

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

In re:)	
)	Chapter 11
CONEXANT SYSTEMS, INC., <i>et al.</i> , ¹)	Case No. 13-10367 (MFW)
)	
Debtors.)	Joint Administration Requested
)	Related to Docket No. 7

**INTERIM ORDER AUTHORIZING,
BUT NOT DIRECTING, THE DEBTORS TO (A) PAY
PREPETITION WAGES, OTHER COMPENSATION AND REIMBURSABLE
EMPLOYEE EXPENSES AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS**

Upon the motion (the “*Motion*”)² of the Debtors for entry of an interim order (this “*Order*”) pursuant to sections 105(a), 363, 507(a)(4)-(5), 1107 and 1108(a) of the Bankruptcy Code, Rules 6003 and 6004(h) of the Bankruptcy Rules and Rule 9013-1(m) of the Local Rules, (a) authorizing, but not directing, the Debtors to pay prepetition wages, salaries, other compensation and reimbursable employee expenses, (b) authorizing, but not directing, the Debtors to continue employee benefits programs, (c) authorizing financial institutions to receive, process, honor and pay all related checks and electronic payment requests for payment of prepetition Employee Obligations and (d) scheduling a Final Hearing to the extent a hearing is necessary, all as further described in the Motion; and the Court having jurisdiction to consider

¹ 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); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); Conexant Systems Worldwide, Inc. (0601); Conexant CF, LLC (6434). The Debtors’ main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660.

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

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 in accordance with 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, except to the extent provided in paragraphs below, to continue to honor, in their discretion, the Employee Obligations.
3. The Debtors are further authorized, in their discretion, to pay and remit in the ordinary course of business and in accordance with the Debtors' prepetition policies and programs, prepetition amounts outstanding on account of the following Employee Obligations:
(a) Unpaid Compensation in an amount not to exceed \$11,725 per individual Employee or Independent Contractor for outstanding prepetition obligations related thereto; (b) Unpaid Payroll Service Fees; (c) Unremitted Deductions; (d) Unremitted Payroll Taxes; (e) Unpaid Health Benefits; (f) Flexible Benefits Plan Obligations; (g) Unpaid Employee Insurance Coverage; and (h) Unremitted 401(k) Contributions in an amount not to exceed \$770,000.

4. The Debtors are authorized, but not directed, to continue the following Employee Obligations in the ordinary course of business on a postpetition basis, in accordance with the Debtors' prepetition policies and practices and in the Debtors' discretion, and to pay and honor claims related to: (a) Wage Obligations; (b) ADP; (c) Deductions and Payroll Taxes; (d) Sales Incentive Program; (e) Employees' Health Benefits; (f) Flexible Benefits Plan; (g) the Workers' Compensation Program; (h) Employee Insurance Coverage; (i) Vacation Time and Paid Holidays; (j) the 401(k) Plan; (k) Immigration Assistance Program; (l) Tuition Reimbursement Plan; and (m) Mobile Phone Program.

5. Notwithstanding the authority provided above, pending entry of the Final Order, the Debtors are not authorized to remit, pay, satisfy or honor certain prepetition obligations that have accrued on account of the following Employee Obligations: (a) Unpaid Reimbursable Expenses; and (b) Unpaid Vacation Time. Prior to making a payment on account of Unpaid Vacation Time, the Debtors shall provide notice of such proposed payment to the Office of the United States Trustee for the District of Delaware and to any statutory committee appointed in these cases. Absent objection within seven (7) days of providing such notice, the Debtors may make such payment without further order of this Court.

6. The Debtors are authorized, but not directed, to pay all postpetition costs and expenses incidental to payment of the Employee Obligations described in paragraphs 3 and 4 herein, including all administrative and processing costs and payments to outside professionals in the ordinary course of business.

7. No payments to any individual employee shall exceed the amounts set forth in 11 U.S.C. §§ 507(a)(4) and 507(a)(5) unless the Debtors provide notice of a proposed

payment to the Office of the United States Trustee for the District of Delaware and to any statutory committee appointed in these cases.

8. Notwithstanding any other provision of this Order, no payment which violates or implicates 11 U.S.C. § 503(c) of the shall be made, except upon further order of this Court; or authorize the Debtors to cash out unpaid vacation/leave time upon termination of an employee, unless applicable state law requires such payment.

9. The Debtors are authorized, but not directed, to issue postpetition checks, or to affect postpetition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of the chapter 11 cases with respect to prepetition amounts owed to their Employees.

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. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Order.

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

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

16. 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 April 10, 2013 at 11:30 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.

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

Date: March, 2013
Wilmington, Delaware



United States Bankruptcy Judge