

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

In re

ROYAL INTERCO, LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-10674 (\_\_\_)

Joint Administration Requested

**DECLARATION OF MICHAEL RAGANO IN SUPPORT OF FIRST DAY RELIEF**

I, Michael Ragano, hereby declare as follows:

1. I am the Chief Restructuring Officer of the above-captioned debtors and debtors in possession (collectively, the “Debtors”). I am also a Partner with Novo Advisors, LLC, specializing in performance improvement, restructuring, turnarounds, and mergers & acquisitions and have assisted companies facing various challenges across various industries, including horticulture, manufacturing, distribution, publishing, specialty finance, construction, consumer products, and fundraising.

2. On April 8, 2025 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”). I submit this declaration (this “Declaration”) to assist the Court and parties in interest in understanding the circumstances that compelled the commencement of these chapter 11 cases and in support of the Debtors’ petitions and motions for relief under the Bankruptcy Code.

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors’ mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

3. As the Chief Restructuring Officer of the Debtors, I am familiar with the Debtors' day-to-day operations, business, financial affairs, and books and records. Except where specifically noted, the statements in this Declaration are based on (a) my personal knowledge, (b) information obtained from the Debtors' employees, contractors, or advisors, and (c) my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or (d) my opinions based upon my experience and knowledge. I am over the age of eighteen, and I am authorized to submit this Declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth herein.

## **I. OVERVIEW OF THE DEBTORS' BUSINESS AND FINANCIAL AFFAIRS**

### **A. The Debtors' Business**

4. Founded in 1992 in Phoenix, AZ, the Debtors are a manufacturer and national supplier of high-quality paper products. The Debtors began as a family-owned business that operated a single converting line, supplying napkins and bath tissues to local retailers in Phoenix, Arizona. Since 1992, the Debtors have continuously evolved their production capacity to produce additional products in a broad range of configurations to a growing customer base. Over the years, the Debtors have installed state-of-the-art equipment, including high-speed converting lines and robots, to strengthen their production capabilities. Today, the Debtors provide a full range of paper products—paper towels, bath tissues, facial tissues and napkins—across the value spectrum (from premium to value products), tailored to meet the specifications and standards of their customers.

5. In 2008, the Debtors built a paper mill in Gila Bend, Arizona, which houses two paper machines (each the size of a single-family home), providing the Debtors with a vertically integrated manufacturing base. Manufacturing in-house parent rolls allows the Debtors to maintain control over the entire paper making process and provides consistency in quality through

the spectrum of delivered products. National customers often prefer a fully integrated supplier to ensure high quality, consistent products and security of supply.

6. The Debtors expanded their operations to the East Coast with the acquisition of Sun Paper Company, LLC, in November 2020. Sun Paper has served the same industry since its founding in 1990 and operates a converting facility in Duncan, South Carolina. With a converting facility on the East Coast, the Debtors can offset freight costs to its national customers with locations in the region. The expansion of the Debtors' business since its inception has allowed the Debtors increased flexibility to support a broader customer base and produce products that meet each customer's needs—from sheet count to fiber options to seasonal prints and lavender-scented bath tissues.

7. The Debtors' principal business is manufacturing private label products for their large retail customers—including, Aldi, Whole Foods, Trader Joe's, Kroger, and Meijer. This is the "At-Home" market and comprises 70% of the Debtors' business. Customers utilize private label products to competitively position their brand against the premium brands for consumer purchase. Several of the Debtors' products with their private label customers are shown below.

#### Private Label Products



In addition to private label products, the Debtors produce several retail brands—Earth First, SuperSoft and EcoFirst—and distribute these products to certain At-Home customers.

8. The Debtors also provide paper products for commercial customers, including hotels, restaurants, schools, and hospitals. This is the “Away-from-Home” market and comprises 30% of the Debtors’ business. Similar to the At-Home market, the Debtors offer both private label and retail brand products to their Away-from-Home customers—including, BradyPlus, Staple, and Serenade.

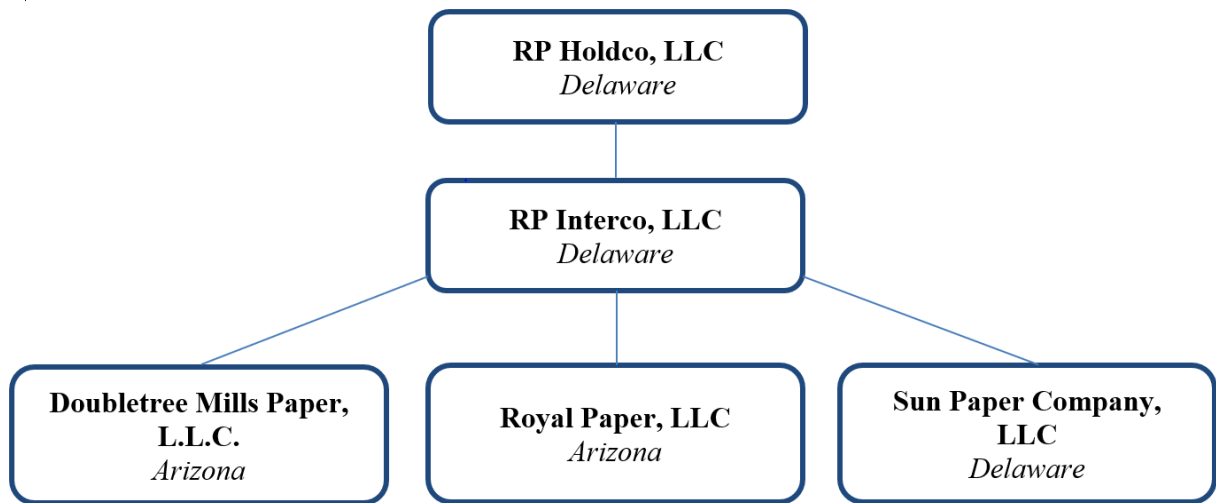
**B. The Debtors’ Ownership and Corporate Structure**

9. The Debtors are indirectly majority owned and controlled by GC Fund III RP, AIV, L.P. (“Gridiron”), a private equity fund, with the remaining equity privately held by current and former officers, former owners, and former members of the board of managers of the Debtors. Gridiron and its affiliates own 80% of the equity of non-debtor RP Holdco, LLC (“Holdco”),<sup>2</sup> a Delaware limited liability company. Holdco directly owns 100% of the equity of RP Interco, LLC (“Interco”), a Delaware limited liability company. Interco in turn owns 100% of the equity of Doubletree Mills Paper, L.L.C. (“Doubletree”), an Arizona limited liability company, Royal Paper, LLC (“Royal Paper”), an Arizona limited liability company, and Sun Paper Company, LLC (“Sun Paper,” together with HoldCo, InterCo, and Doubletree, the “Company”), a Delaware limited liability company. Doubletree, Royal Paper and Sun Paper are each operating entities. Doubletree owns and operates the paper mill in Gila Bend, Arizona. Royal Paper operates the converting facility and distribution warehouses in Phoenix, Arizona, and Sun Paper operates the converting facility in Duncan, South Carolina.

10. The following chart depicts the Debtors’ organization structure:

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<sup>2</sup> HoldCo is a non-Debtor affiliate.



### C. The Debtors' Debt Obligations

11. As of the Petition Date, the majority of the Debtors' liabilities consists of senior secured funded indebtedness. None of the Debtors' funded indebtedness is or was publicly offered for sale or publicly traded. The Debtors' debt obligations comprise the following principal components:

#### (1) NXT Capital, LLC Credit Agreement

12. On June 15, 2018, Royal Paper Converting, LLC (the predecessor of Royal Paper), and Doubletree (together, the "Initial Borrowers"), the lenders from time to time party thereto (the "Lenders"), NXT Capital, LLC (the "Prepetition Agent"), as agent, joint lead arranger and sole bookrunner, Fifth Third Bank, as joint lead arranger, and Webster Bank, N.A., as documentation agent, executed that certain Credit Agreement (as amended by the First Amendment on November 5, 2020, the Second Amendment on December 29, 2021, the Third Amendment on October 4, 2022, the Fourth Amendment on January 17, 2023, the Fifth Amendment on September 30, 2024, the Sixth Amendment on November 15, 2024, and the Seventh Amendment on January 29, 2025,

the “Credit Agreement”). The Credit Agreement, among other things, provides for (i) secured term loans in the maximum principal amount of \$114,500,000 (the “Term A Loans”) and (ii) secured revolving credit loans in the maximum principal amount of \$25,000,000, with such revolving credit facility to include a \$5,000,000 letter of credit sub-facility. The Credit Agreement also provided for incremental term loans in the original principal amount of \$10,500,000.

13. On June 15, 2018, the Initial Borrowers under the Credit Agreement, along with Holdco and Interco, entered into that certain Guarantee and Collateral Agreement (as amended, restated, modified or supplemented from time to time), guaranteeing the obligations under the Credit Agreement in favor of the Prepetition Agent, for all Lenders party to the Credit Agreement. On November 5, 2020, Sun Paper executed a joinder to the Guarantee and Collateral Agreement. The Guarantee and Collateral Agreement and related Loan Documents, as defined in the Credit Agreement, provide a first-priority, fully-perfected security interest and lien on each of the Borrower’s right, title, and interest in, to and under all the Debtors’ assets and all proceeds thereof.

14. Pursuant to that certain Incremental Term Loan Agreement and First Amendment to Credit Agreement, dated November 5, 2020, by and among the Initial Borrowers and Sun Paper (together with the Initial Borrowers, the “Borrowers”), the Lenders provided an additional term loan in the amount of \$5,350,000, which constitutes a portion of the Term A Loans, and the Term A Loans were deemed to increase to \$117,273,750. The Term A Loan commitment was set to mature on June 15, 2024. The additional Term A Loan commitment as well as incremental revolver borrowings and cash on hand were used to fund the acquisition of all the issued and outstanding equity interests of Sun Paper.

15. On December 29, 2021, in connection with that certain Second Amendment to the Credit Agreement, Gridiron executed a Sponsor Limited Guaranty (as amended, restated, modified

or supplemented from time to time) in favor of the Prepetition Agent, for all Lenders party to the Credit Agreement. Under the Sponsor Limited Guaranty, Gridiron guaranteed the Borrower's obligations under the Credit Agreement in an amount of up to \$20,000,000, plus any and all expenses incurred by the Prepetition Agent in enforcing the Sponsor Limited Guaranty.

16. On January 17, 2023, the Borrowers entered into that certain Fourth Amendment to Credit Agreement, which provides for (i) additional secured term loans in the maximum principal amount of \$12,500,000 (the "Term B Loans") and (ii) an extension of the maturity date for the existing Term A Loans and a maturity date for the Term B Loans of December 31, 2024. The maturity date for the Term A and Term B Loans was further extended to July 15, 2025, by that certain Sixth Amendment on November 15, 2024.

17. On January 14, 2025, in connection with that certain Release Agreement among Borrowers, Agent, Lenders and Gridiron, Gridiron made a payment in the amount of \$8,367,000.02 (the "Gridiron Payment") to the Prepetition Agent in respect of its obligations under the Sponsor Limited Guaranty. Then on January 29, 2025, pursuant to that certain Seventh Amendment to the Credit Agreement, a portion of the Gridiron Payment in the amount of \$6,500,000 was advanced to the Borrowers as additional Term B Loans, and the remainder of the Gridiron Payment was applied to pay down the outstanding principal balance of the Term Loans (other than the Term B Loans).

18. As of the Petition Date, the total principal outstanding under the Credit Agreement is not less than \$205,143,282.79 million, which includes accrued and unpaid interest with respect thereto and additional fees, costs, and expenses owing under or in connection therewith (the "Credit Agreement Obligations").

**(2) Sale Leaseback Transaction**

19. On September 30, 2024, Royal Paper, LLC and Sun Paper Company LLC (collectively, the “Lessees”), entered in a sale-leaseback transaction with Clarus Capital Funding I, LLC (the “Lessor”), pursuant to Equipment Schedule No. 1 and Equipment Schedule No. 2 (together, the “Schedules”), dated September 30, 2024, and October 10, 2024, respectively. Pursuant to the Schedules, the Lessees sold certain equipment to the Lessor for approximately \$8.5 million, who then leased the equipment back to the Lessees pursuant to a master lease agreement, dated September 30, 2024 (the “Lease”). The monthly rent due under the Schedules is approximately \$178,217.75 and the initial term of the lease is four years. The Debtors intend to assign the Lease to the Stalking Horse Bidder.

**(3) Trade and Miscellaneous Unsecured Debt**

20. The Debtors estimate that as of the Petition Date claims of trade and miscellaneous unsecured creditors total approximately \$24,900,000.

**II. EVENTS LEADING TO FILING THE CHAPTER 11 CASES**

21. Royal Paper began 2024 with expectedly strong orders from their customer partners in both the At-Home and Away-From-Home customer base. Royal Paper had approximately 105 total customers and an anticipated annual revenue of approximately \$220 million in 2024 from those customer partners. Due to a combination of labor shortages and a fire at one of their distribution centers in February 2024, Royal Paper’s ability to meet their customer partners’ demand was significantly impacted from January to June of that year. As a result, monthly shipments and cash receipts from Royal Paper’s customer partners fell short of projections. Customer demand, however, remained at the expected levels causing Royal Paper to have less than planned service levels to their customer partners throughout most of 2024.



22. In addition to the Company's inability to meet customer demand, many of Royal Paper's suppliers began expressing concern in the second quarter of 2024 regarding the approaching maturity date of December 31, 2024, on the Company's senior debt under the Credit Agreement. This concern led many of Royal's supplier partners to reduce extensions of credit to the Company. This decrease in credit availability combined with the Company's inability to timely pay all invoices of their supplier partners hindered the Company's ability to acquire the raw materials needed—most importantly, pulp—to fulfill customer orders on time and in full.

23. The Company's inability to obtain raw materials and meet customer demand continued to suffer at the end of 2024. In order to find a solution to its continued liquidity issues and the looming maturity date on its senior debt, the Company engaged with its existing lenders on a solution, and on November 15, 2024, the Company obtained an extension of the maturity date on its senior debt to July 15, 2025, which provided the Company with time to engage with its existing stakeholders on a path forward.

24. During this time, the Company's Board of Managers voted to amend HoldCo and InterCo's Limited Liability Company Agreements to vest management and control of the Company exclusively under the direction of an independent manager (the "Independent Manager"). The Company selected Craig S. Dean to serve as the Independent Manager and granted him the authority to, among other things, (a) sell the entire Company, or substantially all of the Company's assets and (b) make or commence, or to consent to the making or commencement against the Company of, any case, action, proceeding, agreement, or other arrangement on behalf of the Company with respect to any bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up, or relief of debtors.

25. Shortly after the appointment of Mr. Dean, I was appointed as Chief Restructuring Officer effective January 24, 2025, and the Company then engaged Livingstone Partners LLC (“Livingstone”) to advise the Company on potential restructuring transactions. Mr. Dean, myself, and the Livingstone team discussed various paths forward, and after consulting with the Company’s various stakeholders, the Company decided to pursue an out-of-court sale process and put in place a timeline to close a sales transaction by mid-June 2025.

26. In order to provide the Company with sufficient liquidity to stabilize operations and to consummate a sale transaction, the Company entered into that certain Seventh Amendment to the Credit Agreement whereby a portion of the amount previously funded by Gridiron in respect of its obligations under the Sponsor Limited Guaranty and held by Agent was advanced to the Debtors as additional Term B Loans.

27. In order to provide the Company with sufficient liquidity to stabilize operations and to consummate a sale transaction, it was at this time that the Company entered into that certain Seventh Amendment to the Credit Agreement whereby Gridiron paid the Agent an amount equal to \$8,367,007.02 in respect of its obligations under the Sponsor Limited Guaranty, a portion of which was advanced to the Debtors as additional Term B Loans.

### **III. Prepetition Marketing Process**

28. On January 31, 2025, Livingstone commenced outreach to potential buyers with a one-page teaser introducing the opportunity and inviting potential buyers to enter into a confidentiality agreement (“NDA”) with the Debtors to receive access to additional information. During the prepetition marketing process, Livingstone contacted approximately 159 potential buyers, of which 70 executed NDAs. Potential buyers that executed NDAs received access to a confidential information presentation (the “CIP”) that contained a detailed overview of the Debtors’ business operations, assets, commercial arrangements, and historical financial results.

Additionally, these potential buyers received access to an online data room that contained hundreds of unique documents and diligence materials, and potential buyers were given the opportunity to request specific diligence items, which were provided on a rolling basis into the data room. Livingstone maintained a dialogue with these potential buyers throughout the process and facilitated discussions between potential buyers and the Debtors' management. Seven potential buyers completed site visits to the Debtors' manufacturing facilities, which were accompanied by Livingstone, Novo and the Debtors' management.

29. This initial stage of the marketing process culminated in the receipt of 14 non-binding indications of interest ("IOIs") as of March 12, 2025. After reviewing the IOIs, the Debtors and Livingstone engaged with each potential buyer to discuss the terms of each potential bid. The potential bids representing the highest value for the Debtors' assets required that the Debtors consummate the sale through a chapter 11 sale process in order to realize the values stated in the IOIs. As such, the Debtors began to negotiate with these potential buyers to develop the terms of an agreement to serve as a stalking horse.

30. After several weeks, the Debtors reached an agreement with Sofidel America Corp. (the "Stalking Horse Bidder"), setting the floor for other potential bids to acquire certain assets during these chapter 11 cases. Under the April 8, 2025 asset purchase agreement by and among the Debtors and the Stalking Horse Bidder (as modified from time to time, the "Stalking Horse Agreement"), the Stalking Horse Bidder has committed, subject to Court approval, to acquire substantially all of the assets of the Debtors in exchange for a purchase price of One Hundred Twenty-Six Million US Dollars (US\$ 126,000,000), subject to certain adjustments, plus the assumption of certain liabilities including the payment of the Cure Amounts, each as set forth in the Stalking Horse Agreement.

31. The sale pursuant to the Stalking Horse Agreement will be subject to higher and better bids pursuant to bidding and auction procedures, and Livingstone will continue the marketing process post-petition in furtherance of maximizing the value of the Debtors' estates. To facilitate the sale process, in addition to the first day motions noted below, the Debtors are also filing the *Debtors' Motion for (I) an Order Pursuant to Sections 105, 363, 364, 365 and 541 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9007 and Del. Bankr. L.R. 2002-1 and 6004-1 (A) Approving Bid Procedures for the Sale of Substantially All of the Debtors' Assets; (B) Approving the Debtors' Entry Into Stalking Horse Agreement and Related Bid Protections (C) Approving Procedures for the Assumption And Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; (D) Scheduling an Auction and Sale Hearing; (E) Approving Forms and Manner of Notice of Respective Dates, Times, and Places in Connection Therewith; and (F) Granting Related Relief; (II) an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of Claims, Liens, and Encumbrances; and (B) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases; and (III) Certain Related Relief* (the "Bid Procedures Motion").

32. Due to the identity of the Stalking Horse Bidder and the current purchase price, it is anticipated that the Stalking Horse Bidder may need to comply with the filing requirements of the Hart–Scott–Rodino Antitrust Improvements Act of 1976 ("HSR") and obtain other possible regulatory approvals. As such, the timeline outlined in the Bid Procedures Motion balances the Debtors' goal of adequately marketing its assets with the time needed to complete the HSR process. Although expedited, for this reason, and in light of the ongoing marketing process conducted by the Debtors with the assistance of Livingstone, I believe that this timeline and the proposed bid

procedures provide the Debtors with the best chance of success, maximizes value, and is in the best interest of the Debtors and their estates.

#### **IV. DIP FACILITY**

33. To provide the Debtors with the opportunity to run a value-maximizing sale process in chapter 11, the Prepetition Agent and the participating lenders under the existing Credit agreement (together the “Proposed DIP Lenders”), offered to provide a postpetition, senior-secured financing facility with principal amount of \$10,000,000, which does not include any roll-up of the prepetition secured term loans, to allow the Debtors to fund their operations in accordance with an approved budget (the “DIP Facility”). In evaluating the DIP Facility proposal from the Proposed DIP Lenders, the Debtors requested that Livingstone solicit third-party interest in providing DIP financing to the Debtors.

34. Livingstone solicited interest from 12 third-party sources of financing outside of the Debtors’ capital structure (while continuing to share informational updates and engage with stakeholders across the capital structure) to determine the extent to which any such parties would be willing to provide postpetition financing to the Debtors. The potential third-party lenders contacted by Livingstone included various institutions that routinely provide DIP financing, including both well-known commercial banks, credit funds and specialty lenders. The feedback from third parties that Livingstone contacted with respect to providing DIP financing was conclusive: no third party was interested in providing a DIP proposal on a non-priming basis.

35. I believe that the liquidity made available under the DIP Facility, coupled with the Debtors’ access to cash collateral, signals to the Debtors’ vendors, suppliers, customers, and employees that the Debtors have the liquidity necessary to continue operating while they complete a successful going concern sale of their assets. Without the DIP Facility, I expect that the value of the Debtors’ business and assets would quickly deteriorate, materially and irreparably harming

the Debtors' estates. Therefore, relief requested by the motion is a necessary step to both preserving the Debtors' operations as well as bridging to a sale transaction that maximizes value for the Debtors' estates and their stakeholders.

36. Additionally, I believe the DIP Facility is in the best interest of their estates because it is the Debtors' best financing option and will allow the Debtors to maximize value for their estates. I understand that, if the Debtors are unable to gain access to the DIP Facility, the proposed path to a successful going concern sale of the Debtors' assets would be blocked, and the Debtors' value as a whole would be materially and irreparably harmed. Absent the liquidity provided by the DIP Facility and use of cash collateral, the Debtors would, among other things, be unable to pay vendors and suppliers resulting in a cessation of their business operations. Accordingly, I believe the relief requested in the motion is a necessary step to both preserving the Debtors' operations as well as a bridge to a sale transaction that maximizes value for the Debtors' estates and all of their stakeholders.

## **V. FIRST DAY MOTIONS**

37. Concurrently with the filing of their chapter 11 petitions, the Debtors filed the below-listed first day motions seeking relief that the Debtors believe is necessary to enable them to maximize the value of their estates while the chapter 11 cases are pending. The facts set forth in the first day motions are incorporated herein in their entirety. The Debtors request that the relief requested in each of the first day motions be granted as critical elements in ensuring that value is preserved as they transition into chapter 11.

### **A. Administrative Motions**

- i. *Debtors' Motion for Entry of an Order Directing Joint Administration of Chapter 11 Cases*

- ii. *Debtors' Motion for Entry of an Order (I) Authorizing Debtors to Seal Certain Personally Identifiable Information for Individuals and (II) Granting Related Relief*
- iii. *Debtors' Application Pursuant to 28 U.S.C. § 156©, 11 U.S.C. §§ 503 and 1107, and Fed. R. Bankr. P. 2002(f) for Entry of an Order (I) Authorizing and Approving the Appointment of Epiq Corporate Restructuring, LLC as Claims and Noticing Agent and (II) Granting Related Relief*

**B. Operational Motions**

- i. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees, and (II) Granting Related Relief*
- ii. *Debtors' Motion for Entry of Interim and Final Orders (I) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Services, (II) Approving Proposed Adequate Assurance of Payment to Utility Providers and Authorizing Debtors to Provide Additional Assurance, (III) Establishing Procedures to Resolve Requests for Additional Assurance, and (IV) Granting Related Relief*
- iii. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Honor and Continue Customer Programs and Customer Obligations in the Ordinary Course of Business, and (II) Granting Related Relief*
- iv. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Insurance Policies and Agreements Relating Thereto in the Ordinary Course of Business, Including Premium Finance Agreements, (B) Honor Certain Prepetition Obligations in Respect Thereof, and (C) Renew, Revise, Extend, Supplement, Change or Enter into New Insurance Coverage and Premium Finance Agreements as Needed in Their Business Judgment, and (II) Granting Related Relief*
- v. *Debtors' Motion for Interim and Final Orders (I) Authorizing Payment of Prepetition Claims of Certain Critical Vendors, and (II) Granting Related Relief*
- vi. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Claims of Possessory Claimants, and (II) Granting Related Relief*
- vii. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Their Existing Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Their Bank Accounts and Existing Business Forms, (D) Implement Changes to the Existing Cash Management System as Necessary, and (E) Continue*

*Ordinary Course Intercompany Transactions, (II) Extending the Time to Comply with the Requirements of 11 U.S.C. § 345(b) and the U.S. Trustee's Operating Guidelines, and (III) Granting Related Relief*

- viii. *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing, but Not Directing, the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Maintain Employee Benefits Programs, and (II) Granting Related Relief*
- ix. *Debtors' Motion for Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Term Loan Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing and (VI) Granting Related Relief*

38. The first day motions request authority to, among other things, enter into postpetition financing, honor workforce-related compensation and benefits obligations, pay claims of certain critical vendors, suppliers, and taxing authorities, continue to honor certain customer programs, and continue the Debtors' cash management system and other operations in the ordinary course of business to ensure minimal disruption of the Debtors' business operations during these chapter 11 cases. For the avoidance of doubt, the Debtors request authority, but not direction, to incur indebtedness, pay amounts or satisfy obligations with respect to the relief requested in the first day motions.

39. The Debtors have tailored their requests for immediate relief to those circumstances where the failure to receive such relief would cause immediate and irreparable harm to the Debtors and their estates. I believe an orderly transition into chapter 11 is critical to the viability of the Debtors' operations and deleveraging of the Debtors' funded-indebtedness, and that any delay in granting the relief described in the first day motions could hinder the Debtors' operations and cause irreparable harm.

40. I have reviewed each of the first day motions and am familiar with the content and substance contained therein. The facts set forth in each first day motion are true and correct to the



best of my knowledge and belief with appropriate reliance on other members of the Debtors' management and the Debtors' advisors and I can attest to such facts. I believe that the relief requested in each of the first day motions listed above (a) is necessary to allow the Debtors to operate with minimal disruption and productivity losses during these chapter 11 cases, (b) is critical to maximize value of the Debtors' estates through preserving customer and supplier relationships, among other things, and (c) serves the best interests of the Debtors' creditors and other stakeholders.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: April 8, 2025

/s/ Michael Ragano  
Michael Ragano  
Chief Restructuring Officer