

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH
CAROLINA CHARLOTTE DIVISION

In re

DBMP LLC,¹

Debtor.

Chapter 11

Case No. 20-30080 (JCW)

**PERIODIC REPORT REGARDING VALUE, OPERATIONS
AND PROFITABILITY OF ENTITIES IN WHICH THE ESTATE OF
DBMP LLC HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the *Periodic Report* as of June 30, 2021 on the value, operations and profitability of the entities in which the estate of DBMP LLC, as debtor and debtor in possession (the “Debtor”), holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. For purposes of this *Periodic Report*, the term “Debtor” shall include the Debtor’s estate.

The Debtor holds a substantial or controlling interest, either directly or indirectly, in the following non-Debtor entity:

| NAME OF ENTITY | INTEREST OF THE ESTATE | NATURE OF OWNERSHIP |
|---|------------------------|------------------------------|
| Millwork & Panel LLC (“Millwork & Panel”) | 100% | Directly owned by the Debtor |

¹ The last four digits of the Debtor’s taxpayer identification number are 8817. The Debtor’s address is 20 Moores Road, Malvern, Pennsylvania 19355.

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This periodic report (the "Periodic Report") describes the value and operations of Millwork & Panel, the Debtor's wholly owned subsidiary listed above.

The Periodic Report consists of five exhibits, as follows:

Exhibit A contains: (i) an unaudited consolidated balance sheet of Millwork & Panel as of June 30, 2021; (ii) an unaudited consolidated statement of income (*loss*) for Millwork & Panel for the period January 1, 2021 through June 30, 2021 (the "Reporting Period"); (iii) an unaudited consolidated statement of cash flows of Millwork & Panel for the Reporting Period; and (iv) an unaudited consolidated statement of changes in shareholders' or partners' equity (*deficit*) for Millwork & Panel for the Reporting Period, along with summarized footnotes.

Exhibit B describes Millwork & Panel's business operations.

Exhibit C describes claims between Millwork & Panel and any other controlled non-debtor entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds or other benefits, have been allocated between Millwork & Panel and the Debtor.

Exhibit E describes any payment by Millwork & Panel of any claims, administrative expenses or professional fees that have been or could be asserted against the Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This Periodic Report is signed by a representative of the Debtor.

Nothing contained in this Periodic Report shall constitute a waiver or limitation of any rights of the Debtor, including, but not limited to, the Debtor's right to amend, modify or supplement the information contained herein.

The undersigned, having reviewed the Periodic Report, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge: (a) this Periodic Report and the attached exhibits are complete, accurate and truthful to the best of his or her knowledge; and (b) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3.

s/ Robert J. Panaro
Signature of Authorized Individual

Robert J. Panaro
Printed Name of Authorized Individual

Date: 09/15/2021

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Exhibit A

Financial Statements for Millwork & Panel LLC

The financial statements for Millwork & Panel in this Exhibit A are unaudited. The financial statements do not conform to the requirements for the presentation of financial statements of the United States' generally accepted accounting principles ("GAAP") and do not include all of the information and disclosures required by GAAP.

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Exhibit A-1

Balance Sheet for Millwork & Panel LLC as of June 30, 2021

| Millwork & Panel LLC Balance Sheet as of June 30, 2021 | |
|--|----------------|
| <u>Amounts in USD ('000)</u> | |
| <u>ASSETS</u> | |
| Current Assets | |
| Cash | 54,572 |
| Cash Pooling Receivable | 6,771 |
| Accounts Receivable | 13,741 |
| Inventories | 9,271 |
| Total Current Assets | 84,354 |
| | |
| Property, plant and equipment, net | 18,195 |
| Intangible Assets | 37 |
| | |
| Total Assets | 102,586 |
| | |
| <u>LIABILITIES AND EQUITY</u> | |
| Current liabilities | |
| Accounts payable | 29,857 |
| Total Current Liabilities | 29,857 |
| | |
| Member's Equity | |
| Additional paid in capital | 62,462 |
| Distributions | (20,000) |
| Retained Earnings | 30,267 |
| Total Equity | 72,728 |
| | |
| Total liabilities and equity | 102,586 |

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Exhibit A-2

**Statement of Income (Loss) for
Millwork & Panel LLC for Period January 1, 2021 Through June 30, 2021**

| Millwork & Panel LLC Profit & Loss for period 1/1/2021 to 6/30/2021 Amounts in USD ('000) | |
|--|------------------------------|
| Net Sales | \$66,242 |
| Standard Cost of Goods Sold | <u>(46,400)</u> |
| Standard Gross Margin | 19,842 |
| Manufacturing Variances | <u>(9,134)</u> |
| Adjusted Gross Margin | 10,708 |
| SG&A fees | <u>(1,942)</u> |
| Operating Profit | 8,766 |
| Fixed asset disposals | - |
| LIFO Tax sharing | - |
| Interest Income\Expense | 4 |
| Net Income | <u><u>\$8,770</u></u> |
| Depreciation | 952 |
| Interest Income\Expense | (4) |
| EBITDA | <u><u>\$9,718</u></u> |

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Exhibit A-3

**Statement of Cash Flows for
Millwork & Panel LLC for Period January 1, 2021 Through June 30, 2021**

| <u>Millwork & Panel LLC Cash Flow for period 1/1/2021 to 6/30/2021</u> | |
|--|----------------------------|
| <u>Amounts in USD ('000)</u> | |
| <u>Cash flow</u> | |
| Net Income | \$8,770 |
| Depreciation | 952 |
| Change in Working Capital (increase) | 1,567 |
| Distributions | (10,000) |
| Capex | (1,120) |
| Operating Cash Flow | <u><u>\$170</u></u> |

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Exhibit A-4

**Statement of Changes in Shareholders'/Partners' Equity (Deficit) for
Millwork & Panel LLC for Period January 1, 2021 Through June 30, 2021**

| Millwork & Panel LLC Member's Equity for period 1/01/2021 to 6/30/2021 | |
|---|-------------------------------|
| <u>Amounts in USD ('000)</u> | |
| Balance at 1/01/2021 | \$73,958 |
| Net income (1-1 thru 6-30) | 8,770 |
| Distributions | (10,000) |
| Balance at 6/30/2021 | <u><u>\$72,728</u></u> |

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Exhibit B

Description of Operations for Millwork & Panel LLC

Millwork & Panel is a wholly owned subsidiary of the Debtor. As further described in the *Declaration of Robert J. Panaro in Support of First Day Pleadings* (Dkt. 24), Millwork & Panel manufactures and sells vinyl siding and polyvinyl chloride (PVC) trim products for the construction market. These products are manufactured at two facilities Millwork & Panel owns: one located in Claremont, North Carolina; and the other in Social Circle, Georgia. Pursuant to a Sales and Marketing Agreement entered into as of October 22, 2019, Millwork & Panel sells its products to an affiliate, CertainTeed LLC, for resale to customers.

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Exhibit C

Description of Intercompany Claims

As described above, Millwork & Panel is the only non-debtor entity owned or controlled by the Debtor. As such, there are no claims between Millwork & Panel and any other controlled non-debtor entity.

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Exhibit D

Allocation of Tax Liabilities and Assets

Saint-Gobain Corporation (“SGC”) is the ultimate U.S. parent of both the Debtor and CertainTeed LLC (“New CT”). SGC has entered into a tax sharing agreement with its direct and indirect subsidiaries that constitute a tax group (the “Tax Sharing Agreement”). In addition, the Debtor, New CT and SGC are parties to the Amended and Restated Tax Item Allocation Agreement dated as of October 23, 2019 (the “Tax Item Allocation Agreement”). If implemented, under the Tax Item Allocation Agreement, (a) the Debtor and Millwork & Panel would be treated as if they constitute a division of New CT; (b) accordingly, all tax items of the Debtor and Millwork & Panel would be included in calculating the separate return liability and allocations of all other tax items of New CT under the Tax Sharing Agreement; and (c) the Debtor and Millwork & Panel would not separately calculate separate return liability or obtain an allocation of any tax items. The Debtor and New CT are disregarded entities for tax purposes, and under the current circumstances, there is no intention to implement the Tax Item Allocation Agreement.

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Exhibit E

**Description of Payments by the Controlled Non-Debtor Entity of Claims,
Administrative Expenses or Professional Fees Otherwise Payable by the Debtor**

No payments otherwise payable by the Debtor have been paid by Millwork & Panel.