

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

In re:	)	Chapter 11
	)	
AMERICAN SIGNATURE, INC., <i>et al.</i> , ¹	)	Case No. 25-12105 (JKS)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
AUTHORIZING DEBTORS TO PAY
PREPETITION CLAIMS OF SHIPPERS AND CUSTOM REPRESENTATIVES**

The above-captioned debtors and debtors in possession (the “Debtors” or the “Company”) file this motion (the “Motion”) for entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Interim Order”) and, following a final hearing to be set by the Court (as defined herein) (the “Final Hearing”), entry of a final order, substantially in the form attached hereto as **Exhibit B** (the “Proposed Final Order”): (i) authorizing, but not directing, the Debtors to pay certain prepetition claims of Shippers and Custom Representatives (as defined below); (ii) authorizing financial institutions to receive, process, honor, and pay all checks issued and electronic payment requests made relating to the Motion; and (iii) granting related relief. In addition, the Debtors request that the Court (as defined herein) schedule a final hearing approximately twenty-one (21) days after the commencement of these chapter 11 cases to consider approval of this Motion on a final basis. In support of this Motion, the Debtors respectfully represent as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: American Signature, Inc. (6162); American Signature Home Inc. (8573); American Signature USA Inc. (6162); ASI Pure Promise Insurance LLC (6162); ASI Elston LLC (7520); ASI – Laporte LLC (6162); ASI Polaris LLC (6162); ASI Thomasville LLC (6162); and American Signature Woodbridge LLC (6162). The Debtors’ business address is 4300 E. 5th Avenue, Columbus, OH 43235.



Jurisdiction and Venue

1. The United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the United States Bankruptcy Court for the District of Delaware (the “Court”) under 28 U.S.C. § 157 pursuant to the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are sections 105(a) and 363 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 9013-1(m).

Background

4. On November 22, 2025 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases

pursuant to Bankruptcy Rule 1015(b). No party has requested the appointment of a trustee or examiner in these chapter 11 cases, and no committees have been appointed or designated.

5. Debtor American Signature, Inc., together with its subsidiaries (“ASI” or the “Company”) is a residential furniture company operating across its Value City Furniture (“VCF”) and American Signature Furniture (“ASF”) brands and serving as a furniture destination consumers can rely on for style, quality, and value. Headquartered in Columbus, Ohio, the Company operates more than 120 stores across 17 states, with the largest concentrations in Ohio (20), Michigan (15), and Illinois (11). The Company employs approximately 3,000 team members.

6. Additional factual background regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the filing of these chapter 11 cases, is set forth in detail in the *Declaration of Rudolph Morando in Support of the Debtors’ Chapter 11 Petitions and First Day Relief* (the “First Day Declaration”), filed concurrently herewith and incorporated herein by reference.

Relief Requested

7. By this Motion, the Debtors seek the authority to continue to pay, in the ordinary course of business certain prepetition claims of the Debtors’ shippers (including Ocean Carriers, Drayage Carriers, Freight Forwarders and Common Carriers as defined herein), shipping and delivery logistics agents, and customs representatives (the “Shippers and Customs Representatives”) who have (or may have) non-bankruptcy law remedies available to secure payment of their claims. A description of the various Shippers and Customs Representatives is set forth below. The Debtors propose to pay such claims, when the Debtors, in their sole discretion, determine that such creditors’ exercise of their remedies would unduly disrupt the Debtors’

business. The Debtors request the authority, but not the obligation, to pay on account of such claims (the “Shipping and Custom Charges”) amounts not to exceed \$8,400,000 pursuant to the Proposed Interim Order and \$13,000,000 pursuant to the Proposed Final Order, as described further herein. The Debtors also seek authority for all banks and financial institutions to honor any checks or requests for payment related to Shipping and Customs Charges whether presented prepetition or postpetition. Finally, the Debtors also seek authority to retain or obtain any Customs Bond (as defined below) needed, in their discretion.

A. The Debtors’ Supply, Delivery and Distribution System

8. The Debtors market, sell, and distribute high quality furniture and related home furnishing products (the “Merchandise”). The Debtors sell the Merchandise directly to consumers through the Debtors’ stores (“Retail Stores”) and through electronic commerce sales directly to consumers (“Online Consumers”). The Debtors’ supply, delivery, and distribution of Merchandise through various third-party shipping distributors is critical to the Debtors’ overall business operations. As the Debtors transition into chapter 11, their primary goal is to preserve the value of the Debtors’ assets. Ensuring the timely delivery of Merchandise and the fulfillment of pending and future customer orders are key to meeting this goal.

9. Inbound Delivery to Distribution Centers. The majority of the Merchandise is manufactured outside the United States. To support the large volume of international shipments of Merchandise to stock the Retail Stores, the Debtors use the services of three main international ocean carriers: (a) MSC – Mediterranean Shipping Company, (b) ZIM Integrated Shipping Services Ltd., and (c) Hapag-Lloyd AG (the “Ocean Carriers”). The Ocean Carriers deliver the international shipments of Merchandise from foreign manufacturers to the U.S. customs facilities at various ports in the U.S. Merchandise shipped internationally is subject to custom import duties

upon arrival in the United States. The Debtors rely on customs brokers (the “Customs Brokers”) to obtain possession of this Merchandise as it arrives in the United States from abroad and to expeditiously process the release of the Merchandise.

10. After clearing customs, the Debtors move the Merchandise from the custom facilities to the Debtors’ distribution centers by way of various drayage shipping carriers (the “Drayage Carriers”). The Drayage Carriers move the ocean containers from the U.S. ports to the Debtors’ distribution centers located in Thomasville, GA, LaPorte, IN, Columbus, OH, and Ruther Glen, VA (the “Distribution Centers”). The Debtors also ship Merchandise manufactured in the U.S. to these same Distribution Centers by both third-party shippers (the “Common Carriers”) and a delivery team run by its affiliate, Luxury Delivery Services Inc.

11. Outbound Delivery to Customers. The Merchandise is stored at Distribution Centers until ordered by individual customers at Retail Stores or Online Consumers. The Debtors move approximately 90% Merchandise from the Distribution Centers to their Retail Stores using the trucks of Luxury Delivery Services, Inc. For the other 10%, the Debtors contract with individual Common Carriers. For the final deliver step of the Merchandise from the Retail Store to the customer, the Debtors solely contract with individual Common Carriers.

12. The Debtors’ business thus depends on two equally important and interdependent transportation processes: (a) inbound delivery of Merchandise via Ocean Carriers, Drayage Carriers, and Common Carriers from both domestic and foreign manufacturers to the Debtors’ Distribution Centers; and (b) outbound delivery of Merchandise from the Distribution Centers to the Retail Stores and then, ultimately, to the Debtors’ customers. The flow of Merchandise to and from the Debtors is dependent on these Ocean Carriers, Drayage Carriers, and Common Carriers, but also upon the services provided by custom brokers, freight forwarders, and others.

13. The Debtors engage the services of freight forwarders (the “Freight Forwarders”) that contract for, coordinate, and ensure the transportation of the Merchandise to and from the Distribution Center. The Merchandise is manufactured within and outside the United States and must be shipped from the domestic or international manufacturing site to the Distribution Center.

14. The estimated retail value of the Merchandise being transported and/or processed as of the Petition Date by the Shippers and Customs Representatives substantially outweighs the outstanding Shipping and Custom Charges. The Debtors’ ability to pay the Shippers and Customs Representatives that are involved in the daily transportation of the Merchandise to the Distribution Center and then from the Distribution Center to the Retail Stores, Online Consumers, and customers is critically important to the Debtors’ business operations.

15. Under some non-bankruptcy laws, shippers may have liens on the goods in their possession, which secure the charges or expenses incurred in connection with the transportation or storage of the goods.² The Debtors owe the Shippers approximately \$8,800,000 for prepetition shipping, and owe the Custom Representatives approximately \$4,200,000 for custom duties and similar charges. In the event that such charges remain unpaid, the Shippers and Customs Representatives likely will argue that they have possessory liens for transportation or storage costs, and may refuse to deliver or release goods in their possession until their claims are paid and their liens satisfied.

16. As noted above, the value of the Merchandise that is in transit with the Shippers and Customs Representatives substantially outweighs the Shipping and Custom Charges. The Debtors anticipate that the Shippers and Customs Representatives will demand immediate payment

² For example, section 7-307 of the Uniform Commercial Code provides, in pertinent part, that a “carrier has a lien on the goods covered by a bill of lading for charges subsequent to the date of its receipt of the goods for storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to [law].” See U.C.C. § 7-307(1) (2003).

from the Debtors. Even absent a valid lien, the Shippers and Customs Representatives' mere possession (and retention) of the Debtors' Merchandise could severely disrupt the Debtors' operations and restructuring efforts.

B. Payments to Shippers and Customs Representatives

17. Accordingly, by this Motion, the Debtors seek to prevent the breakdown of a portion of their supply and delivery network by requesting authority to pay the amount of the Shipping and Customs Charges to the Shippers and Customs Representatives that the Debtors determine are necessary or appropriate to (a) obtain release of critical or valuable goods, (b) maintain a reliable, efficient, and smooth distribution system, and (c) induce the Shippers and Customs Representatives to continue to carry goods and make timely delivery. Notably, the Debtors only seek authority, not the obligation, to make the payments described in this Motion in their discretion.

18. The Debtors seek the authority, but not the obligation, to make payments to the Shippers and Customs Representatives relating to undisputed prepetition Shipping and Customs Charges that they, in their business judgment (a) determine are necessary or appropriate and (b) believe the benefits to their estates and creditors from making such payments will exceed the costs that their estates would incur by bringing an action to compel the turnover of such goods, and the delays associated with such actions.³ The Debtors do not expect such payments to exceed \$13,000,000.

19. The Debtors submit that the total proposed amount to be paid to the Shippers and Customs Representatives is justified and reasonable compared to the importance and necessity of

³ The value of the goods in the possession of the Shippers and Customs Representatives and the potential injury to the Debtors if the goods are not released and delivered to the Debtors' locations and customers is likely to greatly exceed the amount of such Shipping and Customs Charges.

the Shippers and Customs Representatives' releasing the merchandise worth tens of millions of dollars and delivery of same and the losses the Debtors may suffer if their operations and the administration of their estates are disrupted. Moreover, in most cases, the Debtors do not believe that there are viable timely alternatives to the Shippers and Customs Representatives that are to be paid pursuant to this Motion.

C. Customs Bond

20. The Debtors have a customs bond in place to provide assurance of payment of United States Customs ("U.S. Customs") duties upon importation of goods into the United States (the "Customs Bond"). While the Debtors do not anticipate any change in the existing Customs Bond amounts, the Debtors must retain the authority to perform activities necessary to support their existing Custom Bond program. Such activities may include providing collateral, renewing existing Custom Bonds, or potentially acquiring additional bonding capacity as needed in the ordinary course of business. The Debtors' ability to maintain the Custom Bonds, to renew, supplement, and modify the same as needed, and to enter into new custom bonds is essential to ensure proper clearance of the Debtors' merchandise through U.S. Customs and avoid disruption in the Debtors' business.

21. To ensure uninterrupted coverage in connection with the Custom Bonds, the Debtors seek authority to honor its obligations under any prepetition Custom Bonds, to renew, amend, supplement, or modify the Custom Bonds as needed, and to enter into new custom bonds in the ordinary course of business consistent with past practice.

D. Banks and Other Financial Institutions

22. The Debtors further request that all applicable banks and other financial institutions be authorized to receive, process, honor, and pay all checks presented for payment and to honor

all electronic payment requests made by the Debtors related to the prepetition obligations described herein, whether such checks were presented or electronic requests were submitted prior to or after the Petition Date. The Debtors further request that all such banks and financial institutions be authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved pursuant to this Motion.

Basis for Relief

A. The Court May Rely on § 363(b) of the Bankruptcy Code to Grant the Relief Requested in this Motion.

23. The Court may authorize the Debtors to pay shipping charges under section 363(b) of the Bankruptcy Code, which provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under this section, a court may authorize a debtor to pay certain prepetition claims. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (authorizing payment of prepetition wages pursuant to § 363(b)); *In re UAL Corp.*, Case No. 02-48191, 2002 WL 34344254, at *1 (Bankr. N.D. Ill. Dec. 9, 2002) (authorizing payment of prepetition claims under section 363 of the Bankruptcy Code as an out-of-ordinary-course transaction). In order to do so, “the debtor must articulate some business justification, other than mere appeasement of major creditors.” *Ionosphere Clubs*, 98 B.R. at 175. As discussed more fully herein, the Debtors’ request to pay the Shippers and Customs Representatives meets this standard because, given the nature of the Debtors’ business, the failure to satisfy the Shipping and Customs Charges could have a material adverse effect on the Debtors’ day-to-day operations.

B. The Court May Rely on its General Equitable Powers to Grant the Relief Requested in this Motion.

24. In addition, to supplement this explicit statutory power, section 105(a) of the Bankruptcy Code grants the Court broad authority to enforce the Bankruptcy Code’s provisions

either under the specific statutory language of the Bankruptcy Code or under equitable common law doctrines. *See* 11 U.S.C. § 105(a) (“The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”); *see also In re Just For Feet, Inc.*, 242 B.R. 821, 824 (Bankr. D. Del. 1999) (acknowledging that “[c]ertain pre-petition claims . . . may need to be paid to facilitate a successful reorganization” and that “[s]ection 105(a) of the [Bankruptcy] Code provides a statutory basis for the payment of pre-petition claims”); *Ionosphere Clubs*, 98 B.R. at 175 (“The ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”).

25. Continuation of the Debtors’ positive relationship with the Shippers and Customs Representatives is imperative to the Debtors’ continued operation and ability to restructure their businesses. The payment of the prepetition Shipping and Customs Charges is essential to assure that the value of the Debtors’ estates is maintained. Therefore, the Court should exercise its equitable power to grant the relief requested in this Motion.

C. The Court May Also Rely on the “Necessity of Payment” Doctrine to Grant the Relief Requested in this Motion.

26. The “necessity of payment” doctrine further supports the relief requested in this Motion. In a long line of well-established cases, federal courts have consistently permitted, under the “doctrine of necessity” or the “necessity of payment” doctrine, the postpetition payment of prepetition obligations where such payment is necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors, or where such payment is essential to the debtor’s continued operations. *See, e.g., Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286, 311 (1882) (articulating the legal theory later termed the “doctrine of necessity” or the “necessity of payment rule” and holding that the payment of a pre-receivership claim prior to reorganization

was permitted to prevent the stoppage of crucial business relations); *In re Lehigh & N.E. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (interpreting the “necessity of payment” doctrine to mean that “if payment of a claim which arose prior to reorganization is essential to the continued operation of the [business] during reorganization payment may be authorized even if it is made out of corpus”); *In re Boston and Me. Corp.*, 634 F.2d 1359, 1382 (1st Cir. 1980) (recognizing the existence of a judicial power to authorize trustees to pay claims for goods and services that are indispensably necessary to the debtors’ continued operations); *S. Ry. Co. v. Flournoy*, 301 F.2d 847, 852 (4th Cir. 1962) (“The principle of necessity of payment [espoused in *Miltenberger*] has since been carried into different factual surroundings as the basis for granting superiority to business-operating accounts.”); *Just For Feet*, 242 B.R. at 824 (granting approval to pay prepetition claims of certain trade vendors that were critical to the debtors’ reorganization); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that debtors may pay prepetition claims that are essential to the continued operation of their business); *Ionosphere Clubs*, 98 B.R. at 176 (stating that the “necessity of payment” doctrine “recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay pre-petition claims where such payment is essential to the continued operation of the debtor”).

27. The doctrine of necessity is frequently invoked early in bankruptcy cases when preservation of the estate is most critical and often extremely difficult. For that reason, bankruptcy courts routinely invoke their equitable powers to authorize a debtor to pay certain critical prepetition claims under the doctrine of necessity where failure to make such payments threatens to disrupt a debtor’s efforts to reorganize. *See, e.g., In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (stating that “to justify payment of a pre-petition unsecured creditor, a debtor must show that the payment is necessary to avert a serious threat to the Chapter 11

process”). The Third Circuit has stated that “the *sine qua non* for the application of the ‘necessity of payment’ doctrine is the possibility that the creditor will employ an immediate economic sanction, failing such payment.” *In re Lehigh & N.E. Ry. Co.*, 657 F.2d at 581.

28. Indeed, this Court and other courts routinely authorize payments to prepetition creditors, and in particular shippers and other similar claimants. *See, e.g., In re Medly Health Inc.*, Case No. 22-11257 (KBO) (Bankr. D. Del. Jan. 6, 2023); *In re Avadim Health, Inc.*, Case No. 21-10883 (CTG) (Bankr. D. Del. June 28, 2021); *In re 24 Hour Fitness Worldwide, Inc.*, Case No. 20-11558 (KBO) (Bankr. D. Del. July 13, 2020); *In re M & G USA Corp.*, Case No. 17-12307 (BLS) (Bankr. D. Del. Oct. 31, 2017); *In re True Religion Apparel, Inc.*, Case No. 17-11460 (CSS) (Bankr. D. Del. Jul. 31, 2017).

29. The Debtors submit that paying the Shipping and Customs Charges that accrued before the Petition Date, not to exceed \$13,000,000, is critical to the Debtors’ efforts to maximize the value of their estates for the benefit of their creditors. Absent payment of the prepetition claims of the Shippers and Customs Representatives, the raw materials and finished product, which has a value that substantially exceeds the Shipping and Customs Charges, is likely to be retained by those creditors as security for payment of any outstanding prepetition Shipping and Customs Charges. If the Debtors’ business operations are to continue, and the Debtors are to administer their estates efficiently, the Debtors must be able to maintain their supply and delivery system, in which the Shippers and Customs Representatives constitute a vital link. Indeed, if this Motion is not granted, the Debtors’ supply and delivery system and ability to transport raw materials and finished product in connection with the expeditious and cost-efficient administration of their estates would be drastically disrupted, and the value of the Debtors’ estates would be jeopardized.

30. Based on the foregoing, the Debtors submit that the relief requested is necessary and appropriate and is in the best interests of their estates and creditors.

D. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers.

31. The Debtors have sufficient funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Shipping and Customs Charges. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested herein.

Satisfaction of Bankruptcy Rule 6003

32. The Debtors believe that they are entitled to immediate authorization for the relief contemplated by this Motion. Pursuant to Bankruptcy Rule 6003 provides that "[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, grant relief regarding the following: . . . (b) a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition, but not a motion under Rule 4001." To the extent that the requirements of Bankruptcy Rule 6003 are applicable to the relief requested in the Motion, the Debtors submit that for the reasons already set forth herein, the relief requested in this Motion is necessary to avoid immediate and irreparable harm. Specifically, if the Shipping and Custom Charges are not paid, the Debtors will be at risk for the business disruptions

that would result from Shippers and Customs Representatives, among other things, (i) exercising state law rights and remedies with respect to the Merchandise and (ii) refusing to deliver Merchandise to the Debtors or their customers. Addressing any potential subsequent action taken by Shippers and Customs Representatives would be costly, would place an administrative burden on management, and divert management's attention from the reorganization process. Accordingly, the relief requested herein is appropriate under the circumstances and under Bankruptcy Rule 6003.

Reservation of Rights

33. Nothing contained in this Motion or any order granting the relief requested in this Motion, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order

is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

34. To implement the relief sought in this Motion, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As set forth in the Motion, the payments proposed herein are essential to prevent immediate and irreparable harm to the Debtors' business operations. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies.

Notice

35. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis); (c) the office of the attorney general for each of the states in which the Debtors operate; (d) United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) counsel to the DIP Agent and the Prepetition ABL Agent; (h) counsel to the Prepetition Term Agent; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). As this Motion is seeking "first day" relief, the Debtors will serve copies of this motion and any order entered in respect to this Motion as required by Local Rule 9013 1(m). In light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

36. No prior request for the relief sought in this Motion has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A**: (i) authorizing, but not directing, the Debtors to pay certain prepetition claims of the Shippers and Customs Representatives; (ii) authorizing financial institutions to receive, process, honor, and pay all checks issued and electronic payment requests made relating to the foregoing; and (iii) granting such other relief as is just and proper.

Dated: November 24, 2025

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Laura Davis Jones

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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Interim Order

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

In re:	)	Chapter 11
AMERICAN SIGNATURE, INC., <i>et al.</i> , ¹	)	Case No. 25-12105 (JKS)
Debtors.	)	(Joint Administration Requested)

**INTERIM ORDER AUTHORIZING DEBTORS TO PAY PREPETITION CLAIMS OF
SHIPPERS AND CUSTOMS REPRESENTATIVES**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (i) authorizing, but not directing, the Debtors to pay certain prepetition claims of Shippers and Customs Representatives; and (ii) authorizing financial institutions to receive, process, honor, and pay all checks issued and electronic payment requests made relating to the foregoing, and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the United States District Court for the District of Delaware having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to this Court under 28 U.S.C. § 157 pursuant to the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: American Signature, Inc. (6162); American Signature Home Inc. (8573); American Signature USA Inc. (6162); ASI Pure Promise Insurance LLC (6162); ASI Elston LLC (7520); ASI – Laporte LLC (6162); ASI Polaris LLC (6162); ASI Thomasville LLC (6162); and American Signature Woodbridge LLC (6162). The Debtors’ business address is 4300 E. 5th Avenue, Columbus, OH 43235.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and the Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2025, at __: __.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on _____, 2025, and shall be served on: (a) proposed counsel to the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Laura Davis Jones (ljones@pszjlaw.com); (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Malcolm M. Bates (malcolm.m.bates@usdoj.gov@usdoj.gov); (c) counsel to any statutory committee appointed in these chapter 11 cases; (d) counsel to the DIP Agent and Prepetition ABL Agent, Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110, Attn: John F. Ventola, Esq. (jventola@choate.com), Jonathan D. Marshall, Esq. (jmarshall@choate.com), and Lucas B. Barrett, Esq. (lbarrett@choate.com), and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn. Daniel J. DeFranceschi

(defranceschi@RLF.com), John H. Knight (Knight@RLF.com) and Matthew P. Milana (Milana@RLF.com); and (e) counsel to the Prepetition Term Agent, Goldberg Kohn, 55 East Monroe Street, Chicago, IL 60603-5792, Attn: Randall L. Klein (randall.klein@goldbergkohn.com) and Zachary J. Garrett (zachary.garrett@goldbergkohn.com) and Blank Rome LLP, 1201 N. Market Street, Suite 800, Wilmington, DE 19801, Attn: Stanley B. Tarr (stanley.tarr@blankrome.com).

3. The Debtors are authorized, in consultation with the DIP Agent, to pay in the ordinary course of business prepetition Shipping and Custom Charges not to exceed, on an interim basis, in the aggregate, \$8,400,000 unless otherwise ordered by the Court.

4. Notwithstanding anything to the contrary in the Motion or this Interim Order, any payment made by the Debtors pursuant to the authority granted in this Interim Order must be in compliance with and any authorization of the Debtors contained herein is subject to: (a) any interim or final orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or authorizing the use of cash collateral; (b) the documentation in respect of any such debtor-in-possession financing or use of cash collateral; and (c) any budget or cash flow forecasts in connection therewith (in each case, the "DIP Order"). To the extent there is any inconsistency between the terms of the DIP Order and this Interim Order, the terms of the DIP Order shall control.

5. The Debtors are authorized, but not directed, to (a) continue and maintain the Custom Bonds, and pay any related prepetition or postpetition amounts or obligations in the ordinary course of business and consistent with prepetition practice, and (b) renew, amend, supplement, or extend their existing Custom Bonds, or purchase additional custom bonds to the extent that the Debtors determine that such action is in the best interests of their estates.

6. All banks and other financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition Shipping and Custom Charges approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment; provided, however, that sufficient funds are available in the Debtors' bank accounts to cover such payments; and provided, further, that all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

7. The Debtors are authorized to reissue any check, electronic payment, or otherwise, which was drawn in payment of any prepetition Shipping and Custom Charges that are not cleared by a depository.

8. Nothing herein shall impair the Debtors' ability, in their sole discretion, or any other party in interest's ability to contest the validity and amounts of the Shipping and Custom Charges.

9. Nothing herein shall prejudice the Debtors' rights to request Court authority to make additional payments to the Shippers and Customs Representatives in the ordinary course of business.

10. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order, is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

11. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

12. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

14. The Debtors are hereby authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Interim Order.

15. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Exhibit B

Proposed Final Order

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

In re:	)	Chapter 11
AMERICAN SIGNATURE, INC., <i>et al.</i> , ¹	)	Case No. 25-12105 (JKS)
Debtors.	)	(Joint Administration Requested)

**FINAL ORDER AUTHORIZING DEBTORS TO PAY PREPETITION CLAIMS OF
SHIPPERS AND CUSTOMS REPRESENTATIVES**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”): (i) authorizing, but not directing, the Debtors to pay certain prepetition claims of Shippers and Customs Representatives; and (ii) authorizing financial institutions to receive, process, honor, and pay all checks issued and electronic payment requests made relating to the foregoing, and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the United States District Court for the District of Delaware having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to this Court under 28 U.S.C. § 157 pursuant to the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: American Signature, Inc. (6162); American Signature Home Inc. (8573); American Signature USA Inc. (6162); ASI Pure Promise Insurance LLC (6162); ASI Elston LLC (7520); ASI – Laporte LLC (6162); ASI Polaris LLC (6162); ASI Thomasville LLC (6162); and American Signature Woodbridge LLC (6162). The Debtors’ business address is 4300 E. 5th Avenue, Columbus, OH 43235.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and the Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and an interim order having been entered [Docket No. __] (the "Interim Order") and notice of a final hearing having been provided; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors' payment of prepetition Shipping and Custom Charges, in consultation with the DIP Agent, shall not exceed, on a final basis, in the aggregate, \$13,000,000 unless otherwise ordered by the Court.
3. Notwithstanding anything to the contrary in the Motion or this Final Order, any payment made by the Debtors pursuant to the authority granted in this Final Order must be in compliance with and any authorization of the Debtors contained herein is subject to: (a) any interim or final orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or authorizing the use of cash collateral; (b) the documentation in respect of any such debtor-in-possession financing or use of cash collateral; and (c) any budget or cash flow forecasts in connection therewith (in each case, the "DIP Order"). To the extent there is any inconsistency between the terms of the DIP Order and this Final Order, the terms of the DIP Order shall control.
4. The Debtors are authorized, but not directed, to (a) continue and maintain the Custom Bonds, and pay any related prepetition or postpetition amounts or obligations in the

ordinary course of business and consistent with prepetition practice, and (b) renew, amend, supplement, or extend their existing Custom Bonds, or purchase additional custom bonds to the extent that the Debtors determine that such action is in the best interests of their estates.

5. All banks and other financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition Shipping and Custom Charges approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment; provided, however, that sufficient funds are available in the Debtors' bank accounts to cover such payments; and provided, further, that all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

6. The Debtors are authorized to reissue any check, electronic payment, or otherwise, which was drawn in payment of any prepetition Shipping and Custom Charges that are not cleared by a depository.

7. Nothing herein shall impair the Debtors' ability, in their sole discretion, or any other party in interest's ability to contest the validity and amounts of the Shipping and Custom Charges.

8. Nothing herein shall prejudice the Debtors' rights to request Court authority to make additional payments to the Shippers and Customs Representatives in the ordinary course of business.

9. Nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order, is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action that may exist against any

creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

10. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

12. The Debtors are hereby authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Final Order.

13. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.