

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
INSTANT BRANDS ACQUISITION	§	Case No. 23-90716 (DRJ)
HOLDINGS INC., et al.,	§	
	§	
Debtors.¹	§	(Joint Administration Requested)
	§	

**DECLARATION OF RONEN BOJMEL IN SUPPORT OF THE DEBTORS’
EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS,
PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, 507, AND 552,
(I) AUTHORIZING THE DEBTORS TO (A) OBTAIN SENIOR SECURED
SUPERPRIORITY POST-PETITION FINANCING AND (B) USE CASH
COLLATERAL, (II) GRANTING LIENS AND SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (III) PROVIDING ADEQUATE
PROTECTION TO PREPETITION SECURED PARTIES, (IV) SCHEDULING A
FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

I, Ronen Bojmel, make this declaration pursuant to 28 U.S.C. § 1746:

1. I am a Senior Managing Director of Guggenheim Securities, LLC (“Guggenheim Securities”), an investment banking firm with principal offices located at 330 Madison Avenue, New York, New York, 10017. Guggenheim Securities is the proposed investment banker for the debtors and debtors-in-possession (collectively, the “Debtors”)² in the above-captioned chapter 11 cases (the “Chapter 11 Cases”).³

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers or registration numbers in the applicable jurisdictions, are as follows: Instant Brands (Texas) Inc. (2526); Instant Brands Acquisition Holdings Inc. (9089); Instant Brands Acquisition Intermediate Holdings Inc. (3303); Instant Brands Holdings Inc. (3318); URS-1 (Charleroi) LLC (7347); Instant Brands LLC (0566); URS-2 (Corning) LLC (8085); Corelle Brands (Latin America) LLC (8862); EKCO Group, LLC (7167); EKCO Housewares, Inc. (0216); EKCO Manufacturing of Ohio, Inc. (7300); Corelle Brands (Canada) Inc. (5817); Instant Brands (Canada) Holding Inc. (4481); Instant Brands Inc. (8272); and Corelle Brands (GHC) LLC (9722). The address of the debtors’ corporate headquarters is 3025 Highland Parkway, Suite 700, Downers Grove, IL 60515.

² The Debtors and their direct and indirect non-Debtor subsidiaries are collectively referred to herein as “Instant Brands” or the “Company.”

2. I submit this declaration (the “**Declaration**”) in support of the Debtors’ *Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, 507, And 552, (I) Authorizing the Debtors to (A) Obtain Senior Secured Superpriority Post-Petition Financing and (B) Use Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Providing Adequate Protection to Prepetition Secured Parties, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the “**DIP Motion**”),⁴ which, as noted in the DIP Motion, seeks approval to obtain (i) a senior secured superpriority priming debtor-in-possession credit facility in the aggregate principal amount of \$132,500,000, to be funded by certain of the Debtors’ Prepetition Term Loan Lenders (the “**Term Loan DIP Facility**”) and (ii) a senior secured superpriority priming debtor-in-possession asset based lending facility in the aggregate principal amount \$125,000,000, which shall consist of a roll up of the remaining outstanding loans under the Prepetition ABL Credit Facility (the “**ABL DIP Facility**”) and, together with the Term Loan DIP Facility, the “**DIP Facilities**”).

3. Although Guggenheim Securities is expected to be compensated for its work as the Debtors’ proposed investment banker in the Chapter 11 Cases, I am not compensated separately for this Declaration or testimony. Except as otherwise indicated herein, all of the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, the information provided to me by Guggenheim Securities professionals involved in advising the Debtors in the Chapter 11 Cases, or

³ The Debtors anticipate filing an application to retain Guggenheim Securities as their investment banker, effective as of the commencement of their Chapter 11 Cases, shortly hereafter.

⁴ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the DIP Documents (as defined herein), or the *Declaration of Adam Hollerbach as Chief Restructuring Officer of the Debtors in Support of Debtors’ Chapter 11 Proceedings and First Day Pleadings* (the “**First Day Declaration**”) or the DIP Motion filed contemporaneously herewith, as applicable.

information provided to me by the Debtors. If called upon to testify, I could and would testify to the facts set forth herein on that basis. I am over the age of 18 years and am authorized to submit this Declaration.

Qualifications

4. I have more than 25 years of experience, including restructuring-related investment banking experience, handling complex financial and other restructuring matters for a variety of companies (distressed or otherwise, both in and out of court), in a wide spectrum of industries. My areas of expertise include, among other things, (a) advising on financial restructuring execution and strategies, (b) analyzing business plans and related financial projections, (c) developing views on valuations based on practices widely used in the investment banking industry, (d) sizing, structuring, raising, and executing all aspects of financing transactions, including debtor-in-possession and exit financings, and (e) M&A and sale marketing processes.

5. I co-head Guggenheim Securities' investment banking restructuring practice and have been employed at Guggenheim Securities since October 2012. Before joining Guggenheim Securities, I was a Managing Director at Miller Buckfire & Co. for six years, and prior to joining Miller Buckfire & Co., I was a Vice President in the financial restructuring group at Dresdner Kleinwort Wasserstein and its predecessor, Wasserstein Perella.

The Retention of Guggenheim Securities

6. Guggenheim Securities has been engaged as investment banker to the Debtors, and members of my team and I have been working closely with the Debtors, since January 2023. Since being engaged by the Debtors, Guggenheim Securities has rendered investment banking advisory services to the Debtors in connection with the

Debtors' evaluation of financing and strategic alternatives in light of their financial position. Additionally, Guggenheim Securities has worked with the Debtors' management and other professionals retained by the Debtors, and has become familiar with the Debtors' capital structure, financial condition, liquidity needs, and business operations.

The Debtors' Need for Post-Petition Financing

7. As noted in the First Day Declaration and the DIP Motion, the Debtors require uninterrupted and unlimited access to their cash and an immediate capital infusion to operate their business post-petition, to fund the Chapter 11 Cases, and to preserve the value of the estates as a going concern. As noted in the DIP Motion, without the DIP Facilities, the Debtors forecast that they will be unable to generate sufficient levels of operating cash flows in the ordinary course of business to cover either their operating costs going forward or the projected restructuring costs of the Chapter 11 Cases.

The Debtors' Efforts to Obtain Post-Petition Financing

8. As noted in the First Day Declaration, in the second quarter of 2023, in the face of (a) upcoming debt service payments in June 2023, (b) maturities under the Tranche B-1 Revolving Loans and the Tranche B-2 Revolving Loans in the second half of 2023, and (c) significant liquidity pressures arising from shortened payment terms from vendors and suppliers, Instant Brands, with the assistance of its advisors, began to explore a potential comprehensive restructuring to address Instant Brands' liquidity needs and to right-size its balance sheet. In connection therewith, the Debtors engaged with the Ad Hoc Group of Term Loan Lenders and Cornell in negotiations to ensure that Instant Brands had sufficient liquidity to maintain its operations. As noted in the First Day

Declaration, however, before the restructuring negotiations progressed substantially, the Debtors' acute liquidity challenges became unsurmountable.

9. To address these liquidity problems, in May 2023, the Debtors, with the assistance of their advisors, engaged in discussions with their existing lenders for a potential bridge financing, which pivoted in June 2023 to a marketing process for a debtor-in-possession financing. The proposed DIP Facilities were obtained following a marketing process wherein the Debtors solicited proposals from the existing lenders as well as nine third-party financing sources. Of those nine external parties, seven signed non-disclosure agreements, which led to two proposals for debtor-in-possession financing, but which the Debtors determined did not meet their requirements to fund the Chapter 11 Cases. The existing lenders provided the Debtors with four DIP proposals, two of which the Debtors determined were unactionable, and two of which provided the basis for the current Term Loan DIP Facility and ABL DIP Facility.

10. Accordingly, the Debtors, with the assistance of their advisors, focused their efforts on negotiating the proposed DIP Facilities with the Ad Hoc Group of Term Loan Lenders and Prepetition ABL Lenders. As noted in the DIP Motion, the Debtors and the Ad Hoc Group of Term Loan Lenders and the Prepetition ABL Lenders, respectively, subsequently came to a mutual agreement on terms and conditions of the DIP Facilities, including on the use of Cash Collateral.

The Proposed DIP Facilities

11. As noted in the DIP Motion, the proposed DIP Facilities consist of (i) a senior secured superpriority priming debtor-in-possession credit facility in the aggregate principal amount of \$132,000,000, to be funded by certain of the Debtors' Prepetition

Term Loan Lenders, and (ii) a senior secured superpriority priming debtor-in-possession asset based lending facility in the aggregate principal amount \$125,000,000, which shall consist of a roll up of the remaining outstanding loans under the Prepetition ABL Credit Facility.

12. As further provided in the DIP Motion, the proposed Term Loan DIP Facility, if approved, will be provided in the aggregate amount of \$132,000,000, of which (x) up to \$100,000,000 will be made available upon entry of the Interim Order and the substantially concurrent occurrence of the UnSub Payoff Event; and (y) up to \$32,500,000 will be made available upon entry of the Final Order, and the ABL DIP Facility, if approved, will consist of \$125,000,000, with \$105,000,000 in Tranche A DIP Revolving Commitments, \$12,000,000 Tranche B-1 DIP Revolving Commitments, and \$8,000,000 in Tranche B-2 DIP Revolving Commitments.

13. As noted in the DIP Motion, the DIP Facilities will also effect an unwinding of the UnSub Financing Transaction described in the First Day Declaration, and a roll-up of the Prepetition ABL Credit Facility. As explained in the DIP Motion, with respect to the unwinding of the UnSub Financing Transaction, the Debtors are seeking to unencumber the Contributed Assets that reside at the Unsubs to provide collateral support for the DIP Facilities and eventually support repayment of the DIP Facilities themselves by allowing the Contributed Assets to be packaged or sold along with the associated intellectual property or serve as collateral for any exit financing.

14. Additionally, as noted in the DIP Motion, the draw of the ABL Backstop LC has the effect of creating a \$55,000,000 (plus certain additional amounts in respect of interest, fees and/or expenses in respect thereof) reimbursement obligation for Cornell,

and in return, a \$55,000,000 (plus certain additional amounts in respect of interest, fees and/or expenses in respect thereof) claim of Cornell against certain of the Debtors, secured by the Contributed Assets. As explained in the DIP Motion, in order to implement the DIP Facilities, the Prepetition Term Lenders require that the Debtors obtain a release of the liens and guarantees granted as part of the UnSub Financing Transaction by satisfying the reimbursement obligations to Cornell and terminating the liens that are currently in place over the Contributed Assets through the UnSub Financing Transaction.

**The Proposed DIP Facilities are the Best Postpetition Financing Arrangement
Presently Available to the Debtors**

15. Based on my experience with debtor-in-possession financing transactions as well as my involvement in the efforts to secure post-petition financing for the Debtors, I believe the DIP Facilities, taken as a whole, are the best presently available financing option under the facts and circumstances of the Chapter 11 Cases.

16. *First*, the proposed DIP Facilities are expected to provide the Debtors with access to the amount of capital that the Debtors, in consultation with their advisors, believe is necessary to effectively and efficiently administer these Chapter 11 Cases.

17. *Second*, the terms of the proposed DIP Facilities are the result of the negotiations and the DIP marketing process described above. As previously noted, the Debtors, with the assistance of their advisors, solicited and considered other sources of postpetition financing to determine whether the Debtors could obtain such postpetition financing on better terms, seeking financing from multiple market sources to try and obtain a financing on terms more favorable than the DIP Facilities. However, none of the

other financing proposals received by the Debtors offered to make available financing facilities that Debtors deemed to be more viable than the DIP Facilities.

18. *Third*, I believe that the principal economic terms proposed under the DIP Facilities, such as the contemplated pricing, fees, interest rate, and default rate, are customary and usual for debtor-in-possession financings of this type. In my view, based on the discussions I participated in, such economic terms were negotiated at arm's length and are, in the aggregate, generally consistent with the overall cost of debtor-in-possession financings in comparable circumstances.

19. *Fourth*, as noted in the DIP Motion, the Debtors seek to effectuate an unwinding of the UnSub Financing Transaction and a roll-up of the Prepetition ABL Credit Facility. Based on discussions I participated in, the unwinding of the UnSub Financing Transaction and the roll-up of the Prepetition ABL Credit Facility were required by the Term DIP Lenders and the ABL DIP Lenders, respectively, who deemed these transactions integral components of the DIP Facilities. Specifically, the DIP Lenders were only willing to provide the financing if (i) for the Term DIP Lenders, their facility was secured by the Contributed Assets, and (ii) for the ABL DIP Lenders, their prepetition exposure was reduced and given post-petition priority.

The Proposed DIP Facilities were Negotiated at Arm's Length

20. Negotiations around the proposed DIP Facilities and their terms, including the interest rates and fees, extended for a couple weeks. In my view, based on the discussions I participated in during the course of these negotiations, and my experience negotiating other debtor-in-possession financings, these negotiations were conducted at arm's length.

Conclusion

21. In sum, for the reasons stated above, and based on my experience with debtor-in-possession financing transactions as well as my participation and involvement in the marketing and negotiation of the post-petition financing alternatives for the Debtors, I believe that the proposed DIP Facilities, taken as a whole, offer the best presently available financing option for the Debtors under the facts and circumstances of the Chapter 11 Cases. Additionally, I believe that the principal economic terms proposed under the DIP Facilities (such as the pricing, fees, interest rate, and default rate), are customary and usual for DIP financings of this type, were negotiated at arm's length, and are, in the aggregate, generally consistent with terms of DIP financings in comparable circumstances.

[Signature Page Follows]

I, the undersigned, declare under penalty of perjury that the foregoing statements are true and correct.

Dated: June 13, 2023

/s/ Ronen Bojmel

Ronen Bojmel
Senior Managing Director
Guggenheim Securities, LLC