNICATIONS		\$100
BRIGHT HOUSE	PO BOX 30765 TAMPA, FL 33630- 3765 USA	COMMUNICATIONS	8223170144052130	\$100
CHINA TELECOM	607 HERNDON PARKWAY HERNDON, VA 20170 USA	COMMUNICATIONS	AMCONEXD	\$250
CITY TREASURER SAN DIEGO	WATER DEPARTMENT PO BOX 129020 SAN DIEGO, CA 92112-9020 USA	WATER/SEWER		\$2000
COMCAST	PO BOX 1577 NEWARK, NJ 07101 USA	COMMUNICATIONS		\$1000
COX COMMUNICATIONS	PO BOX 53214 PHOENIX, AZ 85072- 3214 USA	COMMUNICATIONS		\$1000
EDCO DISPOSAL CORPORATION	6670 FEDERAL BLVD. LEMON GROVE, CA 91945 USA	WATER/SEWER		\$500
EMCOR SERVICE MESA ENERGY SYSTEMS	2 CROWWELL IRVINE, CA 92618	GAS/ELECTRIC	CONE02	\$1000
GXS	PO BOX 31001-0828 PASADENA, CA 91110-0828 USA	COMMUNICATIONS		\$1000
HTS - HAZARDOUS WASTE TRANSPORTATION SERVICES, INC.	10600 SO. PAINTER AVE. SANTA FE SPRINGS, CA 90670 USA	WASTE		\$1000
INTERCALL	PO BOX 281866 ATLANTA, GA 30384 USA	COMMUNICATIONS		\$4000
IRVINE RANCH WATER DISTRICT	PO BOX 51403 LOS ANGELES, CA 90051-5703 USA	WATER/SEWER		\$2000
LEVEL 3 COMMUNICATIONS	PO BOX 910182 DENVER, CO 80291 USA	COMMUNICATIONS		\$5000

PROVIDER	PROVIDER ADDRESS	SERVICE	ACCOUNT # (IF KNOWN)	ADEQUATE ASSURANCE
NTT AMERICA	PO BOX 660322 DALLAS, TX 75266 USA	COMMUNICATIONS	40062204	\$5000
PAETEC	PO BOX 1283 BUFFALO, NY 14240- 1283 USA	COMMUNICATIONS	2570731	\$1000
SAN DIEGO GAS & ELECTRIC COMPANY	PO BOX 25111 SANTA ANA, CA 92799-5111 USA	GAS/ELECTRIC	85179667263	\$2000
SKYPE	3210 PORTER DR PALO ALTO, CA 94304 USA	COMMUNICATIONS	1233711206	\$1000
SOUTHERN CALIFORNIA EDISON	PO BOX 300 ROSEMEAD, CA 91772-0001 USA	ELECTRIC		\$26000
THE GAS COMPANY	PO BOX C MONTEREY PARK, CA 91756 USA	GAS	10290793016	\$3000
TW TELECOM	PO BOX 172567 DENVER, CO 80217- 2567 USA	COMMUNICATIONS		\$3000
VERIZON BUSINESS	PO BOX 660072 DALLAS, TX 75266- 0072 USA	COMMUNICATIONS		\$1000
VERIZON WEST	PO BOX 920041 DALLAS, TX 75392- 0041 USA	COMMUNICATIONS		\$1000
VERIZON WIRELESS	PO BOX 25505 LEHIGH VALLEY, PA 18002-5505 USA	COMMUNICATIONS		\$100
WATER & WASTEWATER SERVICES	PO BOX 129020 SAN DIEGO, CA 92112 USA	WATER/SEWER		\$2000
BOUGUES TELECOM	SERVICE CLIENTS 60436 NOAILLES FRANCE	COMMUNICATIONS		\$500
EDF GDF (DD) AGENCE DE SURESNES	49 51 RUE DE STALINFRAD NANTERRE CEDEX 92023 FRANCE	GAS/ELECTRIC		\$1000
ORANGE	SERVICE CLIENT ORANGE BUSINESS SERVICES 41964 BLOIS FRANCE	PHONE AND INTERNET SERVICES		\$500

The final hearing (the "*Final Hearing*") on the Motion will occur on \_\_\_\_\_, 2013 at \_\_\_\_\_ prevailing Eastern Time.

Pursuant to the Interim Order, any objections to the Motion must be filed and served on the Notice Parties listed in the Interim Order and the Adequate Assurance Procedures so that they are actually received no later than \_\_\_\_\_, 2013 at 4:00 p.m. prevailing Eastern Time.

**ANY UTILITY PROVIDER WHO FAILS TO FILE A TIMELY OBJECTION TO THE MOTION MAY BE BOUND BY THE PROPOSED ADEQUATE ASSURANCE (AS SET FORTH IN THE MOTION) AND THE FINAL ORDER APPROVING THE MOTION.**

*[Remainder of page intentionally left blank.]*

Dated: , 2013  
Wilmington, Delaware

*/s/ Domenic E. Pacitti*

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Domenic E. Pacitti (DE Bar No. 3989)  
Michael W. Yurkewicz (DE Bar No. 4165)  
**KLEHR HARRISON HARVEY  
BRANZBURG LLP**  
919 N. Market Street, Suite 1000  
Wilmington, Delaware 19801  
Telephone: (302) 426-1189  
Facsimile: (302) 426-9193

- and -

Morton Branzburg (*pro hac vice* admission pending)  
1835 Market Street, Suite 1400  
Philadelphia, Pennsylvania 19103  
Telephone: (215) 569-2700  
Facsimile: (215) 568-6603

- and -

Paul M. Basta (*pro hac vice* admission pending)  
Joshua A. Sussberg (*pro hac vice* admission pending)  
Christopher T. Greco (*pro hac vice* admission pending)  
**KIRKLAND & ELLIS LLP**  
601 Lexington Avenue  
New York, New York 10022-4611  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

*Proposed Co-Counsel to the Debtors  
and Debtors in Possession*

**Exhibit B**

**Proposed Final Order**

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

In re:	)	
	)	Chapter 11
CONEXANT SYSTEMS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 13-10367 ( )
	)	
Debtors.	)	Joint Administration Requested
	)	
	)	Related to Docket Nos.

**FINAL ORDER (I) DETERMINING  
ADEQUATE ASSURANCE OF PAYMENT FOR  
FUTURE UTILITY SERVICES, (II) PROHIBITING UTILITY  
PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING UTILITY  
SERVICE AND (III) ESTABLISHING ADEQUATE ASSURANCE PROCEDURES**

Upon the motion (the “*Motion*”)<sup>2</sup> of the Debtors for entry of a final order (this “*Order*”) pursuant to sections 105(a) and 366 of the Bankruptcy Code, (a) determining that the Utility Providers have been provided with adequate assurance of payment, (b) approving the Proposed Adequate Assurance, including the related Adequate Assurance Procedures, (c) prohibiting the Utility Providers from altering, refusing or discontinuing services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtors’ proposed adequate assurance and (d) determining that the Debtors are not required to provide any additional adequate assurance beyond what is proposed by the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors’ main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

§§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and the Court having entered the *Interim Order (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Service and (III) Establishing Adequate Assurance Procedures and Setting a Final Hearing* [Docket No. \_\_\_\_] (the “*Interim Order*”); and the Debtors having deposited the Adequate Assurance Deposit, in the amount of \$[###], into the Utility Deposit Account pursuant to the Interim Order; and a hearing having been held to consider the relief requested in the Motion (the “*Hearing*”); and upon consideration of the First Day Declaration, the record of the Hearing and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors’ estates, their creditors and other parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on a final basis to the extent provided herein.
2. The relief provided in the Interim Order is approved on a final basis.
3. All Utility Providers are prohibited from altering, refusing or discontinuing service to the Debtors on account of any unpaid prepetition charges or the commencement of these chapter 11 cases, and the Adequate Assurance Deposit, together with the Debtors’ ability to pay for future utility services in the ordinary course of business, shall constitute adequate assurance of future payment as required by section 366(b) of the Bankruptcy Code.

4. The Debtors are authorized, in their sole discretion, to amend the Utility Service List to add or delete any Utility Provider. This Order shall apply to any such Utility Provider that is subsequently added to the Utility Service List, and the Debtors shall add to the Adequate Assurance Deposit an amount equal to the estimated projected amount of two weeks of utility service for each subsequently-added Utility Provider.

5. The Debtors are authorized to resolve, in their discretion, subject to the prepetition secured lender's consent, any request by a Utility Provider for additional or different adequate assurance of future payment (each, a "***Request***") by mutual agreement with any Utility Provider and without further order of the Court and, in connection with any such agreement, in their sole discretion, provide a Utility Provider with additional adequate assurance of payment, including cash deposits, prepayments and other forms of security, without further order of this Court if the Debtors believe such additional adequate assurance is reasonable.

6. For those Utility Providers that are added to the Utility Service List after the seventh day before the Final Hearing or after entry of the Final Order, the Debtors will serve a copy of the Motion, the Interim Order, this Order, the Utility Service List and a notice substantially in the form attached to the Interim Order as **Exhibit 3** on such subsequently added Utility Provider. Such subsequently added entity shall then have until 14 days from the date of service of such materials to file a Request and serve it upon the following parties: (a) the Debtors, 4000 MacArthur Blvd., Newport Beach, California 92660, Attn: Dennis Gallagher, Esq.; (b) proposed counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, Esq.; (c) proposed co-counsel for the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti, Esq.; (d) counsel to the senior secured noteholders,



Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Michael S. Stamer, Esq.; (e) counsel to Golden Gate Private Equity, Inc., DLA Piper, 203 North LaSalle Street, Suite 1900, Chicago, Illinois 60601, Attn: Chris L. Dickerson, Esq.; (f) counsel to August Capital, Cooley LLP, 101 California Street, 5th Floor, San Francisco, California 94111-5800, Attn: Robert L. Eisenbach III, Esq.; (g) counsel to any statutory committee appointed in these chapter 11 cases; and (h) the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Tiiara Patton, Esq.

7. The Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors on the earlier of (a) the Debtors' termination of services from such provider or (b) the occurrence of the effective date of a plan of reorganization, consummation of a sale of the Debtors' pursuant to section 363 of the Bankruptcy Code or liquidation, if not applied earlier.

8. The Debtors shall serve a copy of this Order on each Utility Provider listed on the Utility Service List within three business days of the date when this Order is entered.

9. Notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, or budget in connection therewith approved by this Court in these cases.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Order or any payment made pursuant to this Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim against the

Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or the assumption or adoption of any agreement, contract or lease under section 365 of the Bankruptcy Code.

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

12. Notwithstanding Bankruptcy Rule 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Date: \_\_\_\_\_, 2013  
Wilmington, Delaware

\_\_\_\_\_  
United States Bankruptcy Judge