

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

HOUSE SPIRITS DISTILLERY LLC,

Debtor.<sup>1</sup>

Chapter 11

Case No. 25- 10660 (KBO)

(Subchapter V)

**DEBTOR’S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING THE DEBTOR TO HONOR AND CONTINUE CERTAIN  
CUSTOMER PROGRAMS AND (II) GRANTING RELATED RELIEF**

The above-captioned debtor and debtor in possession (the “Debtor”), by and through its undersigned proposed counsel, hereby moves (the “Motion”) the United States Bankruptcy Court for the District of Delaware (the “Court”) for entry of interim and final orders pursuant to sections 105(a), 363, and 1184 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing the Debtor, in its business judgment and reasonable discretion, to honor and continue certain Customer Programs (as defined below) and (ii) granting related relief. In addition, the Debtor is seeking to schedule a final hearing (the “Final Hearing”) on the Motion. In support of this Motion, the Debtor incorporates by reference the *Declaration of Thomas Mooney in Support of First Day Relief* (the “First Day Declaration”)<sup>2</sup> filed contemporaneously herewith and respectfully represent as follows:

---

<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 2069. The Debtor’s mailing address is 65 SE Washington Street, Portland, OR 97214.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

### **JURISDICTION**

1. The Court has jurisdiction over the Motion pursuant to 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. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and the Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 105(a), 363, and 1184 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004(h), and rule 9013-1(m) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

3. Pursuant to Local Rule 9013-1(f), the Debtor consents to the entry of a final order by the Court if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

### **BACKGROUND**

4. On April 6, 2025 (the “Petition Date”), the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”) as a debtor defined in Bankruptcy Code section 1182(1) and the Debtor elected to proceed under Subchapter V of chapter 11 of the Bankruptcy Code pursuant to the Small Business Debtor Reorganization Act, as amended (the “SBRA”).

5. No official committee has been appointed in this Chapter 11 Case. The Debtor is operating its business as debtor in possession pursuant to section 1184 of the Bankruptcy Code.

6. Additional detail regarding the Debtor, its business, the events leading to commencement of this Chapter 11 Case, and the facts and circumstances supporting the relief requested herein is set forth in the First Day Declaration and is incorporated herein by reference.

### **THE DEBTOR'S CUSTOMER PROGRAMS**<sup>3</sup>

7. Prior to the Petition Date and in the ordinary course of business, the Debtor provided certain programs to its customers that engender goodwill, maintain loyalty, increase the Debtor's sales opportunities, and allow the Debtor to compete with its competition (the "Customer Programs"), including, without limitation, the Westward Whiskey Club (defined below), Debtor's Gift Cards Program (defined below), and Debtor's Tour/Tastings Cards Program (defined below).

8. The Debtor believes that its ability to continue its Customer Programs and to honor its obligations thereunder in the ordinary course of business is necessary to (i) retain its reputation for reliability, (ii) meet competitive market pressures, (iii) maintain positive customer relationships, and (iv) ensure customer satisfaction, thereby retaining current customers, attracting new ones, and, ultimately, enhancing revenue and profitability for the benefit of all the Debtor's stakeholders. Failing to promptly honor these obligations would impair goodwill and would likely lead to the loss of customer patronage. In contrast, continuing the Customer Programs will enable the Debtor to protect its customer base and revenue growth opportunities. In short, the Debtor's positive relationships with its customers fosters customer loyalty, support, and goodwill which are critical to the success of this Chapter 11 Case. Consequently, the Debtor seeks the authority to maintain and administer the Customer Programs, which are described in greater detail below, in the ordinary course of business.

---

<sup>3</sup> The Debtor has summarized its "Customer Programs" in this Motion. However, to the extent that any "Customer Programs" have been inadvertently omitted from the summary, the Debtor requests that the interim order and final order granting the relief sought herein apply to any and all of the Debtor's customer programs.

**The Westward Whiskey Club**

9. The Debtor allows customers to join a club which provides benefits to its members (the “Westward Whiskey Club”). The Debtor seeks to continue to honor its obligation to members of the Westward Whiskey Club.

10. The Westward Whiskey Club allows members to enjoy exclusive access to exceptional small-batch releases through quarterly shipments to members. Members also receive complimentary tours and tastings, access to parties and other events, and fifteen percent (15%) off merchandise and classes. Without continuation of the Westward Whiskey Club, current members may be unwilling to purchase from the Debtor, which could lead to a potentially significant decline in revenues to the detriment of the Debtor’s estate. Importantly, membership in the Westward Whiskey Club drives traffic from the members of the club and may result in increased revenue to the Debtor.

**The Gift Cards Program**

11. The Debtor seeks to continue to honor its issued gift cards (the “Gift Cards Program”).

12. The Gift Card Program allows customers to purchase and redeem gift cards, and is critical to maintaining the goodwill of the Debtor’s customer base. Without the Gift Cards Program, current and potential customers may be unwilling to purchase from the Debtor, which could lead to a potentially significant decline in revenues to the detriment of the Debtor’s estate. Accordingly, the Debtor seeks authorization to continue honoring its prepetition and postpetition obligations in connection with the Gift Cards Program in a manner consistent with its past practices. As of the Petition Date, the Debtor estimates that it has approximately \$8,000.00 in outstanding obligations arising under or in connection with the Gift Cards Program. Importantly,

customer utilization of gift cards through the Gift Cards Program drives customer traffic and may result in revenue to the Debtor beyond the redeemed gift cards themselves (*i.e.*, customers may spend more than the amounts on the gift cards they are redeeming when purchasing from the Debtor). For these reasons, the Debtor hereby requests authority to honor its gift cards issued through its Gift Cards Program.

**Tour/Tastings Cards Program**

13. As a promotional item, the Debtor distributes cards that entitle the holder to a complimentary tour and tastings (the "Tour/Tastings Cards Program"). Without the Tour/Tastings Cards Program, potential customers may not learn about the Debtor's products and be unwilling to purchase from the Debtor, which could lead to a potentially significant decline in revenues to the detriment of the Debtor's estate. As of the Petition Date, the Debtor estimates that obligations arising under or in connection with the Tour/Tastings Cards Program are de minimis. Importantly, the Tour/Tastings Cards Program drives traffic from potential customers and may result in increased revenue to the Debtor.

**RELIEF REQUESTED**

14. By this Motion, the Debtor respectfully requests the entry of interim and final orders (i) authorizing the Debtor, in its business judgment and reasonable discretion, to honor and continue its Customer Programs consistent with past practices and pay certain outstanding prepetition amounts related thereto, (ii) authorizing banks to honor and process check and electronic transfer requests related to the foregoing, and (iii) granting related relief.

**BASIS FOR RELIEF**

**I. Continuing the Customer Programs Is in the Best Interests of the Debtor’s Estate.**

15. Courts have authorized a debtor to make payments under section 363(b) of the Bankruptcy Code where there is a sound business purpose for the payment of prepetition obligations, and where the debtor is able to “articulate some business justification, other than the mere appeasement of major creditors.” *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). The Customer Programs are an integral part of the Debtor’s business and enable the Debtor to maintain goodwill and retain customers. If the Debtor is not permitted to honor its Customer Programs in the ordinary course, the Debtor would become substantially less competitive in its market.

16. “Section 1184 makes plain that a debtor in possession in a subchapter V case is required to “perform [the] function and duties . . . of a trustee serving in a case under this chapter.” In addition to the fiduciary duties imposed by state law, it is implicit in the term “trustee,” which is drawn from the common law of trusts, that these duties include managing the debtor's business as a fiduciary to the estate and its stakeholders.” *In re Comedymx, LLC*, 647 B.R. 457, 465 (Bankr. D. Del. 2022); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (the Debtor operating its business is a fiduciary “holding the bankruptcy estate and operating the business for the benefit of [its] creditors and (if the value justifies) equity owners”). The *CoServ* court specifically noted that pre-plan satisfaction of prepetition claims would be a valid exercise of a debtor’s fiduciary duty when the payment “is the only means to effect a substantial enhancement of the estate.” 273 B. R. at 497.

17. Continuing the Customer Programs during this Chapter 11 Case will help preserve the Debtor’s valuable customer relationships, goodwill, and reputation, which will inure to the

benefit of all the Debtor’s creditors and benefit the estate. If the Debtor is not permitted to continue the Customer Programs on a postpetition basis, the Debtor may lose a portion of its customer base, damage its reputation, and risk the ability to maximize value for the estate during the pendency of this Chapter 11 Case.

**II. Continuing the Customer Programs Is Warranted Pursuant to Section 105(a) of the Bankruptcy Code and Under the “Doctrine of Necessity.”**

18. Maintaining the Customer Programs should be authorized under Bankruptcy Code section 105(a) and under the “doctrine of necessity.” The Court’s power to utilize the doctrine of necessity in chapter 11 cases derives from the Court’s inherent equity powers and its statutory authority to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” title 11. 11 U.S.C. § 105(a). The United States Supreme Court first articulated the doctrine of necessity over a century ago, in *Miltenberger v. Logansport C. & S.W. Ry. Co.*, 106 U.S. 286 (1882), in affirming the authorization by the lower court of the use of receivership funds to pay pre-receivership debts owed to employees, vendors, and suppliers, among others, when such payments were necessary to preserve the receivership property and the integrity of the business in receivership. *See id.* at 309–12. The modern application of the doctrine of necessity is largely unchanged from the Court’s reasoning in *Miltenberger*. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581–82 (3d Cir. 1981) (“[I]n order to justify payment under the ‘necessity of payment’ rule, a real and immediate threat must exist that failure to pay will place the [debtor’s] continued operation . . . in serious jeopardy.”).

19. The doctrine of necessity “recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay pre-petition claims where such payment is essential to the continued operation of the debtor.” *Ionosphere Clubs*, 98 B.R. at 176; *see also In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (stating that where the debtor “cannot

survive” absent payment of certain prepetition claims, the doctrine of necessity should be invoked to permit payment); *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) (“[T]he court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor.”); *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (“[T]o justify payment of a pre-petition unsecured creditor, a debtor must show that the payment is necessary to avert a serious threat to the Chapter 11 process.”).

20. The doctrine of necessity is an accepted component of modern bankruptcy jurisprudence. *See Just For Feet*, 242 B.R. at 826 (approving payment of key inventory suppliers’ prepetition claims when such suppliers could destroy debtor’s business by refusing to deliver new inventory on eve of debtor’s key sales season); *In re Payless Cashways, Inc.*, 268 B.R. 543, 546-47 (Bankr. W.D. Mo. 2001) (authorizing payment of critical prepetition suppliers’ claims when such suppliers agree to provide postpetition trade credit); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994); *Ionosphere Clubs*, 98 B.R. at 175.

21. Maintaining the Customer Programs, and satisfying any related prepetition obligations or fees, as needed in the Debtor’s business judgment, is consistent with the doctrine of necessity. As noted above, the Customer Programs are vital to the Debtor’s efforts to maximize the value of the estate. The potential harm and economic disadvantage that would stem from an inability to honor the Customer Programs is grossly disproportionate to the costs associated with the Customer Programs.

#### **THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED**

22. In order for a debtor to obtain relief to make payments within 21 days of the petition date, it must establish that making such payments satisfies the requirements mandated by Bankruptcy Rule 6003—namely, the relief requested is necessary to avoid “immediate and irreparable harm.” If a debtor’s prospect of reorganizing is threatened, or swift diminution in value

of the debtor's estate is likely, absent the granting of the requested relief, immediate, and irreparable harm likely exists. *See In re WorldSpace, Inc.*, No. 08-12412, 2008 WL 8153639, at \*2 (Bankr. D. Del. Oct. 20, 2008) (granting emergency motions for post-petition financing, adequate protection, and modification of the stay where the court found that the relief was necessary to avoid irreparable harm to the debtors and their estates because such relief was essential for the continued operations of the debtors' businesses); *In re New World Pasta Co.*, No. 04-02817, 2004 WL 5651052, at \*5 (Bankr. M.D. Pa. July 9, 2004) (same); *see also In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (finding that "immediate and irreparable harm" exists where loss of the business threatens ability to reorganize).

23. Here, immediate and irreparable harm would result if the relief requested herein is not granted. Sales of the Debtor's products to customers is the only source of revenue for the Debtor's business. Offering the Customer Programs are necessary drivers of sales, and the Debtor believes it is critical to honor obligations under the Customer Programs to maintain its business reputation going forward. Accordingly, the Debtor respectfully submits that it has satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 for the prepetition amount of Customer Programs that the Debtor seek authority to pay pursuant to the Interim Order.

**WAIVER OF BANKRUPTCY RULE 6004(a) AND 6004(h)**

24. Given the nature of the relief requested herein, the Debtor respectfully requests a waiver of (i) the notice requirements under Bankruptcy Rule 6004(a) and (ii) the 14-day stay under Bankruptcy Rule 6004(h), to the extent that either rule is applicable.

**DEBTOR'S RESERVATION OF RIGHTS**

25. Nothing contained in this Motion or any actions taken by the Debtor pursuant to relief granted in the Proposed Interim Order and the Proposed Final Order is intended or should be construed as: (a) an admission as to the validity of any particular claim against the Debtor;

(b) a waiver of any of the Debtor's rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtor's right under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtor that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid, and the Debtor expressly reserves its rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of any Debtor's rights to subsequently dispute such claim.

**NOTICE**

26. Notice of this Motion will be provided to: (i) the Office of the United States Trustee; (ii) the Subchapter V trustee appointed in this Chapter 11 Case (the "Subchapter V Trustee"); (iii) the Internal Revenue Service; (iv) the Securities and Exchange Commission; (iv) the Delaware Secretary of State; (v) the Delaware Secretary of the Treasury; (vi) the Debtor's twenty (20) largest unsecured creditors; and (vii) all parties requesting notice pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtor submits that no other or further notice is necessary.

**NO PRIOR REQUEST**

27. The Debtor has not previously sought the relief requested herein from this Court or any other court.

**CONCLUSION**

**WHEREFORE**, for the reasons set forth herein, the Debtor respectfully requests that the Court (a) enter the Proposed Interim Order substantially in the form annexed hereto as **Exhibit A** granting the relief requested in the Motion and such other and further relief as may be just and proper, and (b) schedule a Final Hearing on the Motion as soon as is otherwise practicable thereafter to consider entry of the Final Order substantially in the form annexed hereto as **Exhibit B**.

Dated: April 6, 2025  
Wilmington, Delaware

**PASHMAN STEIN WALDER HAYDEN, P.C.**

/s/ Richard W. Riley  
Joseph C. Barsalona II (No. 6102)  
Richard W. Riley (No. 4052)  
824 North Market Street, Suite 800  
Wilmington, DE 19801  
Telephone: (302) 592-6496  
Email: jbarsalona@pashmanstein.com  
riley@pashmanstein.com

-and-

Amy M. Oden (*pro hac vice* forthcoming)  
Court Plaza South, East Wing  
21 Main Street, Suite 200  
Hackensack, NJ 07601  
Telephone: (201) 488-8200  
Email: aoden@pashmanstein.com

*Proposed Counsel to the Debtor and Debtor in Possession*

**Exhibit A**

**Proposed Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

HOUSE SPIRITS DISTILLERY LLC,

Debtor.<sup>1</sup>

Chapter 11

Case No. 25-10660 (KBO)

(Subchapter V)

Re: D.I. \_\_\_\_

**INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO HONOR AND CONTINUE  
CERTAIN CUSTOMER PROGRAMS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above captioned debtor and debtor in possession (the “Debtor”) for the entry of an interim order (this “Interim Order”) and a final order pursuant to sections 105(a), 363, and 1184 of the Bankruptcy Code, Bankruptcy Rules 6003(b) and 6004, and Local Rule 9013-1(m), (i) authorizing the Debtor, in its business judgment and reasonable discretion, to honor and continue certain customer programs and (ii) granting related relief, all as more fully described in the Motion; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other further notice need be provided under the circumstances; and it appearing that the relief requested by this Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on an interim basis as set forth herein.

---

<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 2069. The Debtor’s mailing address is 65 SE Washington Street, Portland, OR 97214.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. The Debtor is authorized, in its business judgment and reasonable discretion, to continue to honor and maintain its Customer Programs, in the ordinary course of business and in a manner consistent with past practice. The Debtor is authorized to honor all obligations arising under or in connection with the Customer Programs attributable to the prepetition period, provided that payments on account of any such obligations shall not exceed \$8,000.00 in the aggregate pending entry of a final order.

3. If, during this bankruptcy case, the Debtor wishes to cease honoring obligations under the Customer Programs or to terminate any of the Customer Programs, the Debtor shall file a notice of same with the Court, and serve such notice on the Office of the U.S. Trustee, the United States Attorney's Office for the State of Delaware, and any party filing request for service under Bankruptcy Rule 2002 at least ten (10) days before such programs are terminated. The Debtor shall also post in a conspicuous place on its website the date by which it will stop honoring obligations under a particular Customer Program or terminate the particular Customer Program.

4. Nothing in the Motion or this Interim Order is intended or should be construed as: (i) an admission as to the validity or priority of any claim against the Debtor; (ii) a waiver of the Debtor's rights to dispute any claim, including the validity or priority thereof; or (iii) an approval or assumption of any agreement, contract, or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, the Motion and this Interim Order are not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to subsequently dispute such claim.

5. Responses or objections to the Motion and entry of a final order with respect to the Motion must: (i) be made in writing; (ii) state with particularity the grounds therefor; (iii) conform to the Bankruptcy Rules and the Local Rules; and (iv) be served upon (a) proposed counsel to the

Debtor, Pashman Stein Walder Hayden, P.C., 824 North Market Street, Suite 800, Wilmington, Delaware, 19801, Attn: Joseph C. Barsalona II (jbarsalona@pashmanstein.com), Richard W. Riley (rriley@pashmanstein.com), and Amy M. Oden (aoden@pashmanstein.com), (b) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Hannah J. McCollum (hannah.mccollum@usdoj.gov), and (c) the Subchapter V Trustee, [●] (the “Notice Parties”).

6. The deadline by which objections to the Motion and the final order must be filed and received by proposed counsel to the Debtor is \_\_\_\_\_, 2025 at 4:00 p.m. (Eastern Daylight Time). A final hearing, if required, on the Motion will be held on \_\_\_\_\_, 2025 at \_\_\_\_\_ (Eastern Daylight Time). If no objections are filed to the Motion and entry of this Interim Order on a final basis, the Court may enter a final order without further notice or a hearing.

7. The relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor, and timely entry of this Interim Order is not prohibited by Bankruptcy Rule 6003(b).

8. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

9. The Debtor is authorized to take all actions necessary to implement this Interim Order.

10. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Interim Order.

**Exhibit B**

**Proposed Final Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

HOUSE SPIRITS DISTILLERY LLC,

Debtor.<sup>1</sup>

Chapter 11

Case No. 25-10660 (KBO)

(Subchapter V)

Re: D.I. \_\_\_\_

**FINAL ORDER (I) AUTHORIZING THE DEBTOR TO HONOR AND CONTINUE  
CERTAIN CUSTOMER PROGRAMS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtor and debtor in possession (the “Debtor”) for the entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 363, and 1184 of the Bankruptcy Code, Bankruptcy Rules 6003(b) and 6004, and Local Rule 9013-1(m), (i) authorizing the Debtor, in its business judgment and reasonable discretion, to honor and continue certain customer programs and (ii) granting related relief, all as more fully described in the Motion; and the Court having previously entered the Interim Order; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other further notice need be provided under the circumstances; and it appearing that the relief requested by this Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and 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.

---

<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 2069. The Debtor’s mailing address is 65 SE Washington Street, Portland, OR 97214.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. The Debtor is authorized, in its business judgment and reasonable discretion, to continue to honor and maintain its Customer Programs, in the ordinary course of business and in a manner consistent with past practice. The Debtor is authorized to honor all obligations arising under or in connection with the Customer Programs attributable to the prepetition period.

3. If, during this bankruptcy case, the Debtor wishes to cease honoring any of the Customer Programs or to terminate any of the Customer Programs, the Debtor shall file a notice of same with the Court, and serve such notice on the Office of the U.S. Trustee, the United States Attorney's Office for the State of Delaware, and any party filing request for service under Bankruptcy Rule 2002 at least ten (10) days before such programs are terminated. The Debtor shall also post in a conspicuous place on its website the date by which it will stop honoring a particular Customer Program or terminate the Customer Program.

4. Nothing in the Motion or this Final Order is intended or should be construed as: (i) an admission as to the validity or priority of any claim against the Debtor; (ii) a waiver of the Debtor's rights to dispute any claim, including the validity or priority thereof; or (iii) an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, to the Motion and this Final Order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to subsequently dispute such claim.

5. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

6. The Debtor is authorized to take all actions necessary to implement this Final Order.

7. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Final Order.