

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
<i>Caption in Compliance with D.N.J. LBR 9004-1(b)</i> OBERMAYER REBMANN MAXWELL & HIPPEL LLP Edmond M. George, Esquire Michael D. Vagnoni, Esquire (pro hac vice pending) Turner Falk, Esquire 1120 Route 73, Suite 420 Mount Laurel, NJ 08054-5108 Telephone: (856) 795-3300 Facsimile: (856) 482-0504 E-mail: edmond.george@obermayer.com michael.vagnoni@obermayer.com turner.falk@obermayer.com	
Proposed Counsel to the Debtor and Debtor in Possession	
In re:	Chapter 11
ALUMINUM SHAPES, L.L.C.,	Case No. 21- _____ - ()
Debtor.	

**DECLARATION OF JORDAN MEYERS IN SUPPORT OF DEBTOR'S
CHAPTER 11 PETITION AND FIRST DAY MOTIONS**

I, Jordan Meyers, make this declaration (this "Declaration") under 28 U.S.C. §1746.

1. I am a Senior Director at Winter Harbor LLC, part of Riveron Consulting, ("Winter Harbor"), a financial consulting firm. Winter Harbor was first retained by Aluminum Shapes, L.L.C., the debtor and debtor in possession in the above-captioned chapter 11 case (the "Debtor"), to serve as financial advisors on or about May 24, 2021.

2. Prior to the commencement of this Chapter 11 case, I was appointed Interim Chief Financial Officer ("ICFO") of the Debtor. In connection with providing financial advisory and ICFO services, I have become familiar with the Debtor's day-to-day operations, business and financial affairs, books and records, and the circumstances leading to the commencement of the

Debtor's Chapter 11 case (the "Chapter 11 Case"). Winter Harbor's practice consists of senior financial, management consulting, accounting, and other professionals who specialize in providing financial, business, and strategic assistance, frequently in situations involving underperforming and distressed businesses. Professionals employed at Winter Harbor have experience working with debtor companies and secured and unsecured creditors, equity holders, and other parties in both in-court and out-of-court engagements.

3. I have 12 years of experience in the restructuring industry, serving as an advisor to private equity firms, corporations, lenders, and boards of directors of underperforming businesses and companies in transition. I have previously worked at two other restructuring firms, two international accounting firms, and as an investment banker. I have provided guidance to financially challenged entities maneuvering through both out-of-court and court-supervised restructurings. I have also been involved in several M&A transactions and have experience servicing both debtors and senior secured lenders. I earned my Bachelor of Science degree in Accounting from Binghamton University and my Master of Business Administration degree in Finance from the Goizueta Business School at Emory University. I am a Certified Public Accountant ("CPA") and Certified Insolvency and Restructuring Advisor ("CIRA").

4. On August 15, 2021 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of New Jersey, Camden Vicinage (the "Court"). The Debtor continues to operate its business and manage its properties as Debtor in Possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. To enable the Debtor to operate effectively, maximize the benefits of the reorganization process and minimize potential adverse effects in the Chapter 11 Case, the Debtor

has requested certain relief in “first day” motions and applications (collectively, the “First Day Motions”), filed with the Court concurrently herewith.

6. The First Day Motions, summarized below, seek, among other things, to (a) allow the Debtor to continue using cash collateral to fund a sales process for the Debtor’s assets, (b) allow the Debtor to obtain Debtor-In-Possession financing, (c) ensure the continuity of the Debtor’s business operations without interruption during the sales process, (d) preserve the Debtor’s valuable relationships with suppliers, vendors, customers, and other interested parties, (e) maintain employee morale and confidence, and (f) implement certain administrative procedures that will promote a seamless transition into Chapter 11. This relief is critical to the Debtor’s efforts to maximize the value of its assets for the benefit of all stakeholders.

7. This Declaration is submitted in support of the First Day Motions. Except as otherwise indicated herein, the facts and opinions set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by the Debtor’s employees, or my opinion based upon my experience, knowledge, and information obtained about the Debtor’s operations and the aluminum processing industry.

8. I am authorized to submit this Declaration on the Debtor’s behalf. If called upon to testify, I can and will testify competently to the facts set forth in this Declaration.

9. This Declaration provides a summary overview of the Debtor’s business operations and the need for its restructuring pursuant to Chapter 11 of the Bankruptcy Code. Section I of this Declaration is a brief history of the Debtor, Section II presents an overview of the Debtor’s business operations, Section III discusses the need for Chapter 11 relief and the events leading to the commencement of this bankruptcy case, and Section IV describes the anticipated course of the

Chapter 11 Case and a summary of the First Day Motions and the factual bases for the relief requested therein.

I. THE DEBTOR'S HISTORY

10. The Debtor is an aluminum processor (the "Business"). The Debtor was founded by Ben Corson in 1948 and began operations as a supplier of extruded aluminum for his aluminum windows and doors. The Debtor has since grown to become a predominant fabricator of aluminum east of the Mississippi, and one of only a few processors in the country capable of, and in possession of, a completely vertically integrated plant and operations for the processing, annealing, cutting, fabricating, welding, and extruding of aluminum. The Debtor became incorporated in 1956 and subsequently acquired fifty-five (55) acres of land at its current location in Delair, New Jersey upon which it developed and built its aluminum processing facilities. As the United States economy blossomed in the 1960s, the Debtor began extruding aluminum for the trucking and trailer industry. At that time, the Debtor underwent a significant capital investment program by commissioning four new state-of-the-art extrusion presses. These acquisitions greatly increased capacity. Later, the Debtor would construct a "cast house" foundry for processing aluminum into billets, substantially reducing its raw material costs. In 1995, the Debtor underwent a further capital program, acquiring the Danieli Press, which was, at the time, the most sophisticated press in the industry. The addition of the Danieli Press increased aluminum processing capacity to nearly 30 million pounds annually. The Debtor's substantial machinery, fixtures, and equipment, including a valuable cast house and foundry furnace, several presses, and processing equipment (the "FFE"), are state of the art.

11. The Debtor is internationally known for some of its projects, including its fabrication and provision of the scaffolding for the reconstruction of the Statue of Liberty, for

which it received recognition by the *Guinness Book of World Records* for what was then the largest free-standing aluminum structure. In 1998, it provided scaffolding for the Washington monument rehabilitation. Some seventy years after its founding, the Debtor has become and continues to be an industry leader in the fabrication, processing, and extruding of aluminum metals.

12. The Debtor owns and operates a single location at 9000 River Road, Delair, NJ, consisting of approximately 500,000 square feet of industrial space, including a cast house, foundry, and processing area (the “Real Property”). Located on the Real Property are buildings and the Debtor’s FFE. (FFE together with the Real Property, the “Assets”). At present, the Debtor is not operating the cast house.

II. OVERVIEW OF THE DEBTOR’S BUSINESS OPERATIONS

A. The Debtor’s Ownership and Management

13. The Debtor is a privately held New Jersey limited liability company. Jacky Cheung, an Australian national and resident of Vietnam, owns 100% of the membership interests and is the sole member of the Debtor.

14. The Debtor’s current managers (“Managers”) are Jacky Cheung, Charles Pok, and Solomon Rosenthal (CEO), who runs the day-to-day operations for the Debtor.

15. As of the Petition Date, the officers of the Debtor are Solomon Rosenthal, (CEO), Doug Bathhuar (COO), Gerry Leimkuhler (as Chief Plan and Transaction Officer), Dalton Edgecomb (Chief Restructuring Officer); and myself as ICFO.

B. The Debtor’s Employees

16. As of the Petition Date, the Debtor employed approximately 111 employees, including approximately 50 full-time salaried employees (the “Salaried Employees”) and 61 hourly employees (the “Hourly Employees,” and collectively with the Salaried Employees, the

“Employees”). The Debtor’s Employees perform a variety of critical functions, including line work (fabrication and processing), sales, customer service, information technology, purchasing, human resources, accounting, finance, and management-related tasks. Some of the Debtor’s Employees have been covered by collective bargaining agreements (“CBA”) with Teamster’s Local 107. The CBA expires on June 30, 2022.

C. Capital and Debt Structure

(i). Prepetition secured debt

17. As of the Petition Date, the Debtor had outstanding debt obligations in the aggregate principal amount of no less than \$9,270,525.89 to Tiger Finance, LLC (“Tiger” or “Prepetition Lender”), pursuant to the prepetition Tiger Credit Agreement (the “Prepetition Credit Agreement”).

18. Obligations under the Prepetition Credit Agreement are secured by a first priority lien on substantially all of the Debtor’s Assets, including, without limitation, a first priority lien on the Debtor’s accounts (including receivables), inventory, machinery and equipment, real estate, deposit accounts, cash, and cash equivalents.

19. From time to time over the past year, the Debtor has entered into forbearance agreements with Tiger. The Debtor is presently party to that certain Seventh Forbearance Agreement and Seventh Amendment to Credit Agreement dated July 27, 2021 (“Seventh Forbearance”).

20. The Seventh Forbearance modifies the Prepetition Credit Agreement and provides as follows: (i) Tiger continues to forbear through the Seventh Amended Forbearance Termination Date, or August 16, 2021; (ii) Tiger agrees to increase the Maximum Term Loan Amount and make Discretionary Advances up to \$2,250,000.00 to the Debtor; and (iii) the Debtor is directed

to provide an executed Stalking Horse offer by a date certain. In exchange, the Debtor agrees to undertake certain obligations and to begin in earnest to find a purchaser for the Business or Assets.

(ii). General unsecured creditors

21. The Debtor estimates that unsecured claims against the Debtor as of the Petition Date exceed \$13,000,000.00. Unsecured claims against the Debtor include: (i) accrued, and unpaid amounts owed to the Debtor's trade vendors and other unsecured debt incurred in the ordinary course of the Debtor's Business, (ii) accrued employee related expenses, (iii) loans received under the Small Business Associations' Paycheck Protection Program ("PPP"), and (iv) claims for unpaid union pension and health and benefit obligations.

(iii). Judgments and pending litigation

22. The Debtor also has a number of judgments entered against it from utility suppliers and vendors which in total exceed \$7,000,000.00. These judgments are as follows¹:

a) Palmer (Local 837) v. Aluminum Shapes LLC, 2:21-cv-00326-RBS – Judgment amount: \$4,470,122.86

b) Eastern Lift Truck Co. v. Aluminum Shapes LLC, BUR-L-1685-20 – Judgment amount: \$73,122.61

c) General Chemical & Supply v. Aluminum Shapes LLC, CAM SC-000770-20 – Judgment amount: \$2,948.83

d) A.C. Shultes, Inc. v. Aluminum Shapes LLC, CAM L-003398-20 – Judgment amount: \$30,176.56

e) UGI Energy Services, LLC v. Aluminum Shapes LLC, CAM L-000671-20 – Judgment amount: \$395,345.43

¹ The amounts listed are the face amounts of the judgments. The current amounts may be higher due to interest accumulating since each judgment was entered.

- f) Talen Energy Marketing LLC v. Aluminum Shapes LLC, 5:19-cv-04303-HSP – Judgment amount sought: \$1,711,955.03
- g) Combined Metal Industries Inc. v. Aluminum Shapes LLC, CAM L-002982-20 – Judgment amount: \$320,780.87
- h) Direct Energy Business Marketing LLC v. Aluminum Shapes LLC, CAM L-003390-19 – Judgment amount: \$834,252.47
- i) Euler Hermes North America Ins. v. Aluminum Shapes LLC, CAM L-003551-20 – Judgment amount: \$184,195.37
- j) IFM Efactor Inc v. Aluminum Shapes LLC, CAM DC-002545-21 – Judgment amount: \$4,302.15
- k) Equipment Depot Pennsylvania, Inc. et al v. Aluminum Shapes LLC, CAM L-2360-20 – Judgment amount: \$30,039.20
- l) Pyrotek Inc. v. Aluminum Shapes LLC, CAM L-003963-20 – Judgment amount: \$97,658.54
- m) Mardinly Industrial Power, LLC v. Aluminum Shapes LLC, MJ-32124-cv-0000007-2021 – Judgment amount: \$6,599.51
- n) Melton Truck Lines Inc. v. Aluminum Shapes “Inc.”, CJ-2020-1276 – Judgment amount: \$47,277.90

23. With respect to the Real Property, there is a pending environmental case with New Jersey DEP (the “NJDEP”) relating to historical conditions on the Real Property. The clean-up is fully funded by trust moneys contained in an NJDEP Remediation Trust Fund.

III. THE NEED FOR CHAPTER 11 RELIEF AND THE EVENTS LEADING TO THE COMMENCEMENT OF THE CHAPTER 11 CASES

24. Following years of adverse market trends, including increased competition from overseas manufacturers, the general downturn in the United States economy caused by COVID-19, has forced the Debtor into a sale process. The COVID-19 shut down occurred during a time when the Debtor was experiencing strong demand but lacked adequate capital to complete fabrication.

25. The Debtor is the latest victim of the skyrocketing price of metal, supply chain issues, the lack of available credit, and the lack of cash flow necessary to compete. Both the increased cost of raw materials and foreign competition have adversely impacted the Debtor's cash flow in recent years. Inadequate cash flow has caused the Debtor to delay accepting new work orders.

26. In response to the aforementioned challenges, the Debtor, in consultation with its advisors, has taken steps to preserve liquidity and develop a comprehensive, value-maximizing transaction that would inure to the benefit of creditors. In 2020, the Debtor, with the help of its advisors, implemented key strategic initiatives, including: (i) attempts to deleverage operations and generate capital; (ii) increasing customer engagement, including allowing customers to purchase their own metals for processing, thereby reducing raw material costs; (iii) looking for other market opportunities and products; (iv) optimizing the Debtor's operations and reducing the cash burn rate; and (v) exploring opportunities for a sale of the Business to a strategic purchaser. The Debtor has significant capacity that could be captured for a moneyed purchaser. The Debtor has strong demand and a wide and loyal customer body.

27. The Debtor has made significant reductions in expenses to meet its current obligations. There have been a number of cost-cutting measures, including a workforce reduction to the current level of 111 union and non-union Employees. The Debtor has curtailed operations to

about ten percent (10%) of capacity. Where possible, the Debtor is processing material purchased by the customer, which enables processing to continue without the delay and expense involved with sourcing raw materials and alleviates the financial strain of purchasing and retaining inventory.

28. Despite the significant efforts to reduce costs and curtail operations during the COVID-19 downturn, the operating losses will continue to significantly impair the Debtor's liquidity.

29. For the year 2020, the Debtor reported net sales of \$13.6 million, as compared to \$43.4 million for the fiscal year 2019. The reduction reflected an inability to generate sufficient capital for metal supply purchases. The Debtor reported an operating loss of approximately \$19.4 million in 2020.

A. The Debtor's Consideration of Strategic Alternatives

30. Faced with ongoing and significant hurdles, the Debtor's Managers engaged Obermayer, Cowen and Company, LLC ("Cowen"), Winter Harbor, and Berwyn (collectively, the "Advisors"). Winter Harbor, along with other Advisors, (i) developed weekly cash flows; (ii) developed cash conservation measures and liquidity forecasting; (iii) developed strategic alternatives, financing and restructuring initiatives for maximizing the enterprise value of the Debtor; and (iv) engaged with the Prepetition Lender on increasing liquidity, obtaining covenant relief and various restructuring options.

31. Cowen was engaged as investment banker by the Debtor on June 18, 2021, to explore a sale of the Debtor's Business or Assets. Based on market feedback, the Debtor, in consultation with its Advisors, has determined that a continued operation of the Business by the Debtor is not viable or achievable under the current financial circumstances and has determined in

its business judgment, that a sale of the Business or Assets best serves the interests of all stake holders in the Chapter 11 Case.

IV. PROPOSED COURSE OF THE CHAPTER 11 CASE

32. The Chapter 11 Case is intended to address the Debtor's funded debt, litigation overhang and to provide for a sale of the Business as a whole or its respective Assets.

33. The Debtor is therefore seeking either a strategic purchaser for the Business or the Assets of the Debtor, with an expectation that a sale under a controlled environment under the bankruptcy process will maximize the value for all creditors. The Debtor and its management and Advisors believe there is substantial value in the Business and Assets.

34. At the same time, the Debtor was exploring options for increasing liquidity and a restructuring. The Debtor worked with Cowen, as investment banker, to conduct a marketing process. Cowen and the Debtor prepared a list of more than 140 potential investors (including various financial sponsors and strategic purchasers) that were considered likely participants in a sale process.

35. Following the initial outreach to the identified parties, information was provided to these parties to gauge their interest prior to executing a non-disclosure agreement ("NDA"). Approximately 40 parties executed NDAs, who were then granted access to a data room.

36. The Debtor's advisors at Cowen have received a proposed Stalking Horse offer from Reich Brothers, LLC ("Reich Bros."), which will be further disclosed in connection with the Debtor's contemplated Sale Motion. The Stalking Horse offer from Reich Bros. was facilitated by the Debtor's Prepetition Lender, Tiger.²

² A participant in the Prepetition Financing Documents (defined below) and the DIP Facility is Align Business Finance LLC (f/k/a Reich Bros Business Solutions LLC) is 100% owned by ABF Intermediate Holdings LLC which is then 100% owned by ABF Ultimate Holdings LLC. ABF Ultimate Holdings LLC is 50% owned by Jonathan and Adam Reich, who own [___%] of Reich Brothers, the proposed Stalking Horse under the Sale Motion.

37. The Debtor is entering into a proposed Asset Purchase Agreement with Reich Bros., which will serve as the Stalking Horse Bid for the Debtor's Assets. The Debtor's Assets will be sold at public auction to be conducted before the Bankruptcy Court (the "Auction") on bidding procedures approved pursuant to the Sale Motion.

38. The Debtor's investment bankers at Cowen have been diligently interviewing other prospective, competitive bidders, and are continuing to market the Business and Assets for sale. The Debtor and its Advisors will continue to work with the parties that have indicated an interest in the Business and Assets in an effort to obtain the highest or the best value for the Assets. Cowen continues to market for a Debtor in Possession loan.

39. Contemporaneous with the First Day Motions or soon thereafter, the Debtor will be filing its Sale Motion and seeking an order approving Bidding Procedures and the Auction format. With guidance from Cowen, the Debtor intends to conduct a sale process for its Assets over the next sixty (60) days, with the Auction expected to be conducted no later than October 15, 2021.

40. The Debtor will continue operations pending the sale process.

41. The Debtor believes, in the exercise of its business judgment, that the sale of the Business as a going concern over the next sixty (60) days or, alternatively, its Assets will provide the best process under the circumstances to maximize value for its stakeholders.

42. The Debtor will utilize cash collateral, having obtained the consent of its Prepetition Lender to do so, and will file a motion to obtain Debtor in Possession Financing (the "DIP Motion"). Consensual use of cash collateral and DIP Financing will provide the Debtor with sufficient liquidity to continue operations and pay the administrative expenses of the Chapter 11 Case. Pursuant to the DIP Motion the Debtor will repay the existing Prepetition Tiger Indebtedness

in full and additional advances will be made in accordance with the Budget, as reduced by cash receipts.

A. First Day Motions

43. To minimize the adverse effects of the commencement of these Chapter 11 Cases on the Debtor's ability to effectuate a timely and efficient Chapter 11 liquidation that will maximize the value of the Debtor's estate, the Debtor has filed a number of First Day Motions designed to facilitate its seamless transition into Chapter 11 and to ensure minimum disruption to its operations.

44. These First Day Motions include a Motion for Expedited Consideration of First Day Matters; Motion to Extend the Time to File Schedules and Statements; Motion to Appoint EPIQ, LLC as Claims and Noticing Agent; Application of Retain Obermayer as Debtor's counsel; Application to Retain Cowen and Company, LLC; Application to Retain Winter Harbor LLC and Designate Dalton Edgecomb as Chief Restructuring Officer and Jordan Meyers as Interim Chief Financial Officer; Application to Retain Berwyn Capital and Designate Gerard Leimkuhler as Chief Plan and Transaction Officer; Motion to Pay Certain Pre-Petition Wages; Motion to Obtain DIP Financing and for Authorization to Use Cash Collateral; Motion to continue the Debtor's Insurance programs; Motion to pay Certain Pre-Petition Taxes; Ordinary Course Professional Motion; Utilities Motion; and a Motion to Authorizing Use of Prepetition Bank Accounts and Business Forms.

45. I anticipate that the Bankruptcy Court will schedule a hearing soon as practicable after the filing of the Petition to consider the First Day Motions.

46. The First Day Motions seek authority to pay certain prepetition claims. I understand that Rule 6003 of the Federal Rules of Bankruptcy Procedure provides, in relevant part, that the

Court shall not consider motions to pay prepetition claims during the first twenty-one days following the filing of a Chapter 11 petition, “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm.”

47. In light of this requirement, the Debtor has narrowly tailored its requests for immediate authority to pay prepetition claims to instances where the failure to pay such claims would cause immediate and irreparable harm to the Debtor and its estate. Other relief will be deferred for consideration at a subsequent or “second day” hearing. Some First Day Motions request interim relief pending a Final Hearing.

48. I have reviewed each of the First Day Motions with the Debtor and with Debtor’s counsel, and the facts stated therein are true and correct to the best of my knowledge, information, and belief. I believe that the relief sought in each of the First Day Motions is tailored to meet the goals described above, is necessary and critical to the Debtor’s sale efforts, and is in the best interests of the Debtor’s estate and creditors.

49. A detailed discussion of the facts supporting and the relief requested in each of the First Day Motions is included in the attached Exhibit “A” hereto. I hereby adopt and affirm the factual representations contained in each of the First Day Motions.

VII. CONCLUSION

50. This Declaration describes the factors that have precipitated the commencement of the Chapter 11 Case and demonstrates the critical need for the Debtor to obtain the relief sought in the First Day Motions.

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Dated: August 15, 2021


DocuSigned by:

By: _____
86CDAA0F3205455...
Jordan Meyers
Interim Chief Financial Officer

Exhibit A

Evidentiary Support for First Day Motions

EVIDENTIARY SUPPORT FOR FIRST DAY MOTIONS¹

I. Administrative and Procedural First Day Motions

A. Debtor's Application for Expedited Consideration of First Day Matters

1. The Debtor has requested entry of an Order granting expedited consideration of its First Day Motions. I believe that the relief requested in this application is essential to avoid any disruption to the Debtor's operations as a result of the commencement of this Chapter 11 Case and will preserve the value of the Debtor's Business and Assets. Accordingly, I respectfully submit that the Debtor's request for Expedited Consideration of the First Day Motions be approved.

B. Debtor's Motion Pursuant to 11 U.S.C. §§ 105(a) and 521(a)(1)(b) and Fed. R. Bankr. P. 1007(c) for Entry of an Order Extending Time to File Its Schedules of Assets and Liabilities and Statements of Financial Affairs

2. The Debtor requests entry of an Order granting a fourteen (14) day extension of the time to file its Schedules and Statements, for a total of twenty-eight days after the Petition Date, without prejudice to its right to request additional time. Preparing the Schedules and Statements for the Debtor will require the Debtor's management and professionals to devote substantial time and effort to analyzing the Debtor's constituencies and verify balances. Given the size and complexity of its operations, the Debtor anticipates that it will be unable to complete its Schedules and Statements in the fourteen days provided under Bankruptcy Rule 1007(c) and that it would be unnecessarily burdensome to attempt to do so during the first fourteen days of this Chapter 11 Case.

3. I believe that the extension requested is in the best interests of the Debtor's estate, its creditors, and all parties-in-interest, will enable the Debtor to continue to operate its Business in Chapter 11 without disruption. Accordingly, I respectfully submit that the Court should grant the Debtor's Motion seeking an extension of time in which to file its Schedules and Statements.

¹ All capitalized terms used but not otherwise defined in this Exhibit A shall have the meanings ascribed to them in the First Day Declaration and First Day Motions, as applicable.

C. Debtor's Application Pursuant to 28 U.S.C. § 156(c) and 11 U.S.C. § 105(a) for Entry of an Order Authorizing the Appointment of EPIQ, LLC as Claims and Noticing Agent *Nunc Pro Tunc* to the Petition Date

4. The Debtor seeks entry of an Order appointing EPIQ, LLC as claims and noticing agent (the "Claims and Noticing Agent") in the Debtor's Chapter 11 Case because it has significant experience in both the legal and administrative aspects of large Chapter 11 Cases and its professionals have experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of Chapter 11 Cases and experience in matters of this size and complexity.

5. I believe that the Claims and Noticing Agent's appointment is the most effective and efficient manner of noticing creditors and parties-in-interest of the filing of and developments in this Chapter 11 Case. In addition, the Claims and Noticing Agent will transmit, receive, docket, and maintain proofs of claim filed in connection with this Chapter 11 Case.

6. Accordingly, I believe that the appointment of the Claims and Noticing Agent to act as an agent of this Court is in the best interests of the Debtor's estate, its creditors, and all parties-in-interest and respectfully submit that the Court should grant the Debtor's Motion to Appoint the Claims and Noticing Agent.

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II. Operational First Day Pleadings

A. Debtor's Application for Entry of an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code Authorizing (I) the Retention of Cowen and Company, LLC; (II) the Retention of Winter Harbor LLC and Designation of Dalton Edgecomb as Chief Restructuring Officer and Jordan Meyers as Interim Chief Financial Officer; and (III) the Retention of Berwyn Capital and Designate Gerard Leimkuhler as Chief Plan and Transaction Officer *Nunc Pro Tunc* to the Petition Date

(i). The Cowen Application

7. The Debtor seeks the entry of an order authorizing it to retain and employ Cowen and Company, LLC ("Cowen") as its Investment Banker *nunc pro tunc* to the Petition Date pursuant to the terms of the Engagement Agreement between and among the Debtor and Cowen.

8. As set forth more fully in the Application, Cowen has extensive experience in investment banking and considerable experience working with complex businesses like the Debtor in a variety of in-court and out-of-court restructuring scenarios, including conducting the sale of debtors in Chapter 11.

9. Accordingly, I believe that the retention of Cowen as the Debtor's Investment Banker is in the best interests of the Debtor's estate, its creditors, and all parties-in-interest and respectfully submit that the Court should grant the Debtor's Application and the requested relief.

(ii). The Winter Harbor Application

10. The Debtor also seeks entry of an Order authorizing it to (i) retain and employ Winter Harbor LLC ("Winter Harbor") and (ii) designate Dalton Edgecomb as CRO and me as ICFO *nunc pro tunc* to the Petition Date pursuant to the terms of the Engagement Agreement between and among the Debtor and Winter Harbor. As set forth in detail in the Declaration I submitted in support of that application, both Winter Harbor and I have considerable experience working with complex businesses like the Debtor's in a variety of in-court and out-of-court restructuring scenarios.

11. Additionally, Winter Harbor's prior experience working with the Debtor in a financial advisory capacity also makes it uniquely suited to serve in this Chapter 11 Case.

12. Accordingly, I believe that the retention of Winter Harbor as the Debtor's financial advisor and designation of Dalton Edgecomb as the Debtor's CRO and Jordan Meyers as the Debtor's ICFO is in the best interests of the Debtor's estate, its creditors, and all parties-in-interest; and respectfully submit that the Court should grant the Debtor's Application and the requested relief.

(iii). The Berwyn Capital Application

13. The Debtor seeks the entry of an order authorizing it to retain and employ Berwyn Capital ("Berwyn") and designate Gerard Leimkuhler as Chief Transaction Officer *nunc pro tunc* to the Petition Date pursuant to the terms of the Engagement Agreement between and among the Debtor and Berwyn.

14. As set forth more fully in the Application, Berwyn has extensive experience in restructuring and considerable experience working with complex businesses like the Debtor in a variety of in-court and out-of-court restructuring scenarios.

15. Additionally, Berwyn's prior experience working with the Debtor in a financial advisory capacity also makes it uniquely suited to serve in this Chapter 11 Case.

16. Accordingly, I believe that the retention of Berwyn and designation of Gerard Leimkuhler as Chief Transaction Officer of the Debtor is in the best interests of the Debtor's estate, its creditors, and all parties-in-interest and respectfully submit that the Court should grant the Debtor's Application and the requested relief.

B. Debtor's Motion Pursuant to 11 U.S.C. §§ 105(a) and 363 and 507(a) for Authority to (I) Pay Certain Prepetition Wages, Salaries and Reimbursable Employee Expenses; (II) Pay and Honor Employee Medical and Other Benefits; (III) Continue Employee Benefit Programs; and (IV) for Related Relief (the "Wages Motion")

17. In the Wages Motion, the Debtor seeks entry of an order authorizing, but not directing, the Debtor to pay certain prepetition wages and reimbursable employee expenses.

18. As of the Petition Date, the Debtor employed approximately 111 employees, including approximately 50 full-time salaried employees (the “Salaried Employees”) and 61 hourly employees (the “Hourly Employees,” and collectively with the Salaried Employees, the “Employees”).

19. The Debtor’s Employees, described broadly, perform a variety of critical functions related to the Business, including line work (fabrication and processing), sales, customer service, information technology, purchasing, human resources, accounting, finance, and management-related tasks. Some of the Debtor’s Employees are covered by collective bargaining agreements (“CBA”) with Teamster’s Local 107 (the “Union”). The CBA expires on June 30, 2022.

20. In the ordinary course of business, the Debtor pays its Union Employees on a weekly basis and their non-union Employees on a bi-weekly basis. All payments are made on Fridays. The last payroll for both union and non-union Employees before the Petition Date, was funded on August 12, 2021. The Debtor’s payroll obligations generally include wages, salaries, and other compensation, including overtime, and payments on account of certain allowances. The Debtor’s payroll is approximately \$50,000.00 per week for the Union Employees and \$200,000.00 every other week for non-Union Employees. Because the Petition Date was at the end of a payroll week, the unpaid prepetition wages are modest in amounts.

21. Certain Employees are entitled to reimbursement of expenses. Those expenses are predominately provided to the Debtor’s management and include travel and other related expenses.

22. As of the Petition Date, the Debtor estimates that it owes approximately \$140,000.00 to Employees on account of prepetition payroll obligations, including accrued but unpaid wages, benefits, and reimbursements, (the “Unpaid Compensation”).

23. According to the Debtor’s records, Employees that are owed unpaid compensation are owed amounts less than the \$13,650.00 priority wage claim “cap” imposed by section 507(a)(4) of the Bankruptcy Code (the “Priority Wage Cap”).

24. The Debtor utilizes Paycom for the payment of payroll, and for related processing and reporting. On the Thursday before payroll, Paycom receives the funds needed for payroll from the Debtor’s accounts and transfers funds to employees on Friday. Paycom ensures (i) payroll and deductions are appropriately accounted for (ii) Employees are paid on time, (iii) deductions are appropriately made; and (iv) taxes and other obligations are remitted as required under operative law.

25. For each pay period, the Debtor makes a gross payroll payment to Paycom on behalf of each Employee, and Paycom deducts certain amounts from Employee wages, including Union dues and fees, garnishments for child support, and other pre-tax and post-tax deductions including 401(k), Health Savings Accounts (“HSAs”), and other deductions (collectively, the “Deductions”).

26. Some Hourly Employees are members of the Union. As participating members of the Union, those Employees are responsible for payment of union dues (“Union Dues”). Pursuant to the Debtor’s CBA, the Debtor deducts Union Dues from the applicable Employee’s payroll. In the aggregate, the Debtor believes that as of the Petition Date, it does not owe any amount for Union Dues on behalf of its unionized Employees.

27. In addition to the Deductions, the Debtor is required under state and federal law to withhold state and federal taxes and Social Security and Medicare taxes for remittance to the appropriate governmental authority (the “Withholdings”). The Debtor is likewise obligated under state and federal law, to provide its own contribution towards Social Security, and Medicare, and has to pay additional amounts for federal and state unemployment insurance (the “Employer Payroll Taxes”). As of the Petition Date, the Debtor believes it owes approximately \$20,000.00 in Employer Payroll Taxes.

28. The Debtor offers employee benefit plans and policies including medical insurance, dental, vision, disability, 401(k) and paid time off (“PTO”) as well as other benefits (“Employee Benefits”).

29. The Debtor’s Employees are the lifeblood of its Business, and the Debtor must protect their interests by making the required payments on account of Unpaid Compensation, Employee Benefits, and to make the necessary Deductions, Withholdings and Employee related payments as set forth herein. As of the Petition Date, the Debtor believes it owes approximately \$70,000.00 in health premiums and \$20,000.00 in employee 401(k) deductions that were withheld from Employee’s payroll amounts.

30. As required by applicable law, the Debtor is required to comply with the state laws requiring Worker’s Compensation.

31. Pursuant to its CBA, the Debtor has recognized the Union as agent for its Union Employees and has agreed to the maintenance of certain benefits.

32. In addition, the Debtor is a participant in the multiemployer Health and Welfare Plan. The Debtor is obligated to Teamsters Local 107 Fund, the Union 401(k) (“Union 401(k”).

As of the Petition Date, the Debtor estimates that it owes approximately \$4,500.00 on account of the Union 401(k) payment.

33. The Debtor seeks authority, but not direction, to pay any prepetition amounts on account of the Union 401(k) as and when they come due during this Chapter 11 proceeding. The Debtor estimates these obligations at \$4,500.00.

34. To maintain morale and enhance the Debtor's ability to retain Employees during this Chapter 11 Case, the Debtor requests authority to pay and honor these prepetition claims and obligations, continue programs and maintain funding, in the exercise of its discretion, relating to, among other things: (i) Unpaid Compensation, Payroll Maintenance, Deductions, Withholdings, Union Dues and Employer Payroll Taxes; (ii) Employee Benefits; (iii) Worker's Compensation Policies and Programs; and (iv) payments to the Union 401(k) (each as defined in the Wages Motion, and collectively, the "Employee Obligations").

35. I believe the Debtor's failure to satisfy Employee Obligations would jeopardize Employee morale and loyalty at a time when Employee support is most critical to the Debtor's Business, particularly during the reorganization process. Increased instability in the Debtor's workforce will undermine the Debtor's ability to complete the sales process.

36. To enable the Debtor to carry out the relief requested, the Debtor also requests that the Court authorize and direct financial institutions to receive, process, honor, and pay all checks presented for payment and electronic payment requests relating to the foregoing to the extent the Debtor has sufficient funds with such bank, whether such checks were presented or electronic requests were submitted before or after the Petition Date, and provide that all such financial institutions are authorized to rely on the Debtor's designation of any particular check or electronic

payment request as appropriate pursuant to this Motion without any duty of further inquiry and without liability for following the Debtor's instructions.

37. Accordingly, for the reasons set forth herein and in the Wages Motion, I respectfully submit that the relief requested in the Wages Motion is necessary and critical to the Debtor's ability to preserve value for the benefit of the Debtor's estate, its creditors, and all parties-in-interest, and will enable the Debtor to continue to operate its Business in this Chapter 11 Case within minimal disruption, thereby maximizing the value for the estates. Absent the relief sought in the Wages Motion, the Debtor and its estate would suffer immediate and irreparable harm.

C. Debtor's Motion Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 503(b) for Authority to (I) Maintain, Renew, and Continue its Insurance Policies and Programs and (II) Honor All Insurance Obligations (the "Insurance Motion")

38. In connection with the operation of the Debtor's businesses, the Debtor maintains various insurance policies and workers' compensation programs (as renewed, amended, modified, endorsed, and/or supplemented from time to time, and including any exhibit or addenda thereto, collectively, the "Insurance Policies and Programs" and all insurance premiums, assessments, service providers' fees or broker's fees and other obligations related thereto, including any taxes or other fees, collectively, the "Insurance Obligations") through several different insurance carriers (the "Insurance Carriers"). A list of the Debtor's Insurance Policies and Programs by Insurance Carrier and coverage type is attached as Exhibit A to the Insurance Motion.

39. The Insurance Policies and Programs include various liability, property, and other insurance policies, which provide the Debtor with insurance coverage related to, among other things, general liability, excess liability, directors' and officers' liability, employment practices liability, workers' compensation, property, crime, automobile, international commercial, environmental and

umbrella policies (including several excess layers). True and correct copies of the Insurance Policies and Programs are attached as Exhibits B through K to the Insurance Motion.

40. The Debtor maintains the Insurance Policies and Programs to help manage and limit the risks associated with operating their businesses. The Insurance Policies and Programs are essential to the preservation of the value of the Debtor's businesses and property.

41. Some of the Insurance Policies and Programs are required by the various regulations, laws, and contracts that govern the Debtor's commercial activities.

42. Pursuant to the Insurance Policies and Programs, the Debtor pays premiums based upon a fixed rate established and billed by each Insurance Carrier (collectively, the "Insurance Premiums"). At times, the Debtor pays the Insurance Premiums in installments. For example, commercial general liability policy is paid 25% up front and 9 monthly installment payments thereafter.

43. The Debtor does not believe any prepetition amounts are currently due and owing on account of the Insurance Premiums, nevertheless, out of an abundance of caution, the Debtor seeks authority to pay any such prepetition Insurance Premiums when they become aware of them.

44. Included in their Insurance Policies and Programs, the Debtor maintains workers' compensation insurance as required by statute in each of the states in which they operate (the "Workers' Compensation Programs").

45. Although the Debtor does not believe any such amounts are outstanding, out of an abundance of caution, the Debtor seeks approval to pay any Insurance Obligation related to the prepetition period that may be owed to an insurance broker.

46. In the Insurance Motion, the Debtor seeks entry of an order authorizing, but not directing, it to: (i) continue to maintain, renew, and continue its prepetition Insurance Policies and

Programs and honor its Insurance Obligations in the ordinary course of business during the administration of this Chapter 11 Case, and (ii) pay any prepetition Insurance Obligations.

47. The Debtor's Insurance Policies and Programs are essential to the preservation of the value of the Debtor's Business. I understand that, in many instances, the insurance coverage provided by the Insurance Policies and Programs, including the Workers' Compensation Programs, is required by the various regulations, laws, and contracts that govern the Debtor's commercial activities as well as by the Bankruptcy Code and the U.S. Trustee. Accordingly, failure to honor the Insurance Obligations could have a significant negative impact on the Debtor's operations.

48. The Insurance Policies and Programs are essential to preserving the value of the Debtor's Business and Assets.

49. Accordingly, for the reasons set forth herein and in the Insurance Motion, I respectfully submit that the relief requested in the Insurance Motion is in the best interests of the Debtor, its estate, and all parties-in-interest; and will enable the Debtor to continue to operate its Business and preserve the value of the Debtor's estate. Absent the relief requested, the Debtor and its estate would suffer immediate and irreparable harm.

D. Debtor's Motion Pursuant to 11 U.S.C. §§ 105(a) and 366 (I) Approving Debtor's Proposed Form of Adequate Assurance of Payment to Utility Companies, (II) Establishing Procedures for Determining Adequate Assurance of Payment for Future Utility Services, and (III) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Service (the "Utilities Motion")

50. Pursuant to the Utilities Motion, the Debtor seeks entry an order (i) approving the Debtor's proposed form of adequate assurance of payment to utility providers, (ii) establishing procedures for determining adequate assurance of payment for future utility services, and (iii)

prohibiting utility providers from altering or discontinuing utility service on account of an outstanding prepetition invoice.

51. In the ordinary course of its business, the Debtor receives utility services from various Utility Companies for, among other things, electricity, natural gas, water, and telecommunications services. The Utility Companies include, without limitation, the entities set forth on the Utility Company List, a copy of which is attached as Exhibit A to the Utilities Motion.

52. On average, the Debtor spends approximately \$134,000.00 each month on electric and gas utility costs.

53. The Debtor intends to pay post-petition obligations owed to the Utility Companies in a timely manner. The Debtor expects that cash flows from operations will be sufficient to pay post-petition utility obligations in the ordinary course of business.

54. Through the Utilities Motion, the Debtor seeks an order approving its proposed Determination Procedures for Utility Companies as adequate within the meaning of section 366 of the Bankruptcy Code. These Determination Procedures will prevent Utility Companies from discontinuing service and require that any Utility Company that requires additional adequate assurances of future performance within thirty (30) days of service of the order granting the Utility Motion. Any such request for adequate assurance must be negotiated between that Utility Company and the Debtor, the court's involvement is only necessary if no resolution can be reached, and the Debtor must file a Determination Motion.

55. These procedures will allow Utility Companies to request additional adequate assurance for unpaid utility services if they believe the proposed amount is insufficient.

56. Preserving utility services on an uninterrupted basis is essential to the Debtor's Business. Any interruption in utility services, however brief, would seriously disrupt the Debtor's

ability to continue operations and service its customers. This disruption would adversely impact customer relationships and would result in a decline in the Debtor's revenues. Such a result could jeopardize the Debtor's efforts to maximize value for the benefit of its creditors.

57. Therefore, it is critical that utility services continue uninterrupted during this Chapter 11 Case. I have been advised that if the Determination Procedures are not approved, the Debtor may be confronted with and forced to address numerous requests by its Utility Companies at a critical point in its Chapter 11 Case. Moreover, the Debtor's estate could be irreparably harmed if a Utility Company unilaterally decided that it is not adequately protected and either made an exorbitant demand for payment to continue service or elect to discontinue service to the Debtor altogether. Such an outcome could seriously jeopardize the Debtor's Business operations, Asset values, and ability to maximize recoveries to its stakeholders.

58. Accordingly, for the reasons set forth herein, and in the Utilities Motion, I respectfully submit that the relief requested in the Utilities Motion is necessary and in the best interests of the Debtor's estate, its creditors, and all parties-in-interest and will enable the Debtor to continue to operate the Business and to safeguard the value of its estate.

E. Debtor's Motion Pursuant to 11 U.S.C. §§ 105(a) and 363 Authorizing The Debtor To Continue Using Existing Bank Accounts And Business Forms And For Related Relief ("Bank Accounts Motion")

59. In the ordinary course of business, the Debtor utilizes various bank accounts at various financial institutions (the "Banks") for operations, checking and environmental escrow (collectively, the "Bank Accounts"). A schedule of each of the Debtor's Bank Accounts is attached as Exhibit A to the Bank Accounts Motion.

60. The Bank Accounts are located at Banks designated as authorized depositories by the Office of the United States Trustee for Region 3, pursuant to the U.S. Trustee's Operating

Guidelines for Chapter 11 Case. Therefore, the Banks are each party to a uniform depository agreement with the U.S. Trustee such that the Bank Accounts will be collateralized in a manner consistent with the requirements of section 345 of the Bankruptcy Code.

61. In the ordinary course of business, the Debtor uses several types of checks. Additionally, the Debtor uses a variety of correspondence and business forms, including, but not limited to, letterhead, purchase orders, and invoices (collectively, the “Business Forms”).

62. To minimize expenses, the Debtor seeks authorization to continue using all checks substantially in the forms used immediately prior to the Petition Date, without reference to the Debtor’s status as a debtor-in-possession; provided that in the event that the Debtor generates new checks during the pendency of this case other than from their existing stock of checks, such checks will include a legend referring to the Debtor as “DIP” or “Debtor In Possession.” To the extent practicable, the Debtor also will print such legend on any checks electronically generated during this case. Additionally, the Debtor seeks authority to use all other Business Forms without reference to the Debtor’s status as debtors in possession.

63. The Debtor has prepared communication materials to distribute to the various parties with whom they conduct business, which will, among other things, notify such parties of the commencement of this Chapter 11 Case. The vast majority of such parties will be included in the Debtor’s Matrix either as creditors or for notice purposes and will be fully-informed regarding the bankruptcy filing. The Debtor believes that these direct communications plus notifications to Matrix parties will provide adequate notice of the Debtor’s status as debtor-in-possession.

64. The Debtor believes that its chapter 11 case will be more orderly if they are permitted to maintain all Bank Accounts with the same account numbers during this chapter 11 case. By preserving business continuity and avoiding any disruption and/or delay to the Debtor’s

disbursement obligations, all parties-in-interest, including employees, vendors, and customers, will be best served by the relief requested.

65. To minimize expenses, the Debtor further requests they be authorized to continue to use their Business Forms, substantially in the forms existing immediately before the Petition Date, without reference to their status as debtor-in-possession. The Debtor requests authority to utilize their existing checks and electronically generated forms, rather than obtain new checks and implement new electronic forms reflecting their status as debtors in possession. To the extent the Debtor uses all existing checks, any new checks ordered will reflect their status as debtors-in-possession. The Debtor will work with their systems personnel and outside consultants to determine what computer system changes are required to reflect their status as debtor-in-possession on electronically generated checks and will implement such changes as soon as reasonably practicable.

66. By virtue of the nature and scope of the Debtor's business operations and the large number of suppliers of goods and services with which the Debtor transacts, it is important that the Debtor be permitted to continue to use their existing Business Forms without alteration or change, except as requested herein.

67. Disruptions regarding the Bank Accounts – or the lack of clarity as to whether the Debtor must open new accounts – would cause delays in receipt or disbursement of funds. Late payments could frustrate the Debtor's relationships with employees and cause other severe and irreparable disruptions to the Debtor's business which would have a negative impact on all parties-in-interest.

F. Debtor's Motion Pursuant To 11 U.S.C. §§ 105(A), 363(B), 506(B), 507(A), And 541 For Entry Of An Order Authorizing, But Not Directing, The Debtor To Make Post-

Petition Payments And Disbursements With Respect To Certain Prepetition Taxes (“Tax Motion”)

68. As part of its ownership of the Real Property, the Debtor pays quarterly ad valorem property taxes to the Township of Pennsauken, Camden County, New Jersey (“Pennsauken Township”).

69. On July 1, 2021, the Debtor received notice from Pennsauken Township stating that, for the third (3rd) quarter of 2021, property tax on the Real Property would be assessed at a rate of \$3.921 per every \$100.00 of assessed valuation of the Real Property (the “Property Tax Notice”). A copy of the Property Tax Notice is attached as Exhibit A to the Tax Motion.

70. The Property Tax Notice further stated that third (3rd) quarter billing had a due date of August 1, 2021, with an interest free grace period that extended through August 10, 2021, after which date interest would become payable per statute based upon the original due date of August 1, 2021.

71. Enclosed with the Property Tax Notice was an estimated tax bill (the “Property Tax Bill”), which estimated real estate property taxes on the Real Property to be \$66,186.36 for the third (3rd) quarter of 2021 (the “Prepetition Property Taxes”), and stated that interest would be charged at a rate of eight percent (8%) on the first \$1,500.00 of past due property taxes and a rate of eighteen percent (18%) for past due property taxes after the first \$1,500.00. A true and correct copy of the Property Tax Bill is attached to the Tax Motion.

72. The Debtor seeks to pay the Prepetition Property Taxes in order to, among other things, prevent Pennsauken Township from taking actions that might interfere with the Debtor’s Business or the administration of its chapter 11 case, which include Pennsauken Township encumbering the Real Property by way of a tax lien and assessing significant, continually accruing, interest and penalties on past-due taxes. In addition, non-payment of the Prepetition Property Taxes

will give rise to priority claims pursuant to section 507(a)(8) of the Bankruptcy Code. Accordingly, the Debtor submits that the proposed relief is in the best interest of the Debtor's estate.

73. The Debtor estimates that, of the date of the filing of this Motion, de minimis interest has already accrued with respect to the Prepetition Property Taxes. Interest will continue to accrue if the Prepetition Property Taxes are not paid. Additionally, Pennsauken Township will apply a six percent (6%) year-end penalty for any property tax delinquency in excess of \$10,000.00 existing on December 31, 2021.

74. The Debtor, in the ordinary course of operating its business, withholds certain amounts from each of its employees' paychecks for the payment of employee wage taxes to the Internal Revenue Service (the "I.R.S.").

75. In July of 2020, the Debtor opted to change its payroll provider from UKG Inc. d/b/a UltiPro ("UltiPro") to Paycom. The Debtor's payroll provider is responsible for filing an IRC §941 return with the I.R.S. for the Debtor's employee wage taxes.

76. Unbeknownst to both the Debtor and Paycom, sometime after the Debtor had switched to Paycom as its payroll provider, despite no longer being the Debtor's payroll provider, in error, UltiPro took it upon itself to file an IRC §941 return with the I.R.S. reflecting zero (0) dollars being withheld or paid to the I.R.S. for the Debtor's third (3rd) quarter employee wage taxes (the "UltiPro Return").

77. Unaware that the UltiPro Return was filed, Paycom also proceeded to file an IRC §941 with the I.R.S. for the Debtor's third (3rd) quarter employee wage taxes, which correctly reflected the amount of employee wage taxes to be paid to the I.R.S. and included proper payment in the amount of \$502,592.20.

78. As a result of these dual filings with the I.R.S. for the Debtor's third (3rd) quarter employee wage taxes, the I.R.S. mistakenly took Paycom's filing as an overpayment by the Debtor based on the erroneous filing of the UltiPro Return and proceeded to issue a refund check to the Debtor the amount of \$504,382.12 (the "Refund Check"), representing the refund of the 2020 employee portion of the wage tax withholdings plus interest (the "Prepetition Withholdings").

79. The Prepetition Withholdings are not property of the Debtor or the Debtor's estate but, rather, are due to, and held in trust for, the I.R.S. for payment the Debtor's third (3rd) quarter employee wage taxes. The Debtor seeks to disburse the Prepetition Withholdings in order to, among other things, prevent the I.R.S. from taking actions that might interfere with the Debtor's Business or the administration of its chapter 11 case, which include, but are not limited to, assessing penalties and/or significant interest on past-due taxes, or other actions as to the Debtor's employees. Accordingly, the Debtor submits that the proposed relief is in the best interest of the Debtor's estate.

80. By this Motion, the Debtor request authority, but not the direction, to disburse the Prepetition Withholdings to the I.R.S. and to pay the Prepetition Property Taxes and any associated interest and penalties that may accrue or be incurred due to non-payment of the Prepetition Property Taxes, in the ordinary course of business.

81. Payment of the Prepetition Property Taxes and Prepetition Withholdings is in the best interest of the Debtor, will prevent irreparable harm to the Debtor and is well within the sound exercise of the Debtor's business judgment.

In sum, each of the Debtor's pending First Day Motions is a reasonable business decision and is supported factually. Therefore, I urge the Court to enter the Orders in connection with the First Day Motions as filed.

Respectfully Submitted,

Dated: 8/15/2021

DocuSigned by:



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Jordan Meyers
Interim Chief Restructuring Officer