

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re:)				Chapter 11
)				
Supply Source Enterprises, Inc., <i>et al.</i> , ¹)				Case No. 24-11054 (BLS)
)				
Debtors.)				(Jointly Administered)
)				
)				Re: Docket Nos. 14, 16, 74, 76

RESERVATION OF RIGHTS OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO THE DEBTORS’ (1) DIP MOTION, (2) BID PROCEDURES MOTION, (3) KEIP MOTION, AND (4) KERP MOTION

The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors-in-possession (the “Debtors”), by and through its undersigned proposed counsel, files this reservation of rights (this “Reservation of Rights”) to: (1) the *Debtors’ Motion for Entry of Interim and Final Orders (i) Authorizing Debtors to (a) Obtain Postpetition Senior Secured Financing and (b) Use Cash Collateral, (ii) Granting Adequate protection to Prepetition Secured Parties, (iii) Granting Liens and Superpriority Claims, (iv) Modifying the Automatic Stay, (v) Schedule a Final Hearing, and (vi) Granting Related Relief* [Dkt. No. 14] (the “DIP Motion”); (2) the *Debtors’ Motion for Entry of Orders (i)(a) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (b) Designating the Stalking Horse Bidder, (c) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (d) Approving Assumption and Assignment Procedures, (e) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (f) Granting Related Relief; and (ii)(a) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (b) Approving 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.



Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (c) Granting Related Relief [Dkt. No. 16] (the “Bid Procedures Motion”); (3) the Debtors’ Motion for Entry of an Order Authorizing Assumption of Certain Employee Incentive Agreements and Granting Related Relief [Dkt. No. 74] (the “KEIP Motion”); and (4) the Debtors’ Motion for Entry of an Order (i) Authorizing Assumption of Certain Employee Retention Agreements and (ii) Approving Key Employee Retention Plan for Non-Insider Employees [Dkt. No. 76] (the “KERP Motion”).

RESERVATION OF RIGHTS

The Committee has serious concerns regarding the economic and process-related issues raised by the Debtors’ DIP Motion, Bid Procedures Motion, KEIP Motion, and KERP Motion (collectively, the “Motions”). The Committee is engaged in good faith negotiations with the Debtors and their DIP lender with a goal of achieving a settlement addressing those concerns. Unfortunately, those negotiations have not yet produced an agreement. Accordingly, the Committee reserves its right to make objections and request adjustments to the proposed orders related to the Motions at the June 18 hearing on the Motions.

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Dated: June 14, 2024
Wilmington, Delaware

/s/ Domenic E. Pacitti

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IN THE UNITED STATES BANKRUPTCY COURT
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CERTIFICATE OF SERVICE

I, Domenic E. Pacitti, of Klehr Harrison Harvey Branzburg LLP, hereby certify that on the 14th day of June 2024, I served a copy of the *Reservation of Rights of the Official Committee of Unsecured Creditors to the Debtors' (1) DIP Motion, (2) Bid Procedures Motion, (3) KEIP Motion, and (4) KERP Motion* on the attached service list via electronic mail and via ECF on registered parties.

/s/ Domenic E. Pacitti
Domenic E. Pacitti (DE Bar No. 3989)

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