

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	
CONEXANT SYSTEMS, INC., et al.,	:	Case No.: 13-10367 (MFW)
	:	(Jointly Administered)
Debtors.	:	

		Objection Deadline: July 16, 2013 at 4:00 p.m.
		Hearing Date: TBD

**APPLICATION AND REQUEST OF LEXINGTON INSURANCE COMPANY,
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH PA, AND
CERTAIN OTHER AFFILIATES OF AIG PROPERTY CASUALTY, INC. FOR
ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE**

Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh PA, and certain other affiliates of AIG Property Casualty, Inc. (together, "Claimant"), which provided insurance coverage or other services to Conexant Systems, Inc. and its debtor affiliates listed on **Exhibit A** attached hereto (the "Debtors"), hereby file this request for allowance and payment of administrative expense, and respectfully state as follows:

1. On February 28, 2013 (the "Petition Date"), the Debtors commenced their bankruptcy cases under chapter 11, title 11 of the United States Code (the "Bankruptcy Code").

2. On and after the Petition Date, Claimant provided and continues to provide fire, directors and officers insurance coverages, among others, to the Debtors for various periods commencing on March 1, 2010 and ending 12:01 a.m. on April 19, 2017¹. A spreadsheet listing the post-petition policies issued to the Debtors is attached hereto as **Exhibit B**.

Additionally, Claimant and Debtors may have entered or may in the future enter into additional policies during the pendency of the bankruptcy cases.

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3. Pursuant to the policies, the Debtors are obligated to pay to Claimant, among other things, premium, certain deductibles, self-insured retentions, reimbursement obligations, any additional premium, fees, expenses and related costs. Claimant is entitled to administrative expense status pursuant to section 503(b) of the Bankruptcy Code for all amounts, liquidated, unliquidated, contingent or otherwise, for insurance and other services provided to the Debtors after the Petition Date. If any additional amounts become liquidated and due, Claimant seeks to be paid in the ordinary course of business. This Request is made for all obligations of the Debtors arising under the policies issued by Claimant to the Debtors whether or not the relevant insurance policies and related agreements are specifically listed or described in **Exhibit B** (hereinafter all such policies and agreements are collectively referred to as the "Policies"). Claimant reserves the right to amend this administrative expense request as such amounts become liquidated.

4. Currently, the liquidated premium owed is \$11,250.00 on Policy 13113038 and Policy 13113037. This is reflected on the account reconciliation worksheets attached hereto as **Exhibit C**.

5. The test to determine whether an applicant is entitled to payment of an administrative expense, is whether the efforts of the applicant resulted in actual and demonstrable benefit to the debtor's estate. In re AM Intern, Inc., 203 B.R. 898, 904 (Bankr. D. Del. 1996) (citing Lebron v. Mecham Financial, Inc., 27 F.3d 944 (3d Cir. 1994)). It is well settled that insurance is a recognized means of protecting and preserving the estate, thus providing a benefit to the estate. In re Gamma Fishing Co., Inc., 70 B.R. 949, 953 (Bankr. S.D.

¹ Nothing herein shall be deemed to modify the terms of the policies. For issues of coverage or otherwise, the policies shall control.

Calif. 1987) (citing 2 Collier Bankruptcy Manual, 503-517 (3d ed. 1986)). It is equally well settled that the insurance provider is to be awarded administrative expense priority for the pro rata share of the premium during the post petition period in which the estate received benefits from the insurance contract. Gamma, 70 B.R. at 955 (where debtor receives necessary benefits from a pre-petition insurance contract, the insurer is entitled to an administrative expense for the pro-rata share of the premium during which the estate received the benefit of the contract).

6. As the amount currently owed to Claimant relates to the period arising after the Petition Date and the Debtors received a substantial benefit from the existence of the insurance coverage, Claimant is entitled to an administrative expense, pursuant to section 503(b) of the Bankruptcy Code, for \$11,250.00.

7. Additionally, Claimant reserves the right to amend this request for allowance and payment to add any additional amounts due, including without limitation, premiums or any deductibles, losses, or self-insured retention, reimbursement obligations, fees, expenses, and related costs on any of the Policies.

8. The filing of this request for allowance and payment is not intended to waive any right to arbitration. Claimant expressly reserves the right to seek arbitration of any dispute arising in connection with this request. To the extent of any pre-existing arbitration agreement, this Court's jurisdiction to resolve disputes should be limited to referring such disputes to arbitration and enforcing any arbitration award.

9. In executing and filing this request for payment, Claimant: (i) does not submit itself to the jurisdiction of this Court for any purpose other than with respect to said request for allowance and payment; (ii) does not waive any right or rights that it has or may have

against any other persons liable for all or part of the request for allowance and payment set forth herein; (iii) expressly reserves the right to the extent permitted by law to amend or supplement this request for allowance and payment in any respect; and (iv) expressly reserves the right to assert all claims, causes of action, defenses, offsets or counterclaims. Claimant expressly reserves all rights to cancel or rescind any and all of the agreements which are the subject of this request for allowance and payment.

WHEREFORE, Claimant respectfully requests that the Court enter an Order (i) granting Claimant an allowed administrative expense for \$11,250.00; (ii) requiring the Debtors to pay \$11,250.00 to Claimant promptly after entry of an order; (iii) requiring the Debtors to make payment of any other amounts that become due on the Policies in the ordinary course of business; and (iv) providing for such other relief that the Court deems just and proper.

Dated: June 26, 2013

By: /s/ David W. Carickhoff
David W. Carickhoff (No. 3715)
Jennifer L. Dering (No. 4918)
ARCHER & GREINER, P.C.
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Wilmington, DE 19801
Telephone (302) 777-4350
Facsimile (302) 777-4352

Attorneys for Claimant

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

In re:	:	Chapter 11
	:	
CONEXANT SYSTEMS, INC., et al.,	:	Case No.: 13-10367 (MFW)
	:	(Jointly Administered)
Debtors.	:	
<hr/>		
	:	Objection Deadline: July 16, 2013 at 4:00 p.m.
	:	Hearing Date: TBD

**NOTICE OF APPLICATION AND REQUEST OF LEXINGTON INSURANCE
COMPANY, NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH
PA, AND CERTAIN OTHER AFFILIATES OF AIG PROPERTY CASUALTY, INC.
FOR ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE**

TO: Counsel for the Debtors

Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh PA, and certain other affiliates of AIG Property Casualty, Inc. (together, "Claimant") filed the **Application and Request of Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh PA, and Certain Other Affiliates of AIG Property Casualty, Inc. for Allowance and Payment of Administrative Expense** (the "Motion") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the "Bankruptcy Court"). A true and correct copy of the Motion is attached hereto.

Objections and other responses to the relief requested in the Motion, if any, must be in writing and be filed with the Bankruptcy Court no later than **July 16, 2013 at 4:00 p.m. Eastern Time**.

Any objections or other responses to the Motion, if any, must also be served so that they are received by the undersigned counsel no later than **July 16, 2013 at 4:00 p.m. Eastern Time**.

IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

IN THE EVENT THAT ANY OBJECTION OR RESPONSE IS FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, A HEARING ON THE MOTION WILL BE HELD BEFORE THE HONORABLE MARY F. WALRATH AT THE BANKRUPTCY COURT ON A DATE AND TIME TO BE DETERMINED. FURTHER NOTICE WILL BE PROVIDED OF ANY HEARING DATE.

Dated: June 26, 2013

By: /s/ David W. Carickhoff
David W. Carickhoff (No. 3715)
Jennifer L. Dering (No. 4918)
ARCHER & GREINER, P.C.
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Attorneys for Claimant

9922844v1

Exhibit A

List of Debtors

List of Debtors

13-10367-MFW	Conexant Systems, Inc.
13-10368-MFW	Conexant CF, LLC
13-10369-MFW	Brooktree Broadband Holding, Inc.
13-10370-MFW	Conexant, Inc.
13-10371-MFW	Conexant Systems Worldwide, Inc.

Exhibit B

List of Post-Petition Policies

Conexant Systems, Inc. Petition Date: 02/28/2013 Admin Policy Date: 03/06/2013							
Policy #	Profile Center	Branch	Major Class	Insured Name	Writing Company	Effective	Expiration
00635003512	06 - PROPERTY	689 - TATA AIG GEN	UNKNOWN	CONEXANT SYSTEMS INDIA PRIVATE LIMITED	UNKNOWN	2009-11-04	2013-02-28
00013113036	93 - PROPERTY	03 - SAN FRANCISCO	FIRE (PROPERTY DA	CONEXANT SYSTEMS INCORPORATED	LEXINGTON INSURANCE COMPANY	2012-03-01	2013-03-01
00013113038	93 - PROPERTY	03 - SAN FRANCISCO	ADDITIONAL EXTEN	CONEXANT SYSTEMS, INC	LEXINGTON INSURANCE COMPANY	2012-03-01	2014-03-01
00013113037	93 - PROPERTY	03 - SAN FRANCISCO	FIRE (PROPERTY DA	CONEXANT SYSTEMS, INC	LEXINGTON INSURANCE COMPANY	2012-03-01	2014-03-01
1172005017	06 - PROPERTY	002 - SAN FRANCISCO	UNKNOWN	CONEXANT SYSTEMS, INC	UNKNOWN	2012-03-01	2013-03-01
0661001462	06 - PROPERTY	002 - SAN FRANCISCO	UNKNOWN	CONEXANT SYSTEMS, INC	UNKNOWN	2010-03-01	2013-03-01
FISH000020	06 - PROPERTY	002 - SAN FRANCISCO	UNKNOWN	CONEXANT SYSTEMS, INC	UNKNOWN	2012-03-01	2013-03-01
BFSH000011	06 - PROPERTY	002 - SAN FRANCISCO	UNKNOWN	CONEXANT SYSTEMS, INC	UNKNOWN	2012-03-01	2013-03-01
00017478032	04 - CORPORATE	488 - ORANGE COUN	D & O - CLAIMS MAD	CONEXANT SYSTEMS, INC	NATIONAL UNION FIRE INS.CO.	2011-04-18	2017-04-19
00018245860	04 - CORPORATE	405 - LOS ANGELES	LIAB(O/T AUTO)BI	CONEXANT, INC	NATIONAL UNION FIRE INS.CO.	2010-05-01	2017-04-19

Exhibit C

Account Reconciliation Worksheets

AS OF DATE :	6/26/2013
PAPER COMPANY	
INSURED:	CONEXANT SYSTEMS, INC.
POLICY NUMBER:	13113037-04113060
POLICY PERIOD:	03/01/2013-2014
CANCEL DATE:	
PRODUCER:	EQUITY RISK PARTNERS, INC.
	PREMIUM AMOUNT
NEW/RENEWAL PREMIUM	\$10,800.00
CANCELLATION	
ENDORSEMENT PREMIUM	
AUDIT PREMIUM	
REVISED AUDIT	
POLICY PREMIUM	\$10,800.00
SURCHARGES/FEES	
BALANCE FUTURE DUE DATE	
APPLIED FROM POLICY	
LESS PAYMENTS	
BALANCE PAST DUE	\$10,800.00

AS OF DATE :	6/26/2013
PAPER COMPANY	
INSURED:	CONEXANT SYSTEMS, INC.
POLICY NUMBER:	13113038-04113060
POLICY PERIOD:	03/01/2013-2014
CANCEL DATE:	
PRODUCER:	EQUITY RISK PARTNERS, INC.
	PREMIUM AMOUNT
NEW/RENEWAL PREMIUM	\$450.00
CANCELLATION	
ENDORSEMENT PREMIUM	
AUDIT PREMIUM	
REVISED AUDIT	
POLICY PREMIUM	\$450.00
SURCHARGES/FEES	
BALANCE FUTURE DUE DATE	
APPLIED FROM POLICY	
LESS PAYMENTS	
BALANCE PAST DUE	\$450.00

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

In re: : Chapter 11
: :
CONEXANT SYSTEMS, INC., et al., : Case No.: 13-10367 (MFW)
: (Jointly Administered)
Debtors. :
: **Docket No. _____**

**ORDER GRANTING APPLICATION AND REQUEST OF
LEXINGTON INSURANCE COMPANY, NATIONAL UNION FIRE
INSURANCE COMPANY OF PITTSBURGH PA, AND CERTAIN OTHER
AFFILIATES OF AIG PROPERTY CASUALTY, INC. FOR
ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE**

Upon consideration of the **Application and Request of Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh PA, and Certain Other Affiliates of AIG Property Casualty, Inc. for Allowance and Payment of Administrative Expense** (the "Motion")²; and it appearing that the Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. § 1334 and that this matter is a core matter pursuant to 28 U.S.C. § 157(b)(2); and it appearing that due notice of the Motion has been given to the Debtors and that no further notice need be given; and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Claimant shall have an allowed administrative expense in the amount of \$11,250.00 (the "Allowed Amount").

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Motion.

3. The Debtors shall pay Claimant the Allowed Amount within 10 days of the entry of this Order.

4. This Court retains jurisdiction to interpret, implement and enforce the provisions of this Order.

Dated: _____, 2013

The Honorable Mary F. Walrath
United States Bankruptcy Judge

CERTIFICATE OF SERVICE

I, *David W. Carickhoff*, hereby certify that on July 26, 2013, I caused a copy of the **Application and Request of Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh PA, and Certain Other Affiliates of AIG Property Casualty, Inc. for Allowance and Payment of Administrative Expense** to be served on the individuals on the attached service list via First Class U.S. Mail.

/s/ David W. Carickhoff
David W. Carickhoff (DE 3715)

9922844v1

SERVICE LIST

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