

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

In re:

Supply Source Enterprises, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11054 (___)

(Joint Administration Requested)

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION
TAXES AND FEES, (II) AUTHORIZING THE DEBTORS' BANKS TO HONOR
ALL RELATED PAYMENT REQUESTS, AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “Proposed Interim Order” and the “Proposed Final Order,” respectively), (i) authorizing, but not directing, the Debtors to pay certain prepetition taxes and fees, including any penalties and interest thereon, (ii) authorizing the Banks (defined below) to process and pay checks and electronic fund transfer requests related thereto, and (iii) granting related relief. In support of this motion (this “Motion”), the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over the above-captioned chapter 11 cases (these “Chapter 11 Cases”), the Debtors, property of the Debtors’ estates, and these matters under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of*

¹ The Debtors in these chapter 11 proceedings, together with the last four digits of each Debtor’s federal tax identification number, are: Supply Source Enterprises, Inc. (0842); SSE Intermediate, Inc. (1772); SSE Buyer, Inc. (5901); Impact Products, LLC (7450); and The Safety Zone, LLC (4597). The Debtors’ headquarters are located at 385 Long Hill Road, Guilford, Connecticut 06437.



Delaware, dated February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. 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”), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue of these Chapter 11 Cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a), 363(b), 507(a)(8), and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 9013-1(m).

GENERAL BACKGROUND

5. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtors have also filed a motion requesting joint administration of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made, and no official committees have been appointed in these Chapter 11 Cases.

6. The Debtors are leading distributors of branded and private label personal protective equipment and janitorial, safety, hygiene, and sanitation products. The Debtors’ key products fall into the categories of gloves, core cleaning, safety, and food service. Working

directly with suppliers and vendors in the United States and Asia, the Debtors source, supply, and ship their products to a diverse customer base, including janitorial and sanitation providers, supply distributors, safety products resellers and wholesalers, and food service and food processing distributors and retailers. Additionally, the Debtors offer advanced customization capabilities, hot stamping, pad printing, and silk-screening labeling services for unique design, logo, or packaging specification requested by customers.

7. 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 the *Declaration of Thomas Studebaker in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), which is incorporated herein by reference.²

RELIEF REQUESTED

8. The Debtors seek entry of the Proposed Interim Order and the Proposed Final Order, pursuant to sections 105(a), 363(b), 507(a)(8), and 541 of the Bankruptcy Code, (i) authorizing the Debtors to remit and pay certain Taxes and Fees (each as defined below) accrued prior to the Petition Date, up to \$39,500 on an interim basis and, an aggregate amount up to \$124,200 on a final basis, that will become payable during the pendency of these Chapter 11 Cases, including any penalties and interest thereon, to the various Authorities (as defined below), and (ii) granting related relief. In addition, the Debtors request that the Court schedule a final hearing to approve the relief requested herein on a final basis. Additionally, the Debtors request authority to pay Taxes and Fees owed to the Authorities that may become due during the pendency of the Chapter 11 Cases in the ordinary course of business.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

9. The Debtors believe that payment of the Taxes and Fees, including any prepetition amounts, is necessary to avoid immediate and irreparable harm and should be approved pursuant to the Proposed Interim Order and the Proposed Final Order. To the best of the Debtors' knowledge, the Taxes and Fees generally consist of current tax and fee obligations, and are not in respect of catch-up payments, other than any prepetition payments that were interrupted by the commencement of these Chapter 11 Cases. Finally, the Debtors request that the Court authorize the Debtors' banks and other financial institutions (collectively, the "Banks") to process checks and electronic transfers for the Taxes and Fees in the ordinary course of business.

FACTS RELEVANT TO THIS MOTION

A. The Debtors' Taxes and Fees Obligations

10. In the ordinary course of their businesses, the Debtors incur or collect and remit a variety of taxes, including Sales Taxes, Real and Personal Property Taxes, Licenses and Other Permits and Fees, and Other Taxes (each as defined below and collectively, the "Taxes and Fees"). The Debtors remit such Taxes and Fees to various federal, state, provincial, and local governments, including taxing and licensing authorities (each, an "Authority," and collectively, the "Authorities") identified in a schedule attached hereto as **Exhibit C**³ in accordance with applicable laws. The Taxes and Fees are paid monthly, quarterly, and annually to the respective Authorities, depending on the given Taxes or Fees and the Authority to which they are paid. Taxes and Fees are remitted and paid by the Debtors through checks and electronic transfers that are processed through the Banks.

³ Although **Exhibit C** is intended to be comprehensive, the Debtors may have inadvertently omitted Authorities from **Exhibit C**. By this Motion, the Debtors request relief with respect to Taxes and Fees payable to all Authorities, regardless of whether such Authority is specifically identified on **Exhibit C**.

11. The Debtors estimate that they have accrued approximately \$124,200 in prepetition Taxes and Fees. The prepetition Taxes and Fees that the Debtors expect will become payable during the Chapter 11 Cases are summarized as follows:

Category	Description	Interim	Final
Sales Taxes	The Debtors remit sales, use, and related taxes and fees to the Authorities in Arizona, Kentucky, North Dakota, Ohio, South Dakota, Vermont, Washington, and Wyoming in connection with the sale of merchandise.	\$2,000	\$8,100
Real and Personal Property Taxes	The Debtors remit taxes and fees related to certain owned real and personal property holdings, payable as such taxes come due in the ordinary course of business.	\$0	\$68,000
Income Taxes	Debtor SSE Intermediate, Inc. is taxed as a C corporation under the Internal Revenue Code. As a result, it is responsible for all income taxes on its earnings and those of its subsidiaries.	\$0	\$0
Licenses and Other Permits and Fees	The Debtors are required to pay certain fees to conduct business within certain jurisdictions, which include fees and assessments for medical device regulations and environmental costs.	\$0	\$0
Other Taxes	Inclusive of franchise taxes, CAT taxes, payroll withholding taxes, and highway use taxes.	\$37,500	\$48,100
Total		\$39,500	\$124,200

B. Sales Taxes

12. Where applicable, various sales, use, and other similar taxes accrue as the Debtors' products are sold and are calculated based upon a statutory percentage of the sale price (the "Sales Taxes"). A significant majority of the Debtors' sales are to resellers and other intermediaries, which are exempt from sales taxes. The Debtors are only required to collect sales taxes from

purchasers of their products when selling to end users. The Debtors collect sales taxes on a per sale basis and then remit sales taxes to the applicable Authority, typically on a monthly basis.

13. The Debtors paid approximately \$99,000 in Sales Taxes in 2023. The Debtors believe that there is approximately \$8,100 in prepetition Sales Taxes that are accrued and unpaid as of the Petition Date, \$2,000 which will become payable during the first 30 days of these Chapter 11 Cases (the “Interim Period”).

C. Real and Personal Property Taxes

14. State and local laws in various jurisdictions generally grant Authorities the power to levy property taxes against the Debtors’ properties, and the Debtors pay property taxes in various jurisdictions on account of the Debtors’ real and personal property located in such jurisdictions (collectively, the “Property Taxes”). To avoid the imposition of statutory liens on their real and personal property, the Debtors pay the Property Taxes in the ordinary course of business as they accrue or on a quarterly or annual basis. These Property Taxes are billed by the county directly to the Debtors. The Debtors believe that there are approximately \$68,000 in prepetition Real and Personal Property Taxes that are accrued and unpaid as of the Petition Date, none of which will become due and owing during the Interim Period.

D. Income Taxes

15. Debtor SSE Intermediate, Inc. is taxed as a C corporation under the Internal Revenue Code. As a result, it is responsible for all income taxes on its earnings and those of its subsidiaries. Because the Debtors were not profitable in 2023, they did not pay federal income taxes in 2023, though they paid \$80,000 in aggregate income tax at the state level. As of the Petition Date, the Debtors do not owe any income taxes.

E. Licenses and Other Permits and Fees

16. Some Authorities require the payment of regulatory assessments, permitting, licensing, and other operational taxes and fees, including fees related to certain regulations, and other miscellaneous taxes and fees (collectively, the “Licenses and Permits”). Specifically, in the ordinary course of business, the Debtors pay certain Authorities on account of medical device manufacturing regulations, their corresponding license and permit fees, as well as fees associated with environmental regulations. The Debtors paid approximately \$17,000 in Licenses and Permits in 2023. The Debtors estimate that as of the Petition Date, they do not owe any prepetition amounts on account of the Licenses and Permits.

F. Other Taxes

17. The Debtors pay certain business taxes, including franchise taxes, CAT taxes, payroll withholding taxes, and highway use taxes to certain Authorities as required by the applicable jurisdictions (the “Other Taxes”). Some states assess flat Other Taxes on all businesses and other states assess Other Taxes based upon the amount of gross receipts or other measurement. These are generally paid on an annual basis. The Debtors paid approximately \$43,669 in Other Taxes in 2023. The Debtors estimate that they owe \$48,100 in Other Taxes, \$37,500 of which will come due and owing during the Interim Period.

BASIS FOR RELIEF

18. The Debtors respectfully submit that the Court should authorize the payment of the prepetition Taxes and Fees because: (i) certain of the prepetition Taxes and Fees are collected or withheld by the Debtors and may be held in trust for the particular Authority and, therefore, do not constitute property of the Debtors’ estates; (ii) failure to pay the prepetition Taxes and Fees may impact the Debtors’ ability to conduct business in certain jurisdictions and their ability to perform

under their postpetition agreements; and (iii) the Debtors' directors and officers may otherwise face personal liability.

A. Section 541 of the Bankruptcy Code Authorizes Payment of Certain Taxes.

19. Although the Debtors have not conducted an exhaustive survey of all states in which the prepetition Taxes and Fees are due, the Debtors believe that some constitute so-called "trust fund" obligations that are required to be collected from third parties and held in trust for payment to the Authorities. *See, e.g., In re Columbia Gas Sys. Inc.*, 997 F.2d 1039, 1051 (3d Cir. 1993) (refunds required to be collected by federal law created trust fund that was not property of debtor's estate); *In re Shank*, 792 F.2d 829, 830 (9th Cir. 1986) (same); *see also* 11 U.S.C. § 541(d) ("Property in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest . . . becomes property of the estate . . . only to the extent of the debtor's legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.").

20. As a result, the funds that would be used to pay the trust fund taxes are not property of the Debtors' estates within the meaning of section 541 of the Bankruptcy Code. *See Begier v. IRS*, 496 U.S. 53, 55-67 (1990) (taxes such as excise taxes, FICA taxes and withholding taxes are property held by debtor in trust for another and, as such, do not constitute property of the estate); *In re Am. Int'l Airways, Inc.*, 70 B.R. 102, 103 (Bankr. E.D. Pa. 1987) (funds held in trust for federal excise and withholding taxes are not property of debtor's estate and, are therefore not available for distribution to creditors); *In re Tap, Inc.*, 52 B.R. 271, 278 (Bankr. D. Mass. 1985) (funds paid by employer to debtor for payment of employer's federal taxes were returnable to employer and not part of debtor's estate).

B. Payment of the Taxes and Fees is Appropriate Under Section 507(a)(8) of the Bankruptcy Code.

21. Certain of the prepetition Taxes and Fees are deemed priority claims under section 507(a)(8) of the Bankruptcy Code. Payment of these Taxes and Fees should be authorized because they are required to be paid in full in any event as a condition to satisfying the plan confirmation requirements contained in section 1129 of the Bankruptcy Code. *See generally* 11 U.S.C. § 507(a)(8). Thus, the Debtors' payment of such prepetition Taxes and Fees pursuant to this Motion will affect only the timing of the payments and not the amounts to be received by the Authorities.

22. Moreover, to the extent that the prepetition Taxes and Fees are entitled to priority treatment under Bankruptcy Code section 507(a)(8), the Authorities may attempt to assess interest and penalties on their tax claims from the time they are due until they are paid. *See* 11 U.S.C. § 507(a)(8)(G) (granting priority status to a "penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss"). To the extent the Debtors pay the prepetition Taxes and Fees in the ordinary course of business, the Debtors will avoid the cost of paying interest and penalties to which the Authorities may be entitled.

C. Payment of the Taxes and Fees is Also Appropriate Under Sections 105(a) and 363 of the Bankruptcy Code and the Doctrine of Necessity.

23. It is in the best interests of the Debtors' estates that all prepetition Taxes and Fees be satisfied in full. The Bankruptcy Code provides the Court with the authority to permit the Debtors to satisfy such obligations. The Court's authority to approve the payment of prepetition claims derives from both the Bankruptcy Code and the common law "doctrine of necessity."

24. Courts repeatedly have recognized "the existence of the judicial power to authorize a debtor . . . to pay pre-petition claims where such payment is essential to the continued operation of the debtor." *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989); *see also*

In re Columbia Gas Sys., Inc., 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (finding that a debtor is entitled to pay certain prepetition creditors upon a showing that the payment is “essential to the continued operation of the business”) (internal citations omitted). The United States Supreme Court first articulated the equitable common law principle commonly referred to as the “doctrine of necessity” over 125 years ago in *Miltenberger v. Logansport, C. & S. W.R. Co.*, 106 U.S. 286 (1882). “The Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11.” *In re Just for Feet, Inc.*, 242 B.R. 821, 825 (D. Del. 1999).

25. Under the doctrine of necessity, a bankruptcy court may exercise its equitable power to authorize a debtor to pay critical prepetition claims, even though such payment is not explicitly authorized under the Bankruptcy Code. *See In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 939 (Bankr. D. Del. 1992) (citing *In re Lehigh & New England Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (recognizing that “if payment of a pre-petition claim ‘is essential to the continued operation of [debtor], payment maybe authorized’”)).

26. The bankruptcy court’s exercise of its authority under the “doctrine of necessity” is appropriate to carry out sections 1107(a), 1108, and 363(b)(1) of the Bankruptcy Code, which collectively authorize a debtor in possession to maintain and operate the debtor’s business and to use estate property outside of the ordinary course of business. In fact, a debtor in possession operating a business under section 1108 of the Bankruptcy Code has a duty to protect and preserve the value of its business, and prepetition claims may be paid if necessary to perform the debtor’s duty. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (“There are occasions when this duty can only be fulfilled by the preplan satisfaction of a prepetition claim.”).

27. Payment of the prepetition Taxes and Fees is essential to the Debtors' reorganization for at least three reasons. *First*, the Debtors are required to pay prepetition Taxes and Fees to maintain their good standing to operate in the jurisdictions in which they do business. If such taxes are not paid, state and local Authorities may refuse to issue good standing certificates, which are often required in securities and financing transactions, and may refuse to take other actions requested of them by the Debtors during these Chapter 11 Cases. The inability to obtain these documents may disrupt the Debtors' ability to operate and thereby diminish value to the detriment of all stakeholders. *Second*, the Debtors believe that some of these state and local Authorities may initiate audits if the Debtors fail to pay the prepetition Taxes and Fees promptly. Such audits would further divert the Debtors' attention and resources from the Debtor's sale process and otherwise administering these Chapter 11 Cases. *Third*, the Debtors' directors and officers may be subject to personal liability in the event certain prepetition Taxes and Fees are not paid to the appropriate Authorities. At a minimum, this would cause distractions and potentially diminish the Debtors' value as a going concern. For all of these reasons, payment of the prepetition Taxes and Fees is warranted.

28. Similar relief routinely has been granted by courts in this District. *See, e.g., In re Restoration Forest Prod. Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (authorizing the debtor to pay prepetition taxes and fees in the ordinary course of business); *In re AN Global LLC*, No. 23-11294 (JKS) (Bankr. D. Del. Oct. 3, 2023) (same); *In re The Rockport Co., LLC*, No. 23-10774 (BLS) (Bankr. D. Del. July 10, 2023) (same); *In re DeCurtis Holdings*

LLC, No. 23-10548 (JKS) (Bankr. D. Del. May 22, 2023) (same); *In re Tritex Int'l Inc.*, No. 23-10520 (TMH) (Bankr. D. Del. May 22, 2023).⁴

D. Request for Authority for Banks to Honor and Pay Checks Issued and Funds Transfers with Respect to the Prepetition Taxes and Fees.

29. In addition, by this Motion, the Debtors request that all applicable Banks be authorized, when requested by the Debtors, to receive, process, honor, and pay any and all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, prepetition Taxes and Fees, whether such checks were presented or fund transfer requests were submitted prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments. The Debtors represent that these checks are drawn on specific disbursement accounts and can be readily identified as relating directly to the authorized payment of prepetition Taxes and Fees. Accordingly, the Debtors believe that checks other than those relating to authorized payments will not be honored inadvertently.

30. For these reasons, the Debtors respectfully submit that the relief requested herein is necessary, appropriate, and in the best interests of the Debtors' estates and creditors.

RESERVATION OF RIGHTS

31. Nothing contained herein is intended or shall be construed as (a) an admission as to the validity of any claim against the Debtors; (b) 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 or rights of setoff asserted against the Debtors; (c) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (d) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors

⁴ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request.

and any third party under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

32. The Court may grant the relief requested in this Motion immediately if the "relief is necessary to avoid immediate and irreparable harm." Fed. R. Bank. P. 6003; *In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008). The Third Circuit has interpreted the language "immediate and irreparable harm" in the context of preliminary injunctions. In that context, the Third Circuit has instructed that irreparable harm is that which "cannot be redressed by a legal or an equitable remedy following a trial." *Instant Air Freight Co. v. C.F. Air Freight, Inc.*, 882 F.2d 797, 801 (3d Cir. 1989). 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 to the Debtors and their estates.

33. Accordingly, the Debtors request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the 14-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

NOTICE

34. Notice of this motion will be provided to the following parties or their respective counsel: (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 DIP Lender; (d) the Prepetition Secured Parties; (e) the Internal Revenue Service; (f) the United States Attorney's Office for the District of Delaware; (g) the state attorneys general for all states in which the Debtors conduct business; (h) banks and financial institutions where the Debtors maintain accounts; (i) the Authorities; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking "first day" relief, within forty-eight (48) hours of the entry of an order with respect to this Motion, the Debtors will serve copies of this Motion and any order entered with respect to this Motion as required by Local Rule 9013-1(m). The Debtors respectfully submit that, in light of the nature of the relief requested, no further notice is necessary.

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CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Proposed Interim Order and the Proposed Final Order, substantially in the forms annexed hereto as **Exhibit A** and **Exhibit B**, respectively, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: May 21, 2024
Wilmington, Delaware

Respectfully submitted,

/s/ Katelin A. Morales

M. Blake Cleary (No. 3614)

R. Stephen McNeill (No. 5210)

Katelin A. Morales (No. 6683)

POTTER ANDERSON & CORROON LLP

1313 N. Market Street, 6th Floor

Wilmington, Delaware 19801

Telephone: (302) 984-6000

Facsimile: (302) 658-1192

Email: bcleary@potteranderson.com

rmcneill@potteranderson.com

kmorales@potteranderson.com

and-

Felicia Gerber Perlman (*pro hac vice* pending)

Bradley Thomas Giordano (*pro hac vice* pending)

Carole M. Wurzelbacher (*pro hac vice* pending)

McDERMOTT WILL & EMERY LLP

444 West Lake Street

Chicago, IL 60606-0029

Telephone: (312) 372-2000

Facsimile: (312) 984-7700

Email: fperlman@mwe.com

bgiordano@mwe.com

cwurzelbacher@mwe.com

*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:

Supply Source Enterprises, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11054 (___)

(Joint Administration Requested)

Re: Docket No. __

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS
TO PAY CERTAIN PREPETITION TAXES AND FEES,
(II) AUTHORIZING THE DEBTORS' BANKS TO HONOR ALL
RELATED PAYMENT REQUESTS, AND (III) GRANTING RELATED RELIEF**

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 Taxes and Fees, including any penalties and interest thereon, (ii) authorizing the Banks to process and pay checks and electronic fund transfer requests related thereto, and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of these Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for

¹ The Debtors in these chapter 11 proceedings, together with the last four digits of each Debtor's federal tax identification number, are: Supply Source Enterprises, Inc. (0842); SSE Intermediate, Inc. (1772); SSE Buyer, Inc. (5901); Impact Products, LLC (7450); and The Safety Zone, LLC (4597). The Debtors' headquarters are located at 385 Long Hill Road, Guilford, Connecticut 06437.

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

a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein and that such relief is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and upon all of the proceedings had before the Court 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 _____, 2024, at ___:___ .m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed with the Court, and served so as to be received by the following parties, by no later than 4:00 p.m., prevailing Eastern Time, on _____, 2024: (i) proposed counsel to the Debtors, Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801 (Attn: M. Blake Cleary (bcleary@potteranderson.com), R. Stephen McNeill (rmcneill@potteranderson.com), and Katelin A. Morales (kmorales@potteranderson.com)); (ii) Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Benjamin A. Hackman (benjamin.a.hackman@usdoj.gov) and Malcolm M. Bates (malcolm.m.bates@usdoj.gov)); (iii) counsel for the DIP Lender and the Prepetition Secured Parties, (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, Esq. (ray.schrock@weil.com) and Kevin Bostel, Esq. (kevin.bostel@weil.com)) and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Zachary I. Shapiro, Esq. (shapiro@rlf.com)); and (iv) if any statutory committee has been

appointed in these Chapter 11 Cases, counsel to such committee (collectively, the “Notice Parties”).

3. The Debtors are authorized, but not directed, to pay prepetition Taxes and Fees in an amount not to exceed \$39,500, during the Interim Period. To the extent the Debtors discover additional prepetition Taxes and Fees not set forth in the Motion, the Debtors reserve the right to seek relief to pay such Taxes and Fees; *provided, however*, that nothing in this Interim Order shall authorize the Debtors’ payment of any Taxes and Fees that are past-due.

4. Nothing contained herein is or should be construed as: (i) an implication or admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors’ or any other 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, (iv) a promise to pay any claim, (v) a concession by the Debtors that any liens (contractual, common law, statutory or otherwise) satisfied pursuant to the Motion are valid (and all rights to contest the extent, validity or perfection or seek avoidance of all such liens are expressly reserved), (vi) an approval, assumption, adoption, or rejection of any agreement, contract, program, policy, or lease between the Debtors and any third party under section 365 of the Bankruptcy Code, (vii) a waiver of the obligation of any party in interest to file a proof of claim, or (viii) otherwise affecting the Debtors’ rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease. Any payment made pursuant to this Interim Order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors’ rights to subsequently dispute such claim.

5. The Banks are authorized, when requested by the Debtors, to receive, process, honor and pay all checks presented for payment of, and to honor all funds transfer requests made

by the Debtors related to, prepetition Taxes and Fees, whether such checks were presented or funds transfer requests were submitted prior to or after the Petition Date, provided that funds are available in the Debtors' accounts to cover such checks and funds transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or funds transfer as approved by this Interim Order.

6. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

7. Nothing contained in this Interim Order shall be construed to accelerate payments to any Authority that are not otherwise due and payable.

8. All payments authorized by this Interim Order may be made solely to the extent in compliance with the Approved DIP Budget (as defined in the interim or final order authorizing the Debtors to obtain postpetition senior secured financing and related relief) then in effect.

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

10. This Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the interim relief requested is necessary to avoid immediate and irreparable harm.

11. The notice requirement of Bankruptcy Rule 6004(a) is waived.

12. This Interim Order shall be immediately effective and enforceable upon its entry. The fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.

13. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

14. This Court retains 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:

Supply Source Enterprises, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11054 (___)

(Joint Administration Requested)

Re: Docket Nos. ___

**FINAL ORDER (I) AUTHORIZING THE DEBTORS
TO PAY CERTAIN PREPETITION TAXES AND FEES,
(II) AUTHORIZING THE DEBTORS' BANKS TO HONOR ALL
RELATED PAYMENT REQUESTS, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for entry of an order (this "Final Order"), (i) authorizing, but not directing, the Debtors to pay certain prepetition Taxes and Fees, including any penalties and interest thereon, (ii) authorizing the Banks to process and pay checks and electronic fund transfer requests related thereto, and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of these Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for

¹ The Debtors in these chapter 11 proceedings, together with the last four digits of each Debtor's federal tax identification number, are: Supply Source Enterprises, Inc. (0842); SSE Intermediate, Inc. (1772); SSE Buyer, Inc. (5901); Impact Products, LLC (7450); and The Safety Zone, LLC (4597). The Debtors' headquarters are located at 385 Long Hill Road, Guilford, Connecticut 06437.

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

a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein and that such relief is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and upon all of the proceedings had before the Court 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 are authorized, but not directed, to pay prepetition Taxes and Fees in an aggregate amount not to exceed \$124,200.
3. The Banks are authorized, when requested by the Debtors, to receive, process, honor and pay all checks presented for payment of, and to honor all funds transfer requests made by the Debtors related to prepetition Taxes and Fees, whether such checks were presented or funds transfer requests were submitted prior to or after the Petition Date, provided that funds are available in the Debtors' accounts to cover such checks and funds transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or funds transfer as approved by this Final Order.
4. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Final Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.
5. Nothing contained herein is or should be construed as: (i) an implication or admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any other 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, (iv) a promise to pay any claim, (v) a concession by the Debtors that any liens (contractual, common law, statutory or otherwise) satisfied pursuant to the Motion are valid (and all rights to contest the extent, validity or perfection or seek avoidance of all such liens are expressly reserved), (vi) an approval, assumption, adoption, or rejection of any agreement, contract, program, policy, or lease between the Debtors and any third party under section 365 of the Bankruptcy Code, (vii) a waiver of the obligation of any party in interest to file a proof of claim, or (viii) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease. Any payment made pursuant to this Final Order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

6. Nothing contained in this Final Order shall be construed to accelerate payments to any Authority that are not otherwise due and payable.

7. All payments authorized by this Final Order may be made solely to the extent in compliance with the Approved DIP Budget (as defined in the interim or final order authorizing the Debtors to obtain postpetition senior secured financing and related relief) then in effect.

8. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

9. All objections to entry of this Final Order, to the extent not withdrawn or settled, are overruled.

10. This Final Order shall be immediately effective and enforceable upon its entry. The fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

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

Exhibit C

Authorities

Authority	Address	Type of Tax
ANN HARRIS BENNETT	1001 Preston St. Houston, Texas 77002	Personal Property Taxes
ARIZONA DEPT. OF REVENUE	1600 W. Monroe St. Phoenix, AZ 85007	Sales & Use Tax
CALIFORNIA FRANCHISE TAX BOARD	PO Box 942867 Sacramento CA 94267-0008	Franchise Tax
CITY OF BUENA PARK	6650 Beach Blvd. P.O. Box 5009, Buena Park, CA 90622-5009	License, Permits & Fees
CITY OF NEW LONDON - TAXES	215 N. Shawano Street, New London, WI 54961	Real Property Taxes
CLINTON, TOWN OF - TAX COLLECTOR	54 E Main St, Clinton, CT 06413	Personal Property Taxes
CLINTON, TOWN OF - TAX COLLECTOR	54 E Main St, Clinton, CT 06413	Real Property Taxes
COUNTY OF ORANGE	1241 E Dyer Rd 120 4278, Santa Ana, CA 92705	Real Property Taxes
CT CORPORATION SYSTEM	28 Liberty St 42nd Floor, New York, NY 10005	License, Permits & Fees
Department of Revenue Services, State of Connecticut	450 Columbus Blvd. Suite 1. Hartford CT 06103	Income Tax
DELAWARE SECRETARY OF STATE	PO Box 2044, Wilmington, Delaware 19899-2044	License, Permits & Fees
ESSEX TAX COLLECTOR	29 WEST AVE, ESSEX CT, 06426	Personal Property Taxes
ESSEX TAX COLLECTOR	29 WEST AVE, ESSEX CT, 06426	Real Property Taxes
FLORIDA DEPT OF REVENUE	5050 W Tennessee St Tallahassee FL 32399-0120	Income Tax, Sales & Use Tax
FOOD AND DRUG ADMINISTRATION	P.O. Box 979108, St. Louis, MO 63197	License, Permits & Fees
GEORGIA DEPARTMENT OF REVENUE	1800 Century Blvd NE, Atlanta, GA 30345	Income Tax

Authority	Address	Type of Tax
GUILFORD - TAX COLLECTOR	31 Park Street, Guilford, CT 06437	Personal Property Taxes
GUILFORD - TAX COLLECTOR	31 Park Street, Guilford, CT 06437	Real Property Taxes
INDIANA SECRETARY OF STATE	200 W Washington St #201, Indianapolis, IN 46204	License, Permits & Fees
JAY COUNTY TREASURER	120 Court Street, Portland, IN 47371	Real Property Taxes
KENTUCKY DEPARTMENT OF REVENUE	PO Box 1303. Frankfort, KY 40602-1303	Sales & Use Tax
MALT PROPERTIES LLC	P.O. Box 287, Purvis MS, 39475	Real Property Taxes
MASSACHUSETTS	DEPARTMENT OF REVENUE PO BOX 7062 , BOSTON MA, 02204	Income Tax
MISSISSIPPI DEPARTMENT	500 Clinton Center Dr, Clinton, MS 39056	Income Tax
NEW YORK STATE	DEPT OF TAXATION AND FINANCE, 575 BOICES LANE. KINGSTON NY 12401-1083	Other Taxes
NORTH CAROLINA DEPT OF REVENUE	North Carolina Department of Revenue Post Office Box 25000 Raleigh, NC 27640-0640	Income Tax
NORTH DAKOTA STATE GOVERNMENT	Office of State Tax Commissioner, 600 E. Boulevard Ave., Dept. 127, Bismarck, ND 58505-0599	Sales & Use Tax
NSF International	300 Kimball Dr., Parsippany, NJ 07054	License, Permits & Fees
OHIO ATTORNEY GENERAL	P.O. Box 89471, Cleveland, OH 44101-6471	Other Taxes
OHIO DEPT OF TAXATION	PO Box 182131, Columbus, Ohio 43218-2131	Sales & Use Tax ; Other Taxes
ORANGE COUNTY TREASURER - TAX COLLECTOR	County Service Center, 601 N Ross St, Santa Ana, CA 92701	Real Property Taxes
OREGON DEPT. OF REVENUE	Oregon Department of Revenue, 955 Center Street NE, Salem, Oregon 97301	Other Taxes
SOUTH DAKOTA	420 South Roosevelt Street Aberdeen, SD 57401. PO Box 4730	Sales & Use Tax
STATE OF CONNECTICUT	P.O. BOX 2905, HARTFORD CT, 01606	License, Permits & Fees

Authority	Address	Type of Tax
STATE OF WASHINGTON DEPT OF REVENUE	PO Box 47476, Olympia, WA 98504-7476	Sales Tax
TAX COLLECTOR - GUILFORD	31 PARK ST, GUILFORD CT, 06413	Real Property Taxes
TAX COLLECTOR TOWN OF CLINTON	54 EAST MAIN ST, CLINTON CT, 06413	Real Property Taxes
TENNESSEE DEPARTMENT	500 Deaderick Street. Nashville, TN 37242	Income Tax
TEXAS DEPARTMENT OF REVENUE	Texas Comptroller of Public Accounts, P.O. Box 13528, Capitol Station, Austin, Texas 78711-3528	Franchise Tax
TREASURER CITY OF MEMPHIS	125 N Main St #301, Memphis, TN 38103	Real Property Taxes
TREASURER OF LUCAS COUNTY	1 Government Center, Toledo, OH 43604	Real Property Taxes
U.S. Fish and Wildlife Services	1875 Century Boulevard, Suite 380, Atlanta, GA 30345	License, Permits & Fees
U.S. Food and Drug Administration	P.O. Box 979108, St. Louis, MO 63197	License, Permits & Fees
VERMONT DEPARTMENT OF TAXES	133 State St, Montpelier, VT 05602	Sales & Use Tax
WAYNE COUNTY TREASURER	400 Monroe St 5th Floor, Detroit, MI 48226	Personal Property Taxes
WAYNE COUNTY TREASURER	400 Monroe St 5th Floor, Detroit, MI 48226	Real Property Taxes
WYOMING DEPARTMENT OF REVENUE	122 West 25th Street, Suite E301, Herschler Building East, Cheyenne, Wyoming 82002	Sales & Use Tax