

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

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

**DECLARATION OF ADAM HOLLERBACH
AS CHIEF RESTRUCTURING OFFICER OF THE DEBTORS IN SUPPORT
OF DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I)
APPROVING THE THIRD AMENDMENT TO THE TERM DIP CREDIT
AGREEMENT AND (II) GRANTING RELATED RELIEF**

ADAM HOLLERBACH declares and says:

1. I am the Chief Restructuring Officer (“CRO”) of each of the above-captioned debtors (collectively, the “**Debtors**” and, together with their non-Debtor affiliates, “**Instant Brands**” or the “**Company**”). I have served as the Debtors’ CRO since June 11, 2023.

2. I am Partner and Managing Director of AlixPartners, LLP (“**Alix**”) and have more than 20 years of experience working on many large restructurings and bankruptcies. I have served in interim management roles (out-of-court) and as a financial and restructuring advisor to clients in a variety of industries, such as automotive, industrial, retail, business services, and consumer products. I also have extensive experience in treasury operations, liquidity management, financial

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. (2625); 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. (2872); and Corelle Brands (GHC) LLC (9722). The address of the debtors’ corporate headquarters is 3025 Highland Parkway, Suite 700, Downers Grove, IL 60515.

accounting and reporting, operational and debt reorganization, key stakeholder management, and business plan development, as well as cost-reduction initiatives. I have worked on numerous chapter 11 restructurings, including *In re LSC Commc'ns, Inc.*, No. 20-10950 (SHL) (Bankr. S.D.N.Y. May 12, 2020); *In re Mattress Firm, Inc.*, No. 18-12241 (CSS) (Bankr. D. Del. Nov. 7, 2018); *In re Aspect Software Parent, Inc.*, No. 16-10597 (MFW) (Bankr. D. Del. Apr. 22, 2016); *In re Eastman Kodak Co.*, No. 12-10202 (MEW) (Bankr. S.D.N.Y. Feb. 28, 2012); *In re Borders Group, Inc.*, No. 11-10614 (MG) (Bankr. S.D.N.Y. Feb. 16, 2011); *In re Dura Automotive Systems, Inc.*, No. 06-11202 (KJC) (Bankr. D. Del. Oct. 30, 2006); *In re Calpine Corp.*, No. 05-60200 (BRL) (Bankr. S.D.N.Y. Dec. 20, 2005); *In re Intermet Corp.*, 04-67597 (MBM) (Bankr. E.D. Mich. Sep. 29, 2004). I am familiar with Instant Brands' day-to-day operations, businesses, and financial affairs.

3. In these chapter 11 cases, I have worked closely with and on behalf of the Debtors to, among other things, prepare a weekly DIP budget, monitor weekly receipts and disbursements, approve payments on a weekly basis, ensure that weekly payments are aligned to the Debtors' forecasts, and meet the reporting requirements of the DIP Credit Agreements. Further, the Alix team and I have, among other advisory services, assisted the Debtors with: (a) coordinating on resources related to the reorganization effort; (b) evaluating the Debtors' current and projected liquidity position, (c) assisting in developing proposed terms to the Debtors' key vendors and other action items to help maximize liquidity; (d) analyzing purchasing requirements and managing target inventory levels; (e) preparing cash flow forecasts reflecting potential action items to improve liquidity; and (f) developing a business plan.

4. I am over the age of 18 and authorized to submit this declaration (the "**Third Hollerbach Declaration**") on behalf of each of the Debtors in support of the relief requested in

the Debtors' *Emergency Motion for Entry of an Order (I) Approving the Third Amendment to the Term DIP Credit Agreement and (II) Granting Related Relief* (the "**DIP Amendment Motion**"), filed contemporaneously herewith.² Except as otherwise indicated, the facts set forth in this Third Hollerbach Declaration are based upon my personal knowledge, my review of the relevant documents, information prepared or provided to me by employees of and professional advisors to the Debtors, information prepared or provided to me by employees of Alix (the Debtors' financial advisor), or my opinion based upon experience, knowledge, and information concerning the operations of the Debtors. I have reviewed the DIP Amendment Motion or have otherwise had its contents explained to me, and it is my belief that the relief sought therein is essential to the uninterrupted operation of the Debtors' businesses and to the success of these Chapter 11 Cases. If called upon to testify, I would testify competently to the facts set forth in this Third Hollerbach Declaration. Unless otherwise indicated, the financial information contained herein is unaudited and provided on a consolidated basis.

Background

5. On June 13, 2023, the Debtors filed the Original DIP Motion [Docket No. 31], seeking approval of (i) a senior secured superpriority post-petition asset-based revolving credit facility in the initial aggregate principal amount of up to \$125,000,000 (the "**ABL DIP Facility**") and (ii) a senior secured superpriority post-petition multi-draw term loan facility in an aggregate original principal amount of \$132,500,000 (the "**Term Loan DIP Facility**", and together with the ABL DIP Facility, the "**DIP Facilities**"). The Term Loan DIP Facility consisted of:

- (a) \$100,000,000 to be made available to the Debtors on an interim basis following the entry of the Interim Order; and

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the DIP Amendment Motion.

- (b) \$32,500,000 to be made available to the Debtors on a final basis upon entry of the Final Order and satisfaction of the other applicable conditions.

6. On June 14, 2023, the Court granted all relief requested in the Original DIP Motion and entered the First Interim Order [Docket No. 96]. On June 15, 2023, the closing of the DIP Facilities occurred and the Debtors secured immediate access to \$100,000,000 under the Term Loan DIP Facility. The Unsub Payoff Event, the ABL Debt Roll-Up, and the partial repayment of the outstanding balance of the ABL DIP Facility were also consummated.

7. On June 30, 2023, the Debtors filed the Supplemental DIP Motion [Docket No. 200], seeking approval to enter into an amendment to the Term DIP Credit Agreement that permits the Debtors to make a supplemental interim borrowing of \$10,000,000 without increasing the total size of the DIP Facilities.

8. On July 6, 2023, the Court granted all relief required in the Supplemental DIP Motion and entered the Second Interim Order [Docket No. 218]. Upon the entry of the Second Interim Order, the Term DIP Commitment consisted of an Interim Draw Amount of \$110,000,000 and a Final Draw Amount of \$22,500,000. On July 6, 2023, the funding of the \$10,000,000 occurred.

9. On July 12, 2023, the Court held a final hearing on the DIP Motions and entered the Final Order [Docket No. 257], approving the remaining Final Draw Amount of \$22,500,000 and the DIP Facilities on a final basis. On July 13, 2023, the funding of the remaining Final Draw Amount of \$22,500,000 occurred.

The Debtors' Need for the Additional Financing

10. Since the entry of the Final Order, the Debtors have been continuously working with certain key vendors (the “**Key Vendors**”) (several of whom are non-U.S. parties) to negotiate ongoing favorable post-petition payment terms with them. These Key Vendors are important to

the production of the Debtors' key small kitchen electrical products, for which the Debtors are best known. The proposed payment terms are critical for the Debtors to maintain stable business operations and improve liquidity both post-petition and upon emergence from these Chapter 11 Cases. In order to obtain such payment terms and to fund the Debtors' continued operations, the Debtors will need to provide critical payment for prepetition account payable balances, which created additional financing need. The necessity and immediacy of additional financing has become clear as the Debtors have sought to operate their businesses and assure a smooth transition into the Chapter 11 process in the weeks following the Petition Date.

11. Since the entry of the Final Order, the Debtors have utilized the full \$22,500,000 of funding provided thereunder. Entry into the Term DIP Third Amendment, which permits the Debtors to obtain new money financing of \$30,000,000 by adding a new super senior, first-out tranche under the Term Loan DIP Facility, is critical to the Debtors' businesses. The additional financing will be used to fund the Debtors' continued operations, including, among other things, to honor the Debtors' agreement to pay certain Key Vendors' prepetition accounts payable balances, which in turn will enable the Debtors to obtain continued ready-to-ship goods from the Key Vendors for future production. Overall, the additional funding will improve the Debtors' liquidity outlook, strengthen the Debtors' relationships with their Key Vendors and provide stability for the Debtors' ongoing business operations.

12. Accordingly, the Debtors need access to additional liquidity as contemplated by the DIP Amendment Motion, and I believe that the intended use of such funds is appropriate and necessary under the circumstances. Failure to obtain additional financing would weaken the Debtors' liquidity and cause irreparable harm to the Debtors' estates.

13. The Debtors, through their advisors, approached the DIP Lenders and Prepetition Lenders to request that they upsize the new-money component of the Term Loan DIP Facility by \$30,000,000 on a final basis. The Term DIP Lenders, the ABL DIP Lenders, the Prepetition Lenders and the Committee are supportive of the request.

The Debtors' Exercise of Business Judgment

14. In light of the Debtors' current liquidity needs, I believe that entry into the Term DIP Third Amendment is appropriate for the Debtors' needs in these Chapter 11 Cases and reflects the Debtors' exercise of prudent business judgment consistent with their fiduciary duties.

15. The Debtors will materially benefit from entry into the Term DIP Third Amendment and access to an additional financing of \$30,000,000 under the Term Loan DIP Facility, which will preserve the Debtors' sales, production and relationships with their Key Vendors, and in turn facilitate a successful sale or reorganization that maximizes value for the benefit of the Debtors' creditors, employees, vendors, and other stakeholders. Accordingly, in my opinion as Chief Restructuring Officer, the relief requested in the DIP Amendment Motion, including the emergency consideration thereof, is necessary and appropriate to avoid immediate and irreparable harm to the Debtors' estates, is in the best interest of all parties in interest, and should be approved by this Court.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: August 5, 2023
Downers Grove, Illinois

/s/ 
Adam Hollerbach
Chief Restructuring Officer