

**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 (BLS)

(Jointly Administered)

Re: Docket Nos. 9 & 51

**CERTIFICATION OF COUNSEL REGARDING
DEBTORS' MOTION FOR ENTRY OF INTERIM AND
FINAL ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE
DEBTORS TO (A) PAY PREPETITION WAGES, COMPENSATION,
EMPLOYEE BENEFITS, AND OTHER EMPLOYEE OBLIGATIONS
AND (B) CONTINUE CERTAIN EMPLOYEE BENEFIT PROGRAMS
IN THE ORDINARY COURSE; (II) AUTHORIZING ALL BANKS TO
HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION
EMPLOYEE OBLIGATIONS; AND (III) GRANTING RELATED RELIEF**

The undersigned hereby certifies as follows:

1. On May 21, 2024, the debtors and debtors in possession in the above-captioned cases (the "Debtors") filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing, but not Directing, the Debtors to (A) Pay Prepetition Wages, Compensation, Employee Benefits, and Other Employee Obligations and (B) Continue Certain Employee Benefit Programs in the Ordinary Course; (II) Authorizing All Banks to Honor Prepetition Checks for Payment of Prepetition Employee Obligations; and (III) Granting Related Relief* [Docket No. 9] (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

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.



A proposed form of final order was attached to the Motion as Exhibit B (the “Proposed Final Order”).

2. Pursuant to the *Interim Order (I) Authorizing, but not Directing, the Debtors to (A) Pay Prepetition Wages, Compensation, Employee Benefits, and Other Employee Obligations and (B) Continue Certain Employee Benefit Programs in the Ordinary Course; (II) Authorizing All Banks to Honor Prepetition Checks for Payment of Prepetition Employee Obligations; and (III) Granting Related Relief* [Docket No. 51], entered on May 23, 2024, any objection or response to the final relief requested in the Motion was to be filed and served so as to be received by no later than June 11, 2024 at 4:00 p.m. (ET) (the “Objection Deadline”).

3. Prior to the Objection Deadline, the Debtors received informal comments from the Official Committee of Unsecured Creditors (the “Committee”). No other responses or objections were received or filed on the docket of these cases. A revised form of final order resolving the Committee’s comments is attached hereto as Exhibit A (the “Revised Final Order”). The Revised Final Order has been circulated to the Committee, which does not object to its entry. For the convenience of the Court and all parties in interest, a blackline of the Revised Final Order against the Proposed Final Order is attached hereto as Exhibit B.

WHEREFORE, the Debtors respectfully request that the Proposed Order be entered at the earliest convenience of the Court.

[Remainder of Page Intentionally Left Blank]

Dated: June 12, 2024
Wilmington, Delaware

Respectfully submitted,

/s/ Katelin A. Morales

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*Proposed Counsel to the Debtors and
Debtors in Possession*

Exhibit A

Revised 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 (BLS)

(Jointly Administered)

Re: Docket Nos. 9 & 51

**FINAL ORDER (I) AUTHORIZING, BUT
NOT DIRECTING, THE DEBTORS TO (A) PAY
PREPETITION WAGES, COMPENSATION, EMPLOYEE
BENEFITS, AND OTHER EMPLOYEE OBLIGATIONS AND
(B) CONTINUE CERTAIN EMPLOYEE BENEFIT PROGRAMS
IN THE ORDINARY COURSE; (II) AUTHORIZING ALL BANKS TO
HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION
EMPLOYEE OBLIGATIONS; 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 (a) pay prepetition wages, compensation, employee benefits, and other employee obligations, and (b) continue certain employee benefit programs in the ordinary course; (ii) authorizing all banks to honor prepetition checks for payment of prepetition employee obligations; and (iii) granting other 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

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

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 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 and honor in their discretion all prepetition Employee Obligations, including processing and administrative fees, in an aggregate amount not to exceed \$1,492,500.
3. Notwithstanding the foregoing, the Debtors shall not make (a) any payments on account of the prepetition Employee Obligations in excess of the limits provided for under 11 U.S.C. §§ 507(a)(4) or 507(a)(5), unless applicable state law requires payments upon termination of an Employee that, in combination with the other payments authorized by this Final Order, would exceed the limits of §§ 507(a)(4) and 507(a)(5).
4. The Debtors are authorized, but not directed, in their discretion to honor and continue, amend, renew, replace, modify, revise, supplement, or terminate the Employee Programs that were in effect as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee Programs under section 365(a) of the Bankruptcy Code; *provided, further*, that, as soon as reasonably practicable,

the Debtors will provide notice of any material modifications to the Employee Programs or any new Employee Programs to the Notice Parties.

5. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified solely to the extent necessary to allow Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees are authorized to so proceed. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business. The modification of the automatic stay set forth in this paragraph pertains solely to claims under the Workers' Compensation Program, if any.

6. Nothing herein shall be deemed to authorize the payment of any amounts that would violate or implicate section 503(c) of the Bankruptcy Code, including, for the avoidance of doubt, payment of any obligations related to the Severance Program to or on behalf of any "insider" (as defined by section 101(31) of the Bankruptcy Code). For the avoidance of doubt, the Debtors shall not make any non-ordinary course bonus, incentive, or severance payments to their Employees or any insider without further order of this Court.

7. The Debtors' banks and other financial institutions shall be and hereby are authorized to receive, process, honor, and pay all prepetition and postpetition checks and funds transfers on account of the Employee Obligations that had not been honored and paid as of the Petition Date, up to the amounts authorized to be paid pursuant to this Final Order, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors shall be and hereby are authorized to issue new postpetition checks or effect new postpetition funds transfers on account of the Employee Obligations to replace any prepetition checks or funds transfer requests that may be dishonored or rejected.

8. The Debtors may pay any and all Withholdings, including social security, FICA, federal and state income taxes, garnishments, health care payments, retirement fund withholding, and other types of withholdings, whether these relate to the period prior to Petition Date or subsequent thereto.

9. The Debtors are authorized, but not directed, to pay all processing fees associated with, and all costs incident to, the foregoing, including but not limited to, the Payroll Processor Fees.

10. Nothing contained herein is or should be construed as: (i) an implication or admission by the Debtors, the Committee, or any other party in interest as to the validity of any claim against the Debtors or the existence of any lien against the Debtors' assets, (ii) a waiver of the Debtors', the Committee's, or any other party-in-interest's rights to dispute the amount of, basis for, or validity of any claim or lien 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 this Final Order 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' or the Committee's rights to subsequently dispute such claim.

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

12. 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.

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

14. 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.

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

Exhibit B

Blackline

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 (~~—~~BLS)

(~~Joint Administration Requested~~Jointly Administered)

Re: Docket Nos. ~~—~~9 & 51

FINAL ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY PREPETITION WAGES, COMPENSATION, EMPLOYEE BENEFITS, AND OTHER EMPLOYEE OBLIGATIONS AND (B) CONTINUE CERTAIN EMPLOYEE BENEFIT PROGRAMS IN THE ORDINARY COURSE; (II) AUTHORIZING ALL BANKS TO HONOR PREPETITION CHECKS FOR PAYMENT OF PREPETITION EMPLOYEE OBLIGATIONS; 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 (a) pay prepetition wages, compensation, employee benefits, and other employee obligations, and (b) continue certain employee benefit programs in the ordinary course; (ii) authorizing all banks to honor prepetition checks for payment of prepetition employee obligations; and (iii) granting other 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

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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 a hearing on the Motion were appropriate 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,

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4. The Debtors are authorized, but not directed, in their discretion to honor and continue, amend, renew, replace, modify, revise, supplement, or terminate the Employee Programs that were in effect as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee

Programs under section 365(a) of the Bankruptcy Code; provided, further, that, as soon as reasonably practicable, the Debtors will provide notice of any material modifications to the Employee Programs or any new Employee Programs to the Notice Parties.

5. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified solely to the extent necessary to allow Employees to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees are authorized to so proceed. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business. The modification of the automatic stay set forth in this paragraph pertains solely to claims under the Workers' Compensation Program, if any.

6. Nothing herein shall be deemed to authorize the payment of any amounts that would violate or implicate section 503(c) of the Bankruptcy Code, including, for the avoidance of doubt, payment of any obligations related to the Severance Program to or on behalf of any "insider" (as defined by section 101(31) of the Bankruptcy Code). For the avoidance of doubt, the Debtors shall not make any non-ordinary course bonus, incentive, or severance payments to their Employees or any insider without further order of this Court.

7. The Debtors' banks and other financial institutions shall be and hereby are authorized to receive, process, honor, and pay all prepetition and postpetition checks and funds transfers on account of the Employee Obligations that had not been honored and paid as of the Petition Date, up to the amounts authorized to be paid pursuant to this Final Order, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors shall be and hereby are authorized to issue new postpetition checks or effect new postpetition

funds transfers on account of the Employee Obligations to replace any prepetition checks or funds transfer requests that may be dishonored or rejected.

8. The Debtors may pay any and all Withholdings, including social security, FICA, federal and state income taxes, garnishments, health care payments, retirement fund withholding, and other types of withholdings, whether these relate to the period prior to Petition Date or subsequent thereto.

9. The Debtors are authorized, but not directed, to pay all processing fees associated with, and all costs incident to, the foregoing, including but not limited to, the Payroll Processor Fees.

10. Nothing contained herein is or should be construed as: (i) an implication or admission by the Debtors, the Committee, or any other party in interest as to the validity of any claim against the Debtors or the existence of any lien against the Debtors' assets, (ii) a waiver of the Debtors', the Committee's, or any other party-in-interest's rights to dispute the amount of, basis for, or validity of any claim or lien 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 this Final Order 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' [or the Committee's](#) rights to subsequently dispute such claim.

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

12. 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.

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