

**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 THEM TO (A) MAINTAIN INSURANCE POLICIES AND SURETY
BONDS AND HONOR OBLIGATIONS THEREUNDER, AND (B) RENEW, AMEND,
SUPPLEMENT, EXTEND, OR PURCHASE NEW INSURANCE POLICIES AND
SURETY BONDS, AND (II) 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 (a) maintain their existing insurance policies and surety bonds and pay all obligations arising thereunder or in connection therewith, (b) renew, revise, extend, supplement, or enter into new insurance coverage and surety bonds as needed in their business judgment; (ii) authorizing all banks to honor payments 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

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.



Amended Standing Order of Reference from the United States District Court for the District of 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, 1107, and 1108 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 the Debtors' Chapter 11 Petitions and First Day Pleadings* (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 Bankruptcy Code sections 105(a), 363(b), 1107, and 1108, (i) authorizing, but not directing, the Debtors to (a) maintain existing Insurance Programs (as defined below) and surety bonds, (b) pay in the ordinary course all premiums, deductibles, administration fees, audited amounts, and other obligations related thereto, (c) honor all prepetition obligations and amounts, if any, owed to the Brokers or Insurance Carriers (as defined below), and (d) renew, revise, extend, supplement, or enter into new Insurance Programs or surety bonds in the ordinary course of these Chapter 11 Cases.

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

9. The Debtors request that the Court (a) authorize all of the Debtors' banks (the "Banks") to receive, process, honor, and pay any and all checks, drafts, electronic transfers, and other forms of payment used by the Debtors to pay the Insurance Obligations (defined below) and surety bonds, whether presented before, on or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments; (b) prohibit the Banks from placing any holds on, or attempting to reverse, any automatic transfers on account of the Insurance Obligations and Surety Bond Program; and (c) authorize the Debtors to issue new postpetition checks to replace any checks, drafts, and other forms of payment, or effect new postpetition electronic transfers, which may be inadvertently dishonored or rejected, and to reimburse any expenses that may be incurred as a result of any Bank's failure to honor a prepetition check.

10. In addition, the Debtors request that the Court schedule a final hearing to approve the relief requested herein on a final basis.

FACTS RELEVANT TO THIS MOTION

A. Insurance Policies.

11. The Debtors maintain approximately 25 insurance policies providing coverage for, among other things, workers' compensation, directors and officers liability, employment practices liability, commercial umbrella, crime, property, business automobile, cyber media, and general liability (each an "Insurance Policy" and, collectively, the "Insurance Policies").³ The Insurance Policies are obtained from various insurance carriers (the "Insurance Carriers"), and a

³ The descriptions of the Insurance Policies are intended only as a summary, and the actual terms of the Insurance Policies shall govern in the event of any inconsistency with the descriptions set forth herein.

comprehensive list of each Insurance Policy, including its coverage type, provider, policy term, and total annual premium can be found attached hereto as **Exhibit C**.⁴

12. Premiums, including taxes, fees, and surcharges, with respect to the Insurance Policies (the “Insurance Premiums”) are determined and paid annually, quarterly, and monthly depending on the policy. The aggregate annual Insurance Premiums under the Insurance Policies are approximately \$1,000,000 (including premiums the Debtors have already paid to date).

13. In the ordinary course of business, the Debtors pay the Insurance Premiums through insurance brokers – Alliant Insurance Services, Inc. and CAC Specialty (the “Brokers”). The Debtors pay standard commission fees to the Brokers at the time the Insurance Policy is placed as compensation for their services (the “Brokers’ Fees”). As of the Petition Date, the Debtors do not owe any obligations on account of the Brokers’ Fees. Nevertheless, out of an abundance of caution, the Debtors request authority to make payments on account of the Brokers’ Fees in the ordinary course of business during the pendency of these Chapter 11 Cases.

14. Six of the Insurance Policies (collectively, the “Financed Policies”) are financed through an insurance premium financing agreement with First Insurance Funding (the “Financing Agreement” and, together with the Brokers and the Insurance Policies, the “Insurance Programs”) maintained with the Brokers. A copy of the Financing Agreement is attached hereto as **Exhibit D**. The Financed Policies are essential to the Debtors’ business operations.

15. The Debtors believe it is economically beneficial to finance certain Insurance Premiums rather than make lump sum payments. The Debtors pay approximately \$15,000 on account of the Financed Policies on a monthly basis.

⁴ The Debtors believe that **Exhibit C** is a complete list of their Insurance Policies. To the extent that any Insurance Policy has been omitted from that list, the Debtors request that the Interim Order and Final Order granting the relief sought herein apply to any and all of Debtors’ Insurance Policies.

16. The Debtors also make regular monthly, quarterly, and annual lump-sum payments on account of the Insurance Policies not covered by the Financing Agreements (the “Non-Financed Policies”). The Debtors pay approximately \$32,000 per-month for the Insurance Policies that are funded on a monthly payment cycle. For the Insurance Policies paid on a quarterly cycle, the Debtors pay approximately \$92,000 per-quarter.

17. As of the Petition Date, the Debtors owe approximately \$119,000 in prepetition amounts on account of Insurance Policies, all of which will come due and owing during the interim period (the “Insurance Obligations”). The Debtors seek the authority to honor the prepetition Insurance Obligations, and to pay fees thereunder, including any Brokers’ Fees, in the ordinary course of business during the pendency of these Chapter 11 Cases.⁵

18. It is critical that the Debtors maintain the Insurance Programs. If the Debtors are unable to make payments on account of the Insurance Policies as those payments become due, the Insurance Carriers may seek relief from the automatic stay to terminate the Insurance Policies and the Debtors would be required to obtain replacement insurance on an expedited basis and at a cost likely greater than what the Debtors currently pay. Even if these Insurance Carriers were not permitted to terminate the Insurance Policies, a failure to make premium payments would have an adverse effect on the Debtors’ ability to obtain future policies at reasonable rates.

19. In light of the importance and necessity of maintaining insurance coverage, the Debtors submit it is in the best interests of the Debtors, their estates, and all stakeholders to receive Court approval to honor their obligations under the Insurance Programs and, as necessary, renew or enter into new Insurance Programs.

⁵ If the Debtors discover any additional prepetition amounts outstanding under the Financing Agreements or the Non-Financed Insurance Policies, the Debtors will only seek to pay those amounts pursuant to the Final Order and are not seeking to pay any interim amounts on account of any undiscovered prepetition amounts outstanding under the Financing Agreements or the Non-Financed Insurance Policies.

B. Surety Bond Program.

20. In the ordinary course of business, the Debtors are required to provide surety bonds to certain third parties to secure certain of their obligations (the “Surety Bond Program”). Currently, the Debtors maintain one surety bond with the Great American Insurance Company (the “Surety Bond”).⁶ The Surety Bond is paid on an annual basis in conjunction with the Debtors’ crime protection Insurance Policy premium.

21. The Debtors believe that all premiums in connection with the Surety Bond Program that were due and payable on or prior to the Petition Date have been fully paid, but, out of an abundance of caution, the Debtors seek authority to satisfy any unpaid prepetition Surety Bond premiums.

22. The Debtors seek authority, but not direction, to (i) continue to maintain the Surety Bond Program consistent with their prepetition practices and pay amounts owed in connection therewith (including any prepetition amounts that may be outstanding) to the extent needed to continue operations, and (ii) in their sole discretion, renew, revise, amend, supplement, or extend the Surety Bond Program or purchase new surety bonds, as needed.

BASIS FOR RELIEF

I. Maintaining the Insurance Policies and Surety Bond Program is Necessary and Appropriate.

23. The Debtors believe that maintaining the Insurance Policies and the Surety Bond Program is authorized under section 363(b)(1) of the Bankruptcy Code, which provides that a debtor in possession, “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). Section 363(b)(1), operating

⁶ The Surety Bond number is CAPP F052781 00 00 and is effective through September 30, 2024. The Surety Bond provides ERISA theft coverage in conjunction with the Debtors’ crime protection Insurance Policy.

in conjunction with section 105(a) of the Bankruptcy Code and the judicially created “necessity of payment doctrine,” support the proposed payments under the Insurance Programs and Surety Bond Program. The Debtors submit that the use of estate funds to make payments on the Insurance Obligations and Surety Bond Program is a necessary cost of preserving their estates, and is permitted under sections 1107 and 1108 of the Bankruptcy Code, which require the Debtors to honor their fiduciary duties as debtors in possession. Moreover, the Operating Guidelines for Chapter 11 Cases as promulgated by the U.S. Trustee for Region 3, District of Delaware (the “Operating Guidelines”) require maintenance of the Insurance Programs.

24. Under the “necessity of payment doctrine” and section 105(a) of the Bankruptcy Code, courts have consistently permitted immediate payment of prepetition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. *See, e.g., Miltenberger v. Logansport, C. & Sw. Ry.*, 106 U.S. 286, 309 (1882). The modern application of the doctrine of necessity is largely unchanged from the Supreme Court’s reasoning in *Miltenberger*. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581-82 (3d Cir. 1981) (“[I]n order to justify payment under the ‘necessity of payment’ rule, a real and immediate threat must exist that failure to pay will place the continued operation of the [debtor] in serious jeopardy.”); *see also In re Just For Feet, Inc.*, 242 B.R. 821, 825 (Bankr. D. Del. 1999) (“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 Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (holding that a court may authorize a debtor to pay certain prepetition claims so long as a sound business purposes exists and stating that “courts consider a variety of factors, which essentially represent a ‘business judgment test’”); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994). As

described above, the Debtors owe approximately \$119,000 in prepetition obligations on account of their Insurance Obligations. The Debtors request authority to continue to pay their Insurance Obligations and Surety Bond premiums as they become due in the ordinary course of business on a postpetition basis.

25. In addition, sections 1107 and 1108 of the Bankruptcy Code support payment of the Insurance Obligations and Surety Bond Program, as such sections authorize a debtor to continue to operate its business postpetition. Implicit in the duties of a chapter 11 debtor in possession is the duty “to protect and preserve the estate, including an operating business’s going-concern value[,]” including, where appropriate, paying certain necessary prepetition claims. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (“There are occasions when this duty [to protect and preserve] can only be fulfilled by the preplan satisfaction of the prepetition claim.”).

26. Payment of the Insurance Obligations and Surety Bond, and the renewal, revision, extension, supplementation, or entry into new Insurance Programs or surety bonds, as needed in the Debtors’ business judgment, are necessary for the Debtors to operate consistent with applicable legal requirements (including the Operating Guidelines and the laws of various states). Moreover, as fiduciaries for their estates, the Debtors have a duty to maintain the coverage provided under the Insurance Policies and Surety Bond Program in order to preserve the value of their estates during these Chapter 11 Cases.

27. To the extent the Surety Bond Program and the provision of collateral thereunder is deemed an extension of secured credit, the Debtors also request authority to continue the Surety Bond Program pursuant to section 364 of the Bankruptcy Code, including with respect to posting collateral, as determined in the Debtors’ reasonable business judgment. Pursuant to section 364

of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur secured or unsecured debt if the borrowing is in the best interests of the estate. *See In re Aqua Assocs.*, 123 B.R. 192, 195–96 (Bankr. E.D. Penn. 1991); *In re Ames Dept. Stores*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (stating that with respect to postpetition credit, courts “permit debtors-in-possession to exercise their basic business judgment consistent with their fiduciary duties”); *In re Simasko Prod. Co.*, 47 B.R. 444, 448–49 (Bankr. D. Colo. 1985) (authorizing interim financing agreement where debtor’s best business judgment indicated that financing was necessary and reasonable for benefit of estate). The Debtors respectfully submit that continuation of the Surety Bond Program falls squarely within the ordinary course of business and, but for the constraints of section 364, the Debtors would not need the Court’s prior approval to continue such programs. To satisfy the requirements of section 364(c) of the Bankruptcy Code, a debtor need only demonstrate “by a good faith effort that credit was not available” to the debtor on an unsecured or administrative expense basis. *See Bray v. Shenandoah Fed. Savs. & Loan Ass’n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986). Given the Debtors’ current financial circumstances, the Debtors do not believe that they can obtain financial accommodations comparable to those offered pursuant to the Surety Bond Program on an unsecured basis or administrative expense basis. Accordingly, the Debtors respectfully submit that continuance of the Surety Bond Program should be authorized pursuant to section 364(c) of the Bankruptcy Code.

28. Courts in this district have routinely granted to chapter 11 debtors the same or similar relief as requested in this Motion. *See, e.g., In re Restoration Forest Prod. Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (authorizing debtors to maintain and renew insurance policies and financing agreements); *In re The Rockport Co., LLC*, No. 23-10774 (BLS) (Bankr. D. Del. July 10, 2023) (authorizing debtors to honor, maintain, and renew insurance

policies and surety bonds); *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) (same); *In re Vesta Holdings, LLC*, No. 22-11019 (LSS) (Bankr. D. Del. Dec. 6, 2022) (authorizing debtors to maintain and renew insurance policies and financing agreements).⁷

29. Accordingly, the Debtors seek authority, pursuant to sections 105(a), 363, 364, 1107, and 1108 of the Bankruptcy Code, to honor the Debtors' obligations under the Insurance Program and the Surety Bond Program and to continue such programs uninterrupted. The Debtors submit that payment of obligations arising under the Insurance Programs and the Surety Bond Program will be paid in the ordinary course of business and in accordance with the terms of these programs and in a manner consistent with prepetition practices.

II. The Court Should Authorize, But Not Direct, the Debtors, in Their Discretion, to Make Necessary Payments Under the Premium Financing Agreement and Renew the Premium Financing Agreement and/or Enter into New Premium Financing Agreements in the Ordinary Course of Business.

30. If the Debtors are unable to continue making payments under the Financing Agreement, the Brokers may, subject to the automatic stay, be permitted to terminate the Financed Policies. The Debtors may then be required to obtain replacement insurance on an expedited basis and potentially at a significantly increased cost. Thus, in view of the importance of maintaining the related insurance coverage and preserving their cash flow by financing certain insurance premiums, the Debtors believe that it is in the best interest of their estates and creditors for the Court to authorize the Debtors to honor the obligations under the Financing Agreement. Any other alternative may require considerable cash expenditures and be detrimental to the Debtors' restructuring efforts.

⁷ 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.

31. In addition, the Debtors submit that the Court should authorize them to renew the Financing Agreement or enter into new financing agreements postpetition, as necessary, in the ordinary course of business. Section 363(c)(1) of the Bankruptcy Code provides that “the trustee [or a debtor in possession] may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). Here, the Debtors submit that renewing the Financing Agreement and entering into new financing agreements as necessary are ordinary course transactions that would be permitted by section 363(c)(1) of the Bankruptcy Code because, for among other reasons, such transactions are “commonly undertaken by companies in [the Debtors’] industry.” *See In re Roth Am., Inc.*, 975 F.2d 949, 953 (3d Cir. 1992).

32. The Court may also authorize the Debtors to enter into new financing agreements pursuant to section 364(c)(2) of the Bankruptcy Code. Section 364(c)(2) authorizes, after notice and a hearing, a debtor in possession to obtain debt secured by a lien on property of the estate. *See* 11 U.S.C. § 364(c)(2). Under any new financing agreement, the counterparty would likely require that the Debtors grant a security interest in the unearned premiums under the financed policies.

33. Section 364(c) also authorizes a debtor, in the exercise of its business judgment, to incur secured debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interests of the estates. *See In re Budget Grp., Inc.*, 2002 Bankr. LEXIS 1050 (Bankr. D. Del. Aug. 1, 2002) (authorizing funding of acquisition of property on a secured basis where acquired property was necessary to maintain operations and debtor could not obtain such funding on an unsecured basis). Because borrowing to maintain essential insurance coverage is in the best

interests of the Debtors' estates, the Debtors submit that the Court should authorize them to execute new financing agreements postpetition, as necessary, in the ordinary course of business.

III. The Banks Should Be Authorized to Honor and Process Payments Related to the Insurance Program and Surety Bond Program.

34. As a result of the commencement of these Chapter 11 Cases and in the absence of a Court order providing otherwise, the Debtors' checks and electronic fund transfers on account of the Insurance Programs and Surety Bond Program may be dishonored or rejected by their Banks. To prevent unintended disruptions in insurance coverage, the Debtors respectfully submit that their Banks should be authorized to rely on the Debtors' representations with respect to whether any check drawn or transfer request issued by the Debtors prior to the Petition Date relating to the Insurance Programs and Surety Bond Program should be honored pursuant to the relief granted in connection with this Motion.

35. 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

36. 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 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

37. 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.

38. 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

39. 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 Brokers; (d) the financier

under the premium Financing Agreement; (e) the DIP Lender; (f) the Prepetition Secured Parties; (g) the Internal Revenue Service; (h) the United States Attorney’s Office for the District of Delaware; (i) the state attorneys general for all states in which the Debtors conduct business; (j) the Insurance Carriers; (k) the Banks; and (l) 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

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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:

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 (A) MAINTAIN
INSURANCE POLICIES AND SURETY BONDS AND HONOR OBLIGATIONS
THEREUNDER, AND (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR
PURCHASE INSURANCE POLICIES AND SURETY BONDS, AND (II)
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 (a) maintain their existing insurance policies and surety bonds and pay all obligations arising thereunder or in connection therewith, (b) renew, revise, extend, supplement, or enter into new insurance coverage and surety bonds as needed in their business judgment; (ii) authorizing all banks to honor payments 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

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.

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 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 and honor in their discretion, all prepetition Insurance Obligations, including accrued prepetition Insurance Premiums, in an aggregate amount not to exceed \$119,000 during the interim period.

4. The Debtors are authorized, but not directed, to maintain their Insurance Programs and Surety Bond Program in accordance with practices and procedures that were in effect before the commencement of the Chapter 11 Cases.

5. The Debtors are further authorized, but not directed, in the ordinary course of business, to renew, revise, amend, supplement, or extend the Insurance Policies and Surety Bond Program, as well as purchase new insurance coverage and surety bonds, and take all appropriate actions in connection therewith, to the extent that the Debtors determine that such action is in the best interest of their estates.

6. 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 the postpetition continuation of the Insurance Programs and Surety Bond Program, 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.

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

8. 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.

9. 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.

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 (A) MAINTAIN
INSURANCE POLICIES AND SURETY BONDS AND HONOR OBLIGATIONS
THEREUNDER, AND (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR
PURCHASE INSURANCE POLICIES AND SURETY BONDS, AND (II)
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 (a) maintain their existing insurance policies and surety bonds and pay all obligations arising thereunder or in connection therewith, (b) renew, revise, extend, supplement, or enter into new insurance coverage and surety bonds as needed in their business judgment; (ii) authorizing all banks to honor payments related thereto; and (iii) granting related relief 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

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.

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 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. All objections to entry of this Final Order, to the extent not withdrawn or settled, are overruled.
3. The Debtors are authorized, but not directed, to maintain their Insurance Programs and Surety Bond Program, without regard to whether such obligations accrued or relate to the period before or after the Petition Date.
4. The Debtors are authorized, but not directed, to maintain their Insurance Programs and Surety Bond Program in accordance with practices and procedures that were in effect before the commencement of the Chapter 11 Cases.
5. The Debtors are further authorized, but not directed, in the ordinary course of business, to renew, revise, amend, supplement, or extend the Insurance Policies and Surety Bond Program, as well as purchase new insurance coverage and surety bonds, and take all appropriate actions in connection therewith, to the extent that the Debtors determine that such action is in the best interest of their estates.

6. 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 the Insurance Programs or Surety Bond Program, 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.

7. 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.

8. 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.

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 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 implement the relief granted in this Final Order.

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**Schedule of Insurance Policies**

Type of Policy Coverage	Insurance Carrier(s)	Policy Number	Policy Term	Policy Premium
Management Liability I	Westchester Surplus Lines Insurance Company	G71815973004	6/30/23-12/30/24	\$82,000
Management Liability II	Arch Insurance Company	PCX1000171-03	6/30/23-12/30/24	\$32,000
Management Liability III	Twin City Fire Insurance Co.	10 MM 0353431-23	6/30/23-12/30/24	\$24,000
Directors & Officers Side A Statement	National Union Fire Insurance Company of Pittsburgh, PA	06-681-84-86	5/17/24 – 5/17/25	\$59,000
Crime	Great American Insurance Company	CAPP F052781 00 00	6/30/23-9/30/24	\$7,715
General Liability	Continental Casualty Company	6081118041	6/30/23-9/30/24	\$80,000
Property	Continental Casualty Company	6081118041	6/30/23-9/30/24	\$75,000
Automobile	Alliant Insurance Services Inc.	BUA 6081118055	6/30/23-9/30/24	\$44,400
Primary Umbrella	The Continental Insurance Company	6081118086	6/30/23-9/30/24	\$54,000
Excess Umbrella	Endurance American Insurance Company	EXC30001818803	6/30/23-9/30/24	\$73,500
Stock Throughput - Cargo	The Continental Insurance Company	OC 261061	6/30/23-9/30/24	\$73,400
Stock Throughput - Warehouse	The Continental Insurance Company	OC 261061	6/30/23-9/30/24	\$226,000
Earthquake	Underwriters at Lloyd's, London, Kiln (KLN510) / Underwriters at Lloyd's, London, TMK (TMK1880)	EQP-002006-03	6/30/23-9/30/24	\$18,600

Type of Policy Coverage	Insurance Carrier(s)	Policy Number	Policy Term	Policy Premium
Foreign	The Continental Insurance Company	PST734855343	6/30/23-9/30/24	\$3,200
Flood - Lathrop	Alliant Insurance Services Inc.	6500334029	7/16/23-7/16/24	\$1,400
Flood - Central	Alliant Insurance Services Inc.	6500334033	7/16/23-7/16/24	\$1,100
Cyber	AON	W353C8230101	6/30/23-6/30/24	\$99,900
Finance Agreement - First Insurance	First Insurance Funding	51935179	6/30/23-6/30/24	\$150,000
Pollution	Sirius International Insurance Corporation	PLLP*0001739-0	6/30/23-6/30/30	\$10,500
6 Year Run-off D&O/ EPL/ FID	Westchester Fire Ins. Co.	G71815948 001	6/30/20 - 6/30/26	\$13,000
6 Year Run-off D&O/ EPL/ FID	Westchester Surplus Lines Insurance Company	G71815973004	12/30/24 – 12/30/30	\$79,000
6 Year Run-off D&O/ EPL/ FID	Arch Insurance Company	PCX1000171-03	12/30/24 – 12/30/30	\$32,000
6 Year Run-off D&O/ EPL/ FID	Twin City Fire Insurance Co.	10 MM 0353431-23	12/30/24 – 12/30/30	\$32,000
6 Year Run-off D&O/ EPL/ FID	National Union Fire Insurance Company of Pittsburgh, PA	06-681-84-86	5/17/25 – 5/17/31	Premium Included in Side A Payment
Workers Compensation (AOS)	American Casualty Company of Reading, Pennsylvania	WC681118069	6/30/23-9/30/24	\$196,700
Workers Compensation (CA)	National Fire Insurance Company of Hartford, a Stock Insurance Company	WC681118072	6/30/23-9/30/24	\$57,000

EXHIBIT D

Financing Agreement

LENDER:

PREMIUM FINANCE AGREEMENT

450 Skokie Blvd, Ste 1000

Personal Commercial Additional Premium

Northbrook, IL 60062-7917
P:(800) 837-3707 F:(800) 837-3709
www.firstinsurancefunding.com

FIRST INSURANCE[®]
FUNDING

A WINTRUST COMPANY

Quote #: 51935179

<p>INSURED/BORROWER (Name and Address as shown on Policy) SSE Acquisition Holdings, Inc. One Nashville Place 150 4th Ave. North, Suite 1810 Nashville, TN 37219</p>	<p>Customer ID: N/A</p>	<p>AGENT or BROKER (Name and Business Address) Alliant Insurance Services-Specialty Financial Square 32 Old Slip New York, NY 10005</p>
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LOAN DISCLOSURE

Total Premiums, Taxes, and Fees	Down Payment	Unpaid Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
171,092.59	26,576.44	144,516.15	0.00	144,516.15	3,835.95	148,352.10	5.750 %

YOUR PAYMENT SCHEDULE WILL BE: Mail Payments to: **FIRST Insurance Funding, PO Box 7000, Carol Stream, IL 60197-7000**

Number of Payments	Amount of Each Payment	First Installment Due	7/30/2023
10	14,835.21	Installment Due Dates	30th (Monthly)

Certain information contained in the Loan Disclosure section may change in accordance with Section 19 of this Agreement.

INSURED'S AGREEMENT:

- SECURITY INTEREST.** INSURED/BORROWER ("Insured") grants and assigns FIRST Insurance Funding, A Division of Lake Forest Bank & Trust Company, N.A. ("LENDER") a first priority lien on and security interest in the financed policies and any additional premium required under the financed policies listed in the Schedule of Policies, including (a) all returned or unearned premiums, (b) all additional cash contributions or collateral amounts assessed by the insurance companies in relation to the financed policies and financed by LENDER hereunder, (c) any credits generated by the financed policies, (d) dividend payments, and (e) loss payments which reduce unearned premiums (collectively, the "Financed Policies"). If any circumstances exist in which premiums related to any Financed Policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.
- FINANCE CHARGE.** The finance charge begins accruing on the earliest effective date of the Financed Policies. The finance charge is computed using a 365-day calendar year.
- LATE PAYMENT.** For commercial loans, a late charge will be assessed on any installment at least 5 days in default, and the late charge will equal 5% of the delinquent installment or the maximum late charge permitted by law, whichever is less. For personal loans, a late charge will be assessed on any installment 10 days in default, and the late charge will be the lesser of \$10 or 5% of the delinquent installment.
- PREPAYMENT.** If Insured prepays the loan in full, Insured is entitled to a refund of the unearned finance charge computed according to the Rule of 78s.

SCHEDULE OF POLICIES

Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
G71815973004	C00105-WESTCHESTER SURPLUS LINES INC G00069-VANBRIDGE LLC [CX:0] [PR]	MGMT LIAB	12	6/30/2023	52,454.00
				ERN TXS/FEES	91.79
				FIN TXS/FEES	2,622.70
CAPP F052781 00 00	C01347-GREAT AMERICAN INS CO G00069-VANBRIDGE LLC [CX:0] [PR]	CRME	12	6/30/2023	6,189.00
				ERN TXS/FEES	0.00
				FIN TXS/FEES	0.00
(Policies continued on next page.)				TOTAL	171,092.59

Q# 51935179, PRN: 071023, CFG: ALLIANT-CONSTRUCTION, RT: 0Internal - Base, DD: 30, BM: Invoice, Qtd For: A47842 Original, Memo 0

- PROMISE TO PAY.** In consideration of the premium payment by LENDER to the insurance companies listed in the Schedule of Policies (or their authorized representative) or the Agent or Broker listed above, Insured unconditionally promises to pay LENDER, the Amount Financed plus interest and other charges permitted under this Agreement, including the Down Payment if owed and payable directly to LENDER, subject to all the provisions of this Agreement.
 - POWER OF ATTORNEY.** INSURED IRREVOCABLY APPOINTS LENDER AS ITS "ATTORNEY-IN-FACT" with full power of substitution and full authority, in the event of default under this Agreement, to (a) cancel the Financed Policies in accordance with the provisions contained herein, (b) receive all sums assigned to LENDER, and (c) execute and deliver on behalf of Insured all documents relating to the Financed Policies in furtherance of this Agreement. This right to cancel will terminate only after all of Insured's indebtedness under this Agreement is paid in full. Insured is responsible for repayment of the Amount Financed plus interest and other charges permitted under this Agreement, including the Down Payment if owed and payable directly to LENDER, irrespective of whether LENDER exercises this right to cancel the Financed Policies.
 - SIGNATURE & ACKNOWLEDGEMENT.** Insured has received, reviewed, and signed a copy of this Agreement. By signing below, you certify that you have the requisite authority to (a) enter into this Agreement on behalf of Insured (if applicable, including as agent, trustee, executor, or otherwise in a representative capacity) and any other insureds named on the Financed Policies, and (b) jointly and severally agree on behalf of all insureds named on the Financed Policies to all provisions set forth in this Agreement. **Insured acknowledges and understands that entry into this financing arrangement is not required as a condition for obtaining insurance coverage.**
- NOTICE TO INSURED: (1) Do not sign this Agreement before you read both pages of it, or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this Agreement. (3) You have the right prepay the loan in full and receive a refund of any unearned finance charge. (4) Keep a copy of this Agreement to protect your legal rights. (5) See last page of Agreement for your consent to electronic statement and notice delivery.**


Signature of Insured or Authorized Agent

7-19-23
Date


Signature of Agent

7/19/2023
Date

ADDITIONAL PROVISIONS OF PREMIUM FINANCE AGREEMENT

8. APPLICATION OF PAYMENTS. (a) Payments received by LENDER from Insured shall be applied first to installments, then to any unpaid fees. The payment of installments is prioritized over the payment of fees, which means when LENDER receives partial payments or overpayments of any installment(s), amounts previously applied to fees may be reallocated to enable a full installment(s) to be paid. This payment application method may cause fees to reappear as unpaid and owing after the payment period in which the fees were originally assessed and paid, but does not increase or otherwise change the amount of fees that Insured may be required to pay under this Agreement. (b) Any returned premium received by LENDER from the Financed Policies will be applied to reduce the total unpaid balance under this Agreement, which shall not relieve Insured of its obligation to pay any remaining installments due but may reduce the amount of such installments.

9. EFFECTIVE DATE. This Agreement will not become effective until it is accepted in writing by LENDER. LENDER will send a Notice of Acceptance to Insured to confirm this Agreement is effective.

10. DEFAULT/CANCELLATION. Insured is in default under this Agreement if (a) the Down Payment, if to be collected by LENDER, or any payment is not received by LENDER when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against Insured, or (c) Insured fails to comply with any of the terms of this Agreement. If Insured is in default, LENDER has no further obligation under this Agreement to pay premiums on Insured's behalf, and LENDER may pursue any of the remedies provided in this Agreement or by law. If a default by Insured results in a cancellation of the Financed Policies, Insured agrees to pay a cancellation charge for commercial loans, which will be the maximum permitted by law. No cancellation charge shall apply to personal loans. If cancellation or default occurs, Insured agrees to pay interest on the unpaid balance due at the contract rate until the balance is paid in full.

11. LIMITATION OF LIABILITY. Insured understands and agrees that LENDER or its assignee is not liable for any losses or damages to Insured or any person or entity upon the exercise of LENDER's right of cancellation, except in the event of willful or intentional misconduct by LENDER.

12. INSUFFICIENT FUNDS CHARGE. If Insured's payment is dishonored for any reason and if permitted by law, Insured will pay LENDER an insufficient funds charge equal to the maximum fee permitted by law for commercial loans and \$10 for personal loans.

13. LENDER'S RIGHTS AFTER THE POLICIES ARE CANCELLED. After any Financed Policy is cancelled by any party or if a credit is otherwise generated, LENDER has the right to receive all unearned premiums and other funds assigned to LENDER as security herein and to apply them to Insured's unpaid balance under this Agreement or any other agreement between Insured and LENDER. Receipt of unearned premiums does not constitute payment of installments to LENDER, in full or in part. Any amounts received by LENDER after cancellation of the Financed Policies will be credited to the balance due with any excess paid to the Insured; the minimum refund is \$1.00. Any deficiency shall be immediately paid by Insured to LENDER. Insured agrees that insurance companies may rely exclusively on LENDER's representations about the Financed Policies.

14. ASSIGNMENT. Insured may not assign any Financed Policy or this Agreement without LENDER's prior written consent. LENDER may transfer its rights under this Agreement without the consent of Insured.

15. AGENT OR BROKER. Insured agrees that the Agent or Broker issuing the Financed Policies or through whom the Financed Policies were issued is not the agent of LENDER, except for any action taken on behalf of LENDER with the express authority of LENDER, and LENDER is not bound by anything the Agent or Broker represents to Insured, orally or in writing, that is not contained in this Agreement. Where permissible by law, LENDER may pay some portion of the finance charge or other form of compensation to the Agent or Broker executing this Agreement for aiding in the administration of this Agreement. In NY, the Agent or Broker may assess a fee to Insured for obtaining and servicing the Financed Policies pursuant to NY CLS Ins § 2119. Any questions regarding this payment should be directed to the Agent or Broker.

16. COLLECTION COSTS. Insured agrees to pay reasonable attorney fees, court costs, and other collection costs to LENDER to the extent permitted by law if this Agreement is referred to an attorney or collection agent who is not a salaried employee of LENDER to collect money that Insured owes.

17. GOVERNING LAW. The loan terms subject to this Agreement are governed by applicable federal law and Illinois law (to the extent not preempted by federal law), without regard to principles of conflicts of law or choice of law. If any court finds any term herein to be invalid, such finding will not affect the remaining provisions.

18. WARRANTY OF ACCURACY. Insured represents and warrants that to the best of its knowledge: (a) the Financed Policies are in full force and effect and that the Insured has not and will not assign any interest in the Financed Policies except for the interest of mortgagees and loss payees, (b) the Down Payment and any past due payments have been paid in full to the Agent or Broker or Lender in cash or other immediately available funds, (c) all information provided herein or in connection with the Agreement is true, correct, and not misleading, (d) Insured is not insolvent nor presently involved in any insolvency proceeding, (e) Insured has no indebtedness to the insurance companies issuing the Financed Policies, (f) there is no provision in the Financed Policies that would require LENDER to notify or obtain consent from any other party to effect cancellation of the Financed Policies, and (g) Insured has disclosed if he or she is a covered member of the armed forces or a dependent of a covered member as defined in the Military Lending Act.

19. ADDITIONAL PREMIUMS. (a) Insured expressly agrees to (i) fully and timely comply with all audits by the insurance companies issuing the Financed Policies, (ii) timely provide complete and accurate payroll information, if applicable, and (iii) pay to the insurance companies any additional amount due in connection with the Financed Policies. The Amount Financed shall be applied to the Financed Policies' premium amounts and Insured shall be responsible for any additional premiums or other sums. (b) Insured, or Agent or Broker, may request that LENDER finance additional policies and/or additional premiums (the "Additional Premiums") for Insured during the term of this Agreement. If LENDER agrees, LENDER will send a Notice of Acceptance to Insured to confirm its approval to finance the Additional Premiums. For commercial loans, this Agreement shall be deemed amended on the date of the Notice of Acceptance to consolidate the Additional Premiums with Financed Policies into a single and indivisible loan transaction subject to this Agreement (with applicable changes to the payment schedule), and the Additional Premiums shall be "Financed Policies" on the date of the Notice of Acceptance. For personal loans, LENDER (or Agent or Broker on LENDER's behalf) will provide a separate Premium Finance Agreement to Insured for any Additional Premiums.

20. CORRECTIONS. LENDER may insert the names of insurance companies or policy numbers in the Schedule of Policies, if this information is not known at the time Insured signs this Agreement. LENDER is authorized to correct patent errors or omissions in this Agreement.

21. NON-WAIVER. Not Applicable.

22. ELECTRONIC STATEMENT AND NOTICE DELIVERY. By executing this Agreement, Insured agrees to receive all billing statements, notices, and other communications via electronic delivery in PDF format as permitted by applicable law. It is Insured's responsibility to provide LENDER with true, accurate, and complete e-mail and contact information related to this Agreement and to maintain and update promptly any changes to this information. If Insured wishes to (i) opt out of electronic statement and notice delivery, or (ii) update contact information, Insured can log into Insured's account on www.firstinsurancefunding.com or call (800) 837-3707.

AGENT OR BROKER REPRESENTATIONS AND WARRANTIES

Unless previously disclosed in writing to LENDER or specified in the Schedule of Policies, the Agent or Broker executing this Agreement expressly represents, warrants, and agrees as follows: (1) Insured has received a copy of this Agreement and has authorized this transaction, the signer of this Agreement (whether Insured or its agent) has valid authority to bind Insured and any other insureds named under the Financed Policies to the terms of this Agreement, including the Power of Attorney provision, Insured's signature is genuine, and the Down Payment has been received from Insured (unless the Down Payment was made to Lender), (2) the information contained in the Schedule of Policies including the premium amount is correct and accurately reflects the necessary coverage, (3) the Financed Policies (a) are in full force and effect, (b) are cancellable by Insured or LENDER (or its successors or assigns), (c) will generate unearned premiums which will be computed on the standard short rate or pro rata basis, and (d) do not contain any provisions which affect the standard short rate or pro rata premium computation, including but not limited to direct company bill, audit, reporting form, retrospective rating, or minimum or fully earned premium, (4) the Agent or Broker is either the insurer's authorized policy issuing agent or the broker placing the coverage directly with the insurer, except where the name of the Issuing Agent or General Agent is listed in the Schedule of Policies, (5) to the best of the Agent or Broker's knowledge, there are no bankruptcy, receivership, or insolvency proceedings affecting Insured, (6) Agent or Broker will hold harmless and indemnify LENDER and its successors and assigns against any loss or expense (including attorney's fees, court costs, and other costs) incurred by LENDER and resulting from Agent or Broker's violations of these Representations and Warranties or from Agent or Broker's errors, omissions, or inaccuracies in preparing this Agreement, and will promptly reimburse LENDER for any loss or expense incurred in connection with any incidence of fraud or lack of valid authority on behalf of Insured or any other named insureds with respect to the terms of this transaction, the Agreement, or the Financed Policies, (7) Agent or Broker will (a) hold in trust for LENDER any payments made or credited to Insured through or to Agent or Broker by the insurance companies or LENDER, and (b) pay these monies and the unearned commissions to LENDER upon demand to satisfy the outstanding indebtedness under this Agreement, and (8) to fully and timely assist with all payroll audits.

SCHEDULE OF POLICIES

Insured: SSE Acquisition Holdings, I

Quote #: 51935179

Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
PCX1000171- 0343122	C00103-ARCH INSURANCE COMPANY G00069-VANBRIDGE LLC [CX:0] [PR]	E&O	12	6/30/2023 ERN TXS/FEES FIN TXS/FEES	20,900.00 0.00 0.00
10 MM 0353431-23	C00292-TWIN CITY FIRE INSURANCE CO [CX:0] [PR]	EXLB	12	6/30/2023 ERN TXS/FEES FIN TXS/FEES	16,000.00 0.00 0.00
EXC30001818803	C00222-ENDURANCE AMERICAN SPEC INS CO G03537-CRC GROUP - CHICAGO [CX:0] [PR]	EXLB	12	6/30/2023 ERN TXS/FEES FIN TXS/FEES	59,740.00 350.00 0.00
EQP-002006-03	C01651-CERTAIN UNDERWRITERS AT LLOYDS, LONDON G00131-CRC INSURANCE SERVICES [ME:25.000 %, CX:0] [PR]	EQKE	12	6/30/2023 ERN TXS/FEES FIN TXS/FEES	11,750.00 631.80 363.30