

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

In re

CONEXANT SYSTEMS INC., et al.,¹

Reorganized Debtors.

Chapter 11

Case No. 13-10367 (MFW)

(Jointly Administered)

Hearing Date: October 24, 2013 at 2:00 p.m. (ET)

Objection Deadline: October 17, 2013 at 4:00 p.m. (ET)

**MOTION OF THE REORGANIZED DEBTORS
FOR ENTRY OF ORDERS ISSUING A FINAL DECREE CLOSING
CERTAIN CHAPTER 11 CASES AND GRANTING RELATED RELIEF**

Conexant Systems, Inc., on behalf of itself and its affiliated reorganized debtors in the above-captioned cases (collectively, the “Reorganized Debtors,” and prior to the Effective Date of the Plan (as defined below), the “Debtors”), hereby files this Motion (the “Motion”) for entry of Orders (i) issuing a final decree closing the chapter 11 cases of Conexant CF, LLC, Brooktree Broadband Holding, Inc., Conexant, Inc., and Conexant Systems Worldwide, Inc. (collectively, the “Closing Cases”), leaving only the case of Conexant Systems, Inc. open for post-confirmation administration, (ii) waiving the requirement under 11 U.S.C. § 1106(a)(7) to file further post-confirmation reports in the Closing Cases, and (iii) granting related relief. In support of the Motion, the Reorganized Debtors state as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and Article XI of the Plan. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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

2. The statutory predicates for the relief requested herein are sections 105 and 350 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), Rule 3022 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 3022-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

Background

3. On February 28, 2013, each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”). Information regarding the Debtors’ businesses, their capital and debt structure, and the events leading to the filing of these Chapter 11 Cases is contained in the *Declaration of Sailesh Chittipeddi, President and CEO of Conexant Systems, Inc., In Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 3].

4. On February 28, 2013, the Debtors filed the *Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 12].

5. On March 8, 2013 the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors (the “Creditors’ Committee”) [Docket No. 72].

6. On April 19, 2013, the Debtors filed the *First Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 190].

7. On April 19, 2013, the Debtors filed the *Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 206] (the “Second Modified Plan”).¹

8. On May 13, 2013, the Debtors filed the *Plan Supplement to the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 241].

9. On May 24, 2013, the Debtors filed the *First Supplement to the Plan Supplement to the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 262].

10. On June 6, 2013, the Court entered its *Findings of Facts, Conclusions of Law, and Order Confirming the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “Confirmation Order”) [Docket No. 287].

11. The Plan’s Effective Date occurred on July 12, 2013. [Docket No. 322].

12. Pursuant to the Plan, a General Unsecured Claims Recovery Pool has been funded and is being administered by a Liquidating Trustee. Under the Plan, the Liquidating Trustee is charged with administering claims, and has begun the process of reviewing and objecting to claims. In addition to the roughly 170 claims filed against Conexant Systems, Inc., approximately 10 proofs of claim have been filed in these cases against the Debtors in the Closing Cases. The Liquidating Trustee is also in the process of reviewing and resolving a larger number of unsecured claims the Debtors scheduled, which claims the Liquidating Trustee will also be administering. The Reorganized Debtors do not believe that the closure of the Closing

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Second Modified Plan.

Cases will interfere with the ability of the Liquidating Trustee to administer those claims in the Remaining Case (as defined below), and are advised that the Liquidating Trustee does not oppose the relief requested herein.

RELIEF REQUESTED

13. By this Motion, the Reorganized Debtors request entry of an order (i) issuing a final decree closing the Closing Cases, (ii) waiving the requirement under 11 U.S.C. § 1106(a)(7) to file further post-confirmation reports in the Closing Cases, and (iii) granting related relief.

14. The case of Conexant Systems, Inc. (Case No. 13-10367) (MFW) (the “Remaining Case”) will remain open for post-confirmation administration, including administration of claims filed in these cases, in accordance with the Plan.

15. Additionally, the Reorganized Debtors seek the entry of an order modifying the caption of the Remaining Case to reflect that Conexant Systems, Inc. is the remaining Reorganized Debtor with an open and pending bankruptcy case. The Reorganized Debtors propose that the new caption read as follows:

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BASIS FOR RELIEF REQUESTED

¹ The Reorganized Debtor in this case, along with the last four digits of the Reorganized Debtor’s federal tax identification number is Conexant Systems, Inc. (9439). The Reorganized Debtor’s main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660. The chapter 11 cases of the Reorganized Debtor’s affiliated debtors have been closed.

16. Section 350(a) of the Bankruptcy Code provides that “[a]fter an estate is fully administered and the court has discharged the trustee, the court shall close the case,” and Bankruptcy Rule 3022 provides that “[a]fter an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case.”

17. “Entry of a final decree closing a chapter 11 case should not be delayed solely because the payments required by the plan have not been completed. Factors that the court should consider in determining whether the estate has been fully administered include (1) whether the order confirming the plan has become final, (2) whether deposits required by the plan have been distributed, (3) whether the property proposed by the plan to be transferred has been transferred, (4) whether the debtor or the successor of the debtor under the plan has assumed the business or the management of the property dealt with by the plan, (5) whether payments under the plan have commenced, and (6) whether all motions, contested matters, and adversary proceedings have been finally resolved.” *In re Federated Department Stores, Inc.*, 43 Fed. Appx. 820 (6th Cir. 2002) (citing Bankr. R. 3022 advisory committee’s notes (1991)).

18. Not all of these factors need to exist before the court may enter a final decree, *see, e.g., In re Mold Makers, Inc.*, 124 B.R. 766, 768 (Bankr. N.D. Ill. 1990), nor are the factors listed exclusive. *See, e.g., In re Jordan Mfg. Co.*, 138 B.R. 30, 35 (Bankr. C.D. Ill. 1992). Rather, courts use these factors “as a guide in assisting the ... decision to close the case.” *Mold Makers*, 124 B.R. at 768. “The court should not keep the case open only because of the possibility that the court’s jurisdiction may be invoked in the future.” *In re Ground Systems, Inc.*, 213 B.R. 1016, 1019 (B.A.P. 9th Cir. 1997).

19. The aforementioned factors, to the extent relevant, support the closing of the Closing Cases. The Confirmation Order has become final and nonappealable, the General

Unsecured Claims Recovery Pool has been funded under the Plan and is being administered by the Liquidating Trustee, and the Reorganized Debtors have assumed the businesses and management of the Debtors' businesses.

20. All motions, contested matters, adversary proceedings, and claims that remain or become open or active will be administered under the Remaining Case. A bankruptcy court may close the larger bankruptcy case while retaining jurisdiction over discrete matters and controversies. *See, e.g., In re JMP-Newcor Int'l*, 225 B.R. 462, 465 (Bankr. N.D. Ill. 1998). The administration of the assets and liabilities of the Debtors will occur in the Remaining Case and will be fully accounted for in the final report when filed. Consequently, requiring a final report in each of the jointly administered cases would not be helpful to the U.S. Trustee, creditors, or other parties in interest.

21. Pursuant to section 350(b) of the Bankruptcy Code, the Court retains jurisdiction to reopen any of the Closed Cases for further administration in the unlikely event that the need to do so arises. The relief sought herein will not prejudice any other party in interest. Moreover, closing the Closed Cases will relieve the estates from the payment of further administrative fees and related costs.

22. All expenses arising from the administration of the Closing Cases, including court fees, United States Trustee fees, professional fees, and expenses, have been paid or will be paid in the amounts due as soon as reasonably practicable after the closure of the Closing Cases. Moreover, the Reorganized Debtors will complete all remaining quarterly reports for the Closing Cases within 30 days of closure of the Closing Cases.

23. Because the Reorganized Debtors believe that upon the granting of this Motion the remaining open case of Conexant Systems, Inc. will be sufficient to administer the

post-confirmation bankruptcy proceedings, the Reorganized Debtors request that this Court enter a final decree closing the chapter 11 case of each of the other Reorganized Debtors.

NOTICE AND PROCEDURE

24. Pursuant to Local Rule 3022-1(b), Notice of this Motion has been given to (a) the United States Trustee, (b) the Liquidating Trustee, and (c) all parties who have filed a notice of appearance pursuant to Bankruptcy Rule 2002 in this case. The Reorganized Debtors submit that such notice is adequate and proper and respectfully submit that no other or further notice is necessary or required. No prior motion for the relief sought herein has been made to this or any other court.

WHEREFORE, the Reorganized Debtors request that this Court enter the Orders, substantially in the forms attached hereto as Exhibits A through D, (i) issuing a final decree closing each of the Closing Cases, (ii) waiving the requirement under 11 U.S.C. § 1106(a)(7) to file further post-confirmation reports in the Closing Cases, and (iii) granting such other and further relief as may be just and proper.

Dated: October 2, 2013
Wilmington, Delaware

Respectfully submitted,

Pepper Hamilton LLP

/s/ Michael J. Custer

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