

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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**In re** : **Chapter 11**  
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**INSYS THERAPEUTICS, INC., et al.,** : **Case No. 19-11292 (KG)**  
:
  
**Debtors.** : **(Jointly Administered)**  
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**ORDER APPROVING STIPULATION CONCERNING CLASSIFICATION  
OF CLAIMS OF STEVE MEYER AND PIERRE LAPALME  
FOR CONFIRMATION AND VOTING PURPOSES**

Upon consideration of the *Stipulation Concerning Classification of Claims of Steve Meyer and Pierre Lapalme for Confirmation and Voting Purposes* (the “**Stipulation**”); and the Court having jurisdiction to consider the Stipulation pursuant to 28 U.S.C. § 1334; and good and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Stipulation, a copy of which is attached hereto as **Exhibit 1**, is hereby approved.
2. Immediately upon the entry of this Order, the Stipulation shall become effective.
3. The Parties are authorized to take any and all actions reasonably necessary to implement and effectuate the terms of the Stipulation.
4. This Court shall retain jurisdiction over all matters arising from or related to the implementation or interpretation of this Order.



KEVIN GROSS  
UNITED STATES BANKRUPTCY JUDGE

Dated: January 17th, 2020  
Wilmington, Delaware

**EXHIBIT 1**

**Stipulation**

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

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<b>In re</b>	:		<b>Chapter 11</b>
	:		
<b>INSYS THERAPEUTICS, INC., et al.,</b>	:		<b>Case No. 19-11292 (KG)</b>
	:		
<b>Debtors.<sup>1</sup></b>	:		<b>(Jointly Administered)</b>
	X		

**STIPULATION CONCERNING CLASSIFICATION OF  
CLAIMS OF STEVE MEYER AND PIERRE LAPALME  
FOR CONFIRMATION AND VOTING PURPOSES**

A. WHEREAS, on June 10, 2019 (the “Petition Date”), Insys Therapeutics, Inc. (“Insys”) and certain of its affiliates (collectively, the “Debtors”) each filed a voluntary petition 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”), commencing cases that have been procedurally consolidated in Case No. 19-11292 (KG) (the “Bankruptcy Cases”).

B. WHEREAS, on September 13, 2019, Steve Meyer and Pierre Lapalme each filed proofs of claim [Nos. 451, 452, 524, 525] asserting liquidated and unliquidated general unsecured claims against each of the Debtors (collectively, the “Claims”). Meyer has asserted liquidated general unsecured claims of \$223,823.31 and Lapalme has asserted general unsecured liquidated claims of \$223,823.31, and each also has asserted claims for unliquidated amounts. Meyer and Lapalme each assert that they expect to incur \$1 million in 2020 in connection with matters for which they contend they are entitled to indemnification and reimbursement as set forth in their Claims.

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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 tax identification number, as applicable, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659); Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155). The Debtors’ mailing address is 3100 West Ray Rd, Suite 201, Chandler, Arizona 85226.

C. WHEREAS, on December 4, 2019, the Debtors filed the *Second Amended Joint Chapter 11 Plan of Liquidation of Insys Therapeutics, Inc. and its Affiliated Debtors* (the “Plan”) [Docket No. 955]. A hearing to consider confirmation of the Plan is scheduled to be held on January 16, 2020 in the Bankruptcy Court.

D. WHEREAS, the Plan seeks to classify certain claims that the Debtors contend are subject to subordination pursuant to 11 U.S.C. § 510(c) in Class 11 (510(c) Subordinated Claims).

E. WHEREAS, on December 17, 2019, the Debtors served Meyer and Lapalme with a notice indicating that the Debtors intend to seek to classify the Claims in Class 11 (510(c) Subordinated Claims). Meyer and Lapalme dispute that there is any basis to subordinate the Claims and assert that the Claims should be classified in Class 4 (Trade and Other Unsecured Claims).

F. WHEREAS, in order to avoid the expense and uncertainty relating to confirmation of the Plan and the Plan classification and treatment of the Claims, the Debtors, on the one hand, and Meyer and Lapalme, on the other hand, have agreed to resolve their disputes as set forth herein.

For good and valuable consideration, the Debtors, Meyer and Lapalme, by and through their undersigned counsel, hereby stipulate and agree as follows:

1. Subject to paragraphs 2 and 3 hereof, the Claims shall be classified in Class 4 (Trade and Other Unsecured Claims) under the Plan for confirmation and voting purposes; *provided, however,* that the Debtors, their estates, and any successor or assignee thereof, including but not limited to the Insys Liquidation Trust (as defined in the Plan), reserve any and all rights, claims, and Causes of Action (as defined in the Plan) with respect to Meyer, Lapalme and their respective Claims, including but not limited to the right to object to or seek equitable subordination of the Claims on any grounds or basis whatsoever, and Meyer and Lapalme reserve any and all rights, claims and defenses relating thereto; *provided further* that, to the extent the Claims are Allowed (as

defined in the Plan), each of Meyer and Lapalme shall be deemed to hold a single claim in the amount of \$223,823.31 each plus any additional costs incurred after the filing of their Proofs of Claim in connection with matters for which they are entitled to indemnification and reimbursement as set forth in their Claims, up to an additional \$500,000 each.

2. In the event that Meyer is determined by final, non-appealable order to have, by any act or omission, acted in a manner constituting gross negligence, recklessness, willful misconduct, a criminal act, fraud, breach of any fiduciary duty, aiding and abetting a breach of fiduciary duty, conspiracy, unjust enrichment, insider trading, or corporate waste, in any action or proceeding pending or that may be brought against Meyer arising from or in connection with his prepetition services for the Debtors, or that Meyer otherwise is not entitled to indemnification or reimbursement, Meyer's Claims shall automatically be deemed classified in Class 11 (510(c) Subordinated Claims) and Meyer shall have no rights to any distribution under the Plan on account of Meyer's Claims.

3. In the event that Lapalme is determined by final, non-appealable order to have, by any act or omission, acted in a manner constituting gross negligence, recklessness, willful misconduct, a criminal act, fraud, breach of any fiduciary duty, aiding and abetting a breach of fiduciary duty, conspiracy, unjust enrichment, insider trading, or corporate waste, in any action or proceeding pending or that may be brought against Lapalme arising from or in connection with his prepetition services for the Debtors, or that Lapalme otherwise is not entitled to indemnification or reimbursement, Lapalme's Claims shall automatically be deemed classified in Class 11 (510(c) Subordinated Claims) and Lapalme shall have no rights to any distribution under the Plan on account of Lapalme's Claims.

4. In the event that the Plan is not confirmed or does not become effective, this Stipulation will be of no further force and effect, and all parties hereto reserve any and all rights, claims, causes of action and defenses.

Dated: January 17, 2020  
Wilmington, Delaware

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