readyIN THE UNITED STATES BANKRUTPCY COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI

In re:	)	
	)	
SOUTHERN MOTION, INC.	)	**CASE NO. 26-13155-JDW**
	)	
Debtor.	)	**CHAPTER 11**
	)	

DECLARATION OF DAVID BAKER
IN SUPPORT OF CHAPTER 11 PETITION AND FIRST DAY PLEADINGS

I, David Baker, hereby declare under penalty of perjury:

1. I am above 18 years of age, and I am competent to testify to the matters set forth herein. I am the Managing Partner at Aurora Management Partners, Inc., a Georgia Corporation ("Aurora"). Aurora is a financial consulting and advisory firm that specializes in providing crisis and turnaround management consulting to distressed companies.

2. On August 21, 2026, Aurora was appointed as the Chief Restructuring Officer of Southern Motion, Inc. ("Southern Motion" or "Debtor"), the debtor and debtor-in-possession in the above captioned chapter 11 case (the "Case"). Since Aurora's engagement, I have been actively involved in evaluating the Debtor's liquidity, cash management system, financial reporting and forecasting, landlord communications, and contingency planning. In that capacity as CRO, I am intimately familiar with the day-to-day operations of the Debtor, its business and financial affairs, and books and records. I am a graduate of the University of North Carolina at Chapel Hill with a Bachelor of Science in accounting. I am a licensed Certified Public Accountant. I have nearly 50 years of diversified business experience in restructuring, financial management, and accounting. I have extensive experience in the development of reorganization plans, creditor negotiations, business plan preparation and long-term forecasting, developing and implementing cost reduction programs, and financial management of public and privately held companies. I have advised

companies, boards, investors, and lender groups and served in interim management roles and led assignments in numerous districts.

3. I submit this declaration to assist this Court and parties in interest in understanding the circumstances leading to the commencement of this chapter 11 case, the history of Southern Motion, the capital structure of the Debtor and its primary obligations, and the Debtor's pre-petition restructuring efforts, and in support of: (a) Southern Motion's petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") filed on the date hereof (the "Petition Date"); and (b) the emergency "first day" relief that Southern Motion has requested from this Court pursuant to the motions and applications described herein.

4. Except as otherwise indicated herein, all facts set forth in this declaration are based on my personal knowledge, my discussions with other members of the Debtor's management team and the Debtor's advisors, and my review of the relevant documents and information concerning the Debtor's operations, financial affairs, and refinancing and restructuring initiatives. If called upon to testify, I could and would testify competently to the facts set forth herein.

I. Preliminary Statement

5. Southern Motion was founded in 1996 to manufacture the best reclining furniture in the industry with a focus on maximizing relaxation and comfort for clients. With a vertically integrated, U.S.-based manufacturing footprint of an original eight (8) manufacturing facilities in Mississippi covering more than 2 million square feet, Southern Motion was the first and only major furniture manufacturer to introduce broad customization options across its product lines.

6. Southern Motion currently employs approximately 645 full-time employees and operates in facilities located at the following physical addresses (collectively, the "Leased Premises"):

- 195 Henry Southern Drive, Pontotoc, Pontotoc County, Mississippi 38863 ("195 Henry Southern Property")
- 298 Henry Southern Drive, Pontotoc, Pontotoc County, Mississippi 38863 ("298 Henry Southern Property")
- 370 Henry Southern Drive, Pontotoc, Pontotoc County, Mississippi 38863 ("370 Henry Southern Property")
- 161 Prestige Drive, Pontotoc, Pontotoc County, Mississippi 38863 ("161 Prestige Property")
- 1 Fashion Way, Baldwyn, Lee County, Mississippi 38841 ("1 Fashion Way Property")
- 957 Pontotoc County Industrial Parkway, Ecru, Pontotoc County, Mississippi 38841 ("957 Pontotoc Property")

Southern Motion leases the Leased Premises from Store SPE Southern Motion 2018-1, LLC ("STORE" or "Landlord") pursuant to a singular Master Lease Agreement dated December 20, 2018 (as amended and/or modified, the "Master Lease").

7. Despite successfully operating at the Leased Premises for decades, Southern Motion is currently experiencing significant financial and operational headwinds, namely: (i) weaker customer demand as a result of a slow retail furniture market tied to weak housing demand; (ii) increased manufacturing costs associated with tariffs and the costs of fuel and container rates resulting from various geopolitical events, including but not limited to the ongoing war with Iran; and (iii) and a burdensome above-market lease for more property than necessary for operations.

8. As a result of these challenges, Southern Motion has determined that it cannot realistically support ongoing operations at each of the Leased Premises. Accordingly, Southern Motion no longer needs all of the Leased Premises and desires to reduce or altogether eliminate its expenses associated therewith, including but not limited to its lease obligations under the Master Lease attributable to certain locations.

9. Prior to the filing of this bankruptcy proceeding, the Landlord filed two (2) separate eviction proceedings against Southern Motion—one in the County Court of Lee County, Mississippi; and one in the County Court of Pontotoc County, Mississippi—seeking to evict Southern Motion from each of the Leased Premises based upon Southern Motion's alleged non-payment under the Master Lease. The Lee County Court entered that certain *Order and Judgment Granting Eviction* on August 6, 2026, and the Pontotoc County Court entered that certain *Consent Order and Judgment Granting Eviction* on August 19, 2026, both of which provided that Southern Motion would have until August 31, 2026 to vacate the Leased Premises.

10. In December 2025, Southern Motion's parent company—Gainline Recline Intermediate Corp. ("Gainline")—was acquired by Hong Kong-based furniture manufacturer Man Wah Holdings Ltd. ("Man Wah"). In connection with this acquisition, Man Wah loaned Southern Motion funds to satisfy Southern Motion's secured debt obligations owing to JP Morgan Chase & Co. Consequently, as of the Petition Date, Southern Motion does not have any secured debt obligations. As of the Petition Date, Southern Motion's largest non-insider debt obligation is its unsecured debt owing to Landlord under the Master Lease.

11. Southern Motion filed this chapter 11 bankruptcy proceeding with the aim of proposing a chapter 11 plan with the support of as many of its stakeholders and creditors as possible by either negotiating a resolution of its obligations under the Master Lease with Landlord or relocating to another location with market terms.

II. The Debtor's History and Operations

12. As noted above, Southern Motion was founded in 1996 by Guy Lipscomb and Larry Todd with a simple idea: to manufacture the best reclining furniture in the industry with a focus on maximizing relaxation and comfort for clients. With a vertically integrated, U.S.-based

manufacturing footprint of an original eight (8) manufacturing facilities in Mississippi covering more than 2 million square feet, Southern Motion was the first and only major furniture manufacturer to introduce broad customization options across its product lines.

13. Southern Motion currently employs approximately 645 full-time employees and operates at the Leased Premises located in Lee County, Mississippi; and Pontotoc County, Mississippi. Southern Motion leases the Leased Premises from Landlord pursuant to the Master Lease dated December 20, 2018. On November 20, 2025, Southern Motion and Landlord entered into that certain Amendment to Master Lease Agreement (the "Master Lease Amendment") pursuant to which Southern Motion and Landlord agreed to a modified lease payment schedule to address deferred rental obligations under the Master Lease.

14. In December 2025, Southern Motion's parent company, Gainline, was acquired by Hong Kong-based furniture manufacturer Man Wah. In connection with this acquisition, Man Wah loaned funds to Southern Motion to satisfy its secured debt obligations owing to JP Morgan Chase & Co. Consequently, as of the Petition Date, Southern Motion does not have any secured debt obligations. As of the Petition Date, Southern Motion's largest non-insider debt obligation is its unsecured debt owing to Landlord under the Master Lease.

III. Events Leading to Bankruptcy Filing

15. Post-COVID, despite decades of manufacturing success, Southern Motion began experiencing weaker customer demand as a result of a slow retail furniture market tied to weak housing demand. Additionally, in the last several years, the costs associated with manufacturing retail furniture have increased due to tariffs and the rising costs of fuel and container rates resulting from various geopolitical events, including but not limited to the ongoing war with Iran.

Unsurprisingly, the combination of these challenges has had a negative effect on Southern Motion's financial position.

16. Southern Motion's financial difficulties predate Man Wah's acquisition of Gainline in 2025. Indeed, Southern Motion has suffered operational losses every year since 2020. Southern Motion previously owned each of the Leased Premises, however, in or around December 2018, Southern Motion entered into that certain sale-leaseback transaction with STORE, under which Southern Motion purportedly sold the Leased Premises to STORE, and STORE leased the Leased Premises to Southern Motion under the Master Lease.

17. The terms of the Master Lease were so onerous that in November 2025, Southern Motion, under previous ownership, entered into the Amended to Master Lease Agreement (the "Lease Amendment"), under which STORE agreed to defer a portion of the base monthly rent owed under the Master Lease through June 2027. In addition to being subject to the onerous lease terms, Southern Motion now no longer needs all of the Leased Premises locations to meet customer manufacturing demand and cannot afford to continue paying the above-market rent required by the Master Lease for all of the Leased Premises. Due to these financial challenges, Man Wah has repeatedly transferred funds to Southern Motion pay money to operational expenses since Man Wah's acquisition of Gainline approximately nine months ago.

18. On July 8, 2025, Landlord sent Southern Motion its *Notice of Default of Payment of Rent Required under Terms of Master Lease* (the "Landlord Default Notice") in which Landlord notified Southern Motion that it had three (3) days to bring the Master Lease current by paying Landlord $6,217,528.58 (the "Demand Amount"). Southern Motion was, and remains, unable to pay Landlord the Demand Amount.

19. As a result of Southern Motion's inability to pay Landlord the entire Demand Amount, Landlord filed two (2) separate eviction proceedings against Southern Motion:

- *Store SPE Southern Motion 2018-1, LLC v. Southern Motion, Inc.*, County Court of Lee County, Mississippi ("Lee County Court"), Civil Action No. 26-01040 (the "Lee County Action") filed on July 14, 2026; and

- *Store SPE Southern Motion 2018-1, LLC v. Southern Motion, Inc.*, Circuit Court of Pontotoc County, Mississippi ("Pontotoc County Court"), Civil Action No. 26-265-KM (the "Pontotoc County Action") filed on July 15, 2026.

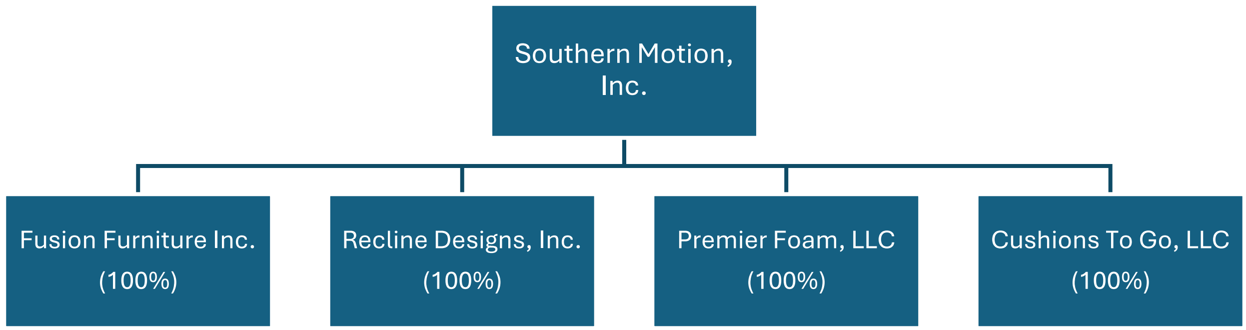
20. The Lee County Court entered that certain *Order and Judgment Granting Eviction* on August 6, 2026, and the Pontotoc County Court entered that certain *Consent Order and Judgment Granting Eviction* on August 19, 2026, both of which provided that Southern Motion would have until August 31, 2026 to vacate the Leased Premises.

21. Southern Motion filed this chapter 11 bankruptcy proceeding with the aim of proposing a chapter 11 plan with the support of as many of its stakeholders and creditors as possible by either negotiating a resolution of its obligations under the Master Lease with Landlord or relocating to another location with market terms.

IV. The Debtors' Corporate Organization and Primary Debt Obligations

A. Southern Motion's Organizational Structure.

22. The following chart illustrates Debtor's basic organizational structure in summary form.



B. Primary Debt Obligations

23. As previously noted, Gainline—Southern Motion's parent company—was acquired by Man Wah in December 2025. In connection with Man Wah's acquisition of Gainline, Man Wah loaned Southern Motion funds to pay Southern Motion's $26 million-plus secured debt obligations owing to J.P. Morgan & Chase Co in full.

24. As of the Petition Date, Southern Motion's largest non-insider debt obligation is its unsecured debt owing to Landlord under the Master Lease.

V. First Day Pleadings

25. Concurrently with its chapter 11 petition, Southern Motion is filing the following pleadings (collectively, the "First Day Pleadings"):

(a) Emergency Motion for Authority to Maintain Existing Bank Accounts and Cash Management System (the "Cash Management Motion");

(b) Emergency Motion for Interim and Final Orders (I) Authorizing Debtor to Obtain Secured Post-Petition Financing and (II) Granting Liens and Superpriority Administrative Claims (the "Financing Motion");

(c) Emergency Motion for Order Extending Time to Perform Obligations Under Unexpired Leases of Nonresidential Real Property Pursuant to 11 U.S.C. § 365(d)(3) (the "Rent Motion");

(d) Emergency Motion for Authority to Pay Certain Pre-Petition Employee Obligations (the "Employee Motion");

(e) Emergency Motion of the Debtors for Authority to Pay Certain Pre-Petition and Post-Petition Taxes and Fees and Related Relief (the "Tax Motion");

(f) Emergency Motion for Entry of Order (I) Authorizing the Debtor to (A) Continue Insurance Programs, Including Maintenance of Insurance Policies, and (B) Pay All Obligations with Respect Thereto; and (II) Granting Related Relief (the "Insurance Motion");

(g) Emergency Motion for Authority to Make Adequate Assurance Payments to Utility Companies and Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service (the "Utilities Motion");

(h) Emergency Motion for an Order Authorizing the Debtor to Pay Certain Pre-Petition Claims of Critical Vendors (the "Critical Vendors Motion");

(i) Emergency Application for Authority to Retain and Employ Epiq Corporate Restructuring, LLC as Claims, Noticing, and Solicitation Agent Effective as of Petition Date (the "Noticing and Claims Agent Motion");

(j) Emergency Motion for Entry of an Order Extending the Time to File Schedules and Statements (the "Schedules Extension Motion"; and

(k) Emergency Motion to Expedite Hearings (the "Emergency Hearing Motion").

26. The Debtor is also seeking to retain professionals through applications supported by separate declarations.

27. I am familiar with the contents of each First Day Pleading (including any exhibits) and believe the relief sought in each First Day Pleading will best support Southern Motion's orderly transition into this Case. Each motion seeks relief that is critical to Southern Motion's ability to maintain operational stability and preserve the value of its estate while pursuing confirmation of a Chapter 11 plan. Southern Motion has tried in each of the First Day Pleadings to narrow its requested relief to the extent possible, seeking only the relief that it believes is necessary for it to achieve its goal in this Case of providing the best result for Southern Motion's estate and its creditors and other stakeholders.

28. The relief sought in the various First Day Pleadings would allow Southern

Motion to, among other things, obtain certain operational relief and establish various administrative procedures to promote a seamless transition into bankruptcy to fund the Debtor's business operations and adequately fund the administration of this Case.

29. I have reviewed each of the First Day Pleadings or had their contents explained to me. I believe Southern Motion would suffer immediate and irreparable harm without the ability to continue operating in as close to an ordinary course of business as possible through the relief sought in the various First Day Pleadings. In my opinion, approval of the relief sought in the First Day Pleadings will be critical to maintaining the stability of Southern Motion's business operations and its relations with its employees and customers, thereby preserving value and allowing Southern Motion to focus its efforts on confirmation of a plan of reorganization in this Case.

VI. Cash Management Motion

30. Below is a brief discussion of the Debtor's Cash Management Motion and an explanation of why, in my belief, such motion is critical to the successful prosecution of this Case. More detailed descriptions of the facts regarding the Debtor's operations, and the bases for the relief requested in the Cash Management Motion, can be found in the Cash Management Motion.

31. In the Cash Management Motion, Southern Motion seeks authority to: (a) maintain and continue to operate its Accounts, with the same account numbers and forms, through the Cash Management System (as both are defined below); (b) honor, in its sole discretion, through reasonable exercise of its business judgment, certain pre-petition obligations related thereto; and (c) maintain existing business forms in the ordinary course of business.

32. Prior to the Petition Date, Southern Motion implemented and utilized a cash management system (the "Cash Management System"). Southern Motion's Cash Management System is comprised of the following accounts (together, the "Accounts"), each identified by

financial institution and the last four digits of its account number:

a. Renasant Bank:

   i. Checking Account No. 0168 (the "Renasant Checking Account") is used exclusively for local bank deposits. All amounts deposited in checking account number 0168 are deposited into collections account number 8118 (as discussed below).

b. JP Morgan:

   i. Collections Account No. 8118 (the "JP Morgan Checking Account") is used for collection of, among other things, all payments on Southern Motion's accounts receivable.

   ii. Payable Account No. 9165 (the "Payable Account") is used to pay, among other things, all costs incurred by Southern Motion except for payroll paid directly to employees.

   iii. Payroll Account No. 9769 (the "Payroll Account") is used to fund payroll paid directly to employees

   iv. Master Sweep Account No. 1971 (the "Sweep Account") is used to reconcile all of the above Accounts (as discussed below)

c. HSBC Bank

   i. Spare Account No.2399 (the "Spare Account") has a nominal balance is currently unused by Southern Motion.

33. Under Southern Motion's Cash Management System, Southern Motion both makes and receives payments via check, automated clearinghouse ("ACH") transfer, wire transfer and electronic funds transfer. Each day, funds are deposited and/or credited into the Renasant Checking Account or the JP Morgan Checking Account. Funds from the Renasant Checking Account are transferred periodically to the JP Morgan Checking Account. Funds are also withdrawn and/or debited from the Payable Account and the Payroll Account. Each day at approximately 12:00 a.m. CST, funds are either deposited from the other JP Morgan Accounts to, or withdrawn from, the Sweep Account. This occurs in order to reconcile the amounts debited or credited from or to the

other Accounts, thereby maintaining a $0.00 balance in all JP Morgan accounts other than the Sweep Account.

34. In the Cash Management Motion, Southern Motion seeks authority to continue the collection, concentration, and disbursement of cash pursuant to their Cash Management System, consistent with past practice.

35. Maintaining the pre-petition Accounts and the Cash Management System is in the best interest of Southern Motion, its employees, the bankruptcy estate and creditors. It would be difficult, disruptive, and expensive for Southern Motion to close its Accounts and open new accounts, and any disruption of the existing Cash Management System would not only impair current operations but would interrupt and delay financial reporting to the Court, because the Debtor's internal accounting system is based on data generated as a by-product of the existing Cash Management System.

36. Maintaining the existing Accounts will also preserve business continuity and lessen the confusion among employees, vendors, and customers. Opening new bank accounts would be unduly burdensome and would disrupt Southern Motion's ongoing business operations during the initial stages of the Case, since opening new accounts could take several weeks to complete. Changing the electronic checks and deposit slips would require reprogramming printers and programs, and new electronic transfer instructions would have to be issued by Southern Motion for each of the Accounts directing daily transfers of funds to newly-established operating accounts. Electronic transfer instructions would then have to be issued for the new operating account to make disbursements to new payroll and account payable accounts. Using the existing Accounts would avoid the cost and delay associated with setting up new accounts, ensuring the uninterrupted flow of funds required in the Debtor's daily operations.

37. Southern Motion will continue after the Petition Date to maintain all receipts and disbursements and records of all transfers within the Cash Management System. In this way, all transfers and transactions will be properly documented and reported.

38. To help avoid the payment of pre-petition obligations that are not otherwise approved by the Court, Southern Motion intends to place a stop-payment order for any check drawn on the Accounts on or prior to the Petition Date—except for checks issued for employee obligations such as wage garnishments and domestic support obligations, which Southern Motion cannot reissue—and Southern Motion personnel will individually review the invoice date, delivery date, service dates, etc. of all invoices before they are paid, paying only those invoices related solely to post-petition good or services, or payments otherwise authorized by an order of the Court.

39. Southern Motion also proposes to implement a check number gap of at least 100 checks between any pre-petition checks drawn on any of the Accounts and those checks that are drawn post-petition. This procedure will further guard against the inadvertent processing and payment of pre-petition checks.

40. Southern Motion is also seeking, through the Cash Management Motion, to be allowed to continue using its existing checks without an imprinted "debtor-in-possession" legend on such check for a short period until newly-printed checks are received.

VII. Financing Motion

41. Southern Motion is seeking authorization to obtain post-petition financing and approval of its entry into a debtor-in-possession credit facility. As of the filing of this declaration, Southern Motion is finalizing the terms of the facility. Once finalized, Southern Motion will file the Financing Motion along with a supplemental declaration. Southern Motion expects to file the

Financing Motion on August 31 or September 1, 2026 and requests that the Financing Motion be considered at the first-day hearing in this Case.

VIII. Rent Motion

42. Southern Motion operates its business in commercial spaces located in two counties in Mississippi governed by a Master Lease Agreement with STORE, as landlord, dated December 20, 20218 (as amended, the "Lease"). Southern Motion has not yet assumed or rejected the Lease pursuant to 11 U.S.C. § 365.

43. Pursuant to the Lease, Southern Motion is obligated to pay monthly rent and other charges (collectively, "Rent Obligations"), and absent relief from the Court, Southern Motion will be required to pay rent arising after the Petition Date as and when required under the Lease.

44. In the Rent Motion, Southern Motion is asking the Court to extend the time in which Southern Motion is required to satisfy its Rent Obligations under the Lease to a date not to exceed sixty (60) days from the Petition Date (the "Extension Period") pursuant to 11 U.S.C. §365(d)(3).

45. Southern Motion has experienced financial difficulties and cash flow constraints in the period leading up to the Petition Date, and Southern Motion anticipates that the payment of its Rent Obligations prior to October 29, 2026–60 days after the Petition Date–will further strain its financial resources and threaten overall business operations and the success of this Case. Southern Motion filed the Rent Motion seeking to extend the time for payment in order to preserve critical financial resources and allow Southern Motion to focus fully on maintaining operations and customer relationships in the crucial post-filing period.

46. Southern Motion believes that cause exists to extend the time for performance of its Rent Obligations during the Extension Period. Southern Motion submits that suspension in payment of the Rent Obligations during the Extension Period is the best way for it to maximize

the value of its assets, maintain customer relationships, and protect its employees by conserving funds otherwise required for payment of the Rent Obligations in order to continue ordinary operations until its revenues return to normal levels. At this time, Southern Motion must conserve cash to maintain its operations during the nascent stages of its Chapter 11 Case. If Southern Motion is unable to fund other costs associated with its operations, the estate and Southern Motion's creditors stand to suffer immediate and irreparable harm, including potential conversion of these proceedings to Chapter 7. Moreover, granting the extension will materially benefit the estate by increasing liquidity during the precarious early stages of this Chapter 11 Case, thereby increasing the likelihood of a successful reorganization.

47. Southern Motion also requests in the Rent Motion that the Court stay or toll for the duration of the Extension Period any actions that may be taken by STORE SPE Southern Motion 2018-1, LLC, the landlord, to compel payment of the Rent Obligations or other performance by Southern Motion under the Lease.

IX. Employee Motion

48. In the Employee Motion, Southern Motion is asking the Court to enter an Order authorizing, but not requiring, it to pay, in its sole discretion, through reasonable exercise of its business judgment, the pre-petition Employee Obligations (as defined below), so as to honor Southern Motion's obligations to its workforce during this critical time. The Employee Obligations that Southern Motion seeks authority to pay include wages, salaries, reimbursement obligations, federal and state withholding taxes, and other amounts withheld, Employee health benefits, insurance benefits, and all other Employee benefits that Southern Motion has historically provided.

49. In addition, Southern Motion seeks authorization for J.P. Morgan and any other applicable banks (the "Banks") and other financial institutions to receive, process, honor and pay

any and all checks, electronic funds transfers, ACH transfers, and garnishments drawn on Southern Motion's Payable Account and automatic payroll transfers drawn on Southern Motion's Payroll Account to the extent such checks or transfers relate to any of the pre-petition Employee Obligations.

50. As of the Petition Date, Southern Motion employed approximately 645 employees (collectively, the "Employees"). The Employees receive compensation in the form of, among other things, wages, salaries, reimbursement of expenses, employee benefits, vacation, severance, and sick leave pay earned by the Employees (collectively, the "Employee Obligations"). The Employee Obligations include, but are not limited to the following:

a. Wages and Salaries. Southern Motion estimates that approximately ninety percent of its Employees are compensated on an hourly basis, with the remainder receiving a salary. Southern Motion incurs approximately $200,000.00 semimonthly, and $400,000.00 weekly, to compensate its salaried and hourly employees, respectively. As of the Petition Date, Southern Motion estimates that it owes approximately $315,000.00, in pre-petition wages and salaries.

b. Commissions. Thirty-six of Southern Motion's employees are sales representatives, who are paid commissions based on sales. The monthly amounts Southern Motion incurs regarding commissions varies, but as of the Petition Date, Southern Motion estimates that it owes approximately $235,000.00 in accrued but unpaid sales commissions.

c. Reimbursable Business Expenses. In addition to wages and salaries, Southern Motion reimburses certain employees for expenses incurred during the normal course of business. Southern Motion estimates that it incurs approximately

$20,000.00 a month in reimbursable expenses. As of the Petition Date, Southern Motion estimates that it owes $10,000.00 in Reimbursable Business expenses.

d. Accrued PTO. During the normal course of business, Southern Motion's Employees accrue paid time off ("PTO"), sick leave, and vacation time. As of the Petition Date, Southern Motion estimates its aggregate liability for accrued but unpaid PTO, sick leave, and vacation time is approximately $311,000.00.

e. Employee Deductions. In addition to compensation, Southern Motion deducts from its Employees' paychecks some or all of the following items: payroll taxes, the employee's portion of FICA taxes, and legally ordered deductions such as garnishments, child support and tax levies (collectively, "Employee Deductions"). Southern Motion regularly deducts the Employee Deductions from the Employee's paychecks and forwards such deductions to the appropriate third-party recipients. These Employee Deductions are not property of the estate; they are trust funds. Payment of the Employee Deductions, therefore, will not prejudice any creditor or interested party herein.

f. Employee Benefits. Southern Motion also contributes to its Employees' 401k retirement plans, life insurance, health insurance, dental insurance, vision insurance, and workers' compensation (collectively, "Employee Benefits"). Southern Motion estimates that it incurs approximately $3,100,000.00 annually in connection with providing the Employee Benefits. As of the Petition Date, Southern Motion estimates that it owes $450,000.00 with respect to Employee Benefits.

51. With respect to each of the Employee Obligations, Southern Motion believes that a failure to honor these claims will severely threaten Employee morale, loyalty and financial

wellbeing at a time when the Employee's continued dedication and support is critical to Southern Motion's success in this Chapter 11 Case. Southern Motion believes that any uncertainty or anxiety about these matters will be detrimental to Southern Motion's ability to retain its Employees, which is a critical contributor to Southern Motion's ability to maximize the value of its bankruptcy estate. The avoidance of such threats to the welfare of the Employees, and therefore to the efforts of Southern Motion to successfully emerge from this Case, can and should be avoided by granting Southern Motion the authority requested in the Employee Motion. The granting of such relief is in the best interests of Southern Motion, its Employees, the bankruptcy estate and all interested parties.

52. Many, if not most, of Southern Motion's Employees rely exclusively on receiving their full compensation as and when due in order to pay their daily living expenses. These Employees will face exposure to potentially significant hardship if Southern Motion is not permitted to pay the Employee Obligations. It is essential, therefore, that the payroll cycle not be interrupted.

53. With respect to those Employee Deductions that Southern Motion makes at the direction of courts or other governmental authorities, *e.g*. garnishments, Southern Motion's failure to continue making such payments may not only subject Employees to hardship and potential legal action but may also subject Southern Motion to legal action for such non-compliance.

54. Southern Motion believes that the aggregate amount of all outstanding Employee Obligations, as of the Petition Date, is approximately $766,000.00.

55. As a result of the commencement of this Case, and in the absence of an Order of this Court providing otherwise, the Banks may reject or dishonor Southern Motion's checks, wire transfers, and direct deposit transfers with respect to pre-petition Employee Obligations.

Therefore, Southern Motion is requesting in the Employee Motion that the Court authorize the Banks to administer Southern Motion's J.P. Morgan accounts to receive, process, honor, and pay all pre-petition and post-petition checks issued by Southern Motion, and transfer all funds requested by Southern Motion, with respect to the Employee Obligations. Southern Motion also seeks authority to issue new post-petition checks, or effect new funds transfers, on account of pre-petition Employee Obligations to replace any pre-petition checks or funds transfer requests that may be dishonored based on the commencement of this Case.

56. Southern Motion represents that each of these checks or transfers is or will be drawn on its Payables Account and can be readily identified as relating directly to payment of Employee obligations. Southern Motion believes that pre-petition checks and transfers, other than those for Employee Obligations, or those honored by another order of the Court, will not be honored inadvertently.

X. Tax Motion

57. In the Tax Motion, Southern Motion seeks an Order authorizing, but not directing, Southern Motion to remit and pay Taxes and Fees (as defined below) without regard to whether such obligations accrued or arose before or after the Petition Date. This includes obligations later determined upon audit or otherwise to be owed for periods prior to the Petition Date. In the ordinary course of business, Southern Motion collects, withholds, and incurs sales, withholding, income, property, and import-export related taxes and charges, as well as other business and regulatory fees (collectively, the "Taxes and Fees"). Southern Motion remits the Taxes and Fees to various federal, state, provincial, and local governments (collectively, the "Authorities"). A nonexclusive list of the Authorities is attached to the Tax Motion as Exhibit B (the "Taxing Authorities List").Taxes and Fees are remitted and paid by Southern Motion through checks and/or

electronic funds transfers that are processed through its Banks and other financial institutions. Southern Motion estimates that approximately $302,749.10 in Taxes and Fees are outstanding as of the Petition Date, in addition to other amounts that will become due and owing to the Authorities after the Petition Date in the ordinary course.

58. Southern Motion remits the Taxes and Fees to the Authorities monthly, quarterly, semi-annually, or annually depending on their nature and incurrence. Southern Motion seeks authority to make such payments with respect to Taxes and Fees where: (a) Taxes and Fees accrued or were incurred pre-petition but were not paid pre-petition, or were paid in an amount less than actually owed; (b) Taxes and Fees were paid pre-petition and were lost or otherwise not received in full by the Authorities; or (c) Taxes and Fees incurred for pre-petition periods become due after the commencement of this Case. Southern Motion also seeks authority to pay Taxes and Fees incurred post-petition and Taxes and Fees for so-called "straddle" periods – periods that stretch across the Petition Date.

59. The Taxes and Fees are summarized as follows:

Category	Description
Sales and Use Taxes	Taxes imposed on the sale and use of certain goods and services
Income and Withholding Taxes	State, local, provincial, and federal income taxes paid on a periodic basis.
Franchise Taxes	Taxes required to conduct business in the ordinary course.
Property Taxes	Taxes and obligations related to real and personal property holdings.
Import and Export Taxes	Customs duties, excise taxes, detention and demurrage fees, tariffs, and associated taxes and charges related to the purchase and sale of goods from or in other jurisdictions.
Business and License Fees	Taxes and Fees related to compliance with state and provincial licensing, permits, reporting, and other related fees paid to state, provincial, and local agencies.

60. Southern Motion believes that any failure to pay the Taxes and Fees could materially disrupt Southern Motion's business operations in several ways: (a) the Authorities may audit Southern Motion, which would unnecessarily divert Southern Motion's attention from the restructuring process; (b) the Authorities may attempt to suspend Southern Motion's operations, file liens, seek to lift the automatic stay, and pursue other remedies to collect unpaid Taxes and Fees that will harm Southern Motion's estate; and (c) certain of Southern Motion's directors and officers could face personal liability due to nonpayment of the Taxes and Fees, which would likely distract those key employees from their duties related to Southern Motion's restructuring.

61. In addition, Southern Motion collects and holds in trust certain outstanding tax liabilities for the benefit of the applicable Authorities, and these funds may not constitute property of Southern Motion's estate. Moreover, unpaid Taxes and Fees may result in penalties and additional accrued interest. Southern Motion's ability to pay the Taxes and Fees is critical to its continued and uninterrupted operations. Any collection action on account of unpaid Taxes and Fees, and any potential ensuing liability, would distract Southern Motion and its personnel from the restructuring activities to the detriment of all parties in interest. The dedicated and active participation of Southern Motion's officers and employees is integral to Southern Motion's continued operations and essential to the orderly administration and, ultimately, the success of this Case.

62. Furthermore, Southern Motion's liability to pay the Taxes and Fees may ultimately result in increased tax liability for Southern Motion if interest and penalties accrue on the claims for Taxes and Fees, which amounts may also be entitled to priority treatment. Such a result would be contrary to the best interests of Southern Motion's estate and all stakeholders, especially the holders of nonpriority unsecured claims.

XI. Insurance Motion

63. In the ordinary course of business, Southern Motion maintains several policies (collectively, the "Insurance Policies"), that are issued by various insurers (collectively, the "Insurers"). The Insurance Policies provide coverage for, among other things, property, general liability, worker's compensation, excess liability, employment practices liability, and crime protection. As of the Petition Date, the current premiums for Southern Motion's Insurance policies total $2,141,343.00.

64. A detailed list of the Insurance Policies and the Insurers under such policies is attached to the Insurance Motion as Exhibit B. Southern Motion believes that the coverage provided through the Insurance Policies is appropriate in scope and amount for similarly sized businesses within the furniture industry. Southern Motion owes approximately $41,000.00 in premiums under the Insurance Policies as of the Petition Date. Through this Motion, Southern Motion is seeking approval to pay any premiums for its Insurance Policies that may be due and owing as of the Petition Date.

65. In the Insurance Motion, Southern Motion asks the Court to (i) authorize, but not direct, Southern Motion to (a) maintain, renew, amend, supplement, replace, purchase, or extend, in its discretion, the Insurance Policies (defined below) in accordance with their applicable terms and to perform with respect thereto in the ordinary course of business, and (b) pay, in their discretion, any premiums, deductibles, self-insured retentions, compensation claims, or other obligations arising under or related to the Insurance Policies (collectively, the "Insurance Obligations"); and (ii) grant related relief.

66. Southern Motion believes that the ordinary course maintenance of the Insurance Policies, including paying all of the Insurance Obligations, whether arising pre-petition or post-petition, satisfying all post-petition commitments to the Insurers, and otherwise maintaining the Insurance Programs without further order of the Court, is necessary and essential for Southern Motion to achieve its objectives in the Chapter 11 Case, especially, where, as here, the Insurers may seek to terminate the existing Insurance Policies or decline to renew such Insurance Policies in the future if Southern Motion fails to pay the Insurance Obligations. Southern Motion would then be required to obtain replacement policies on an expedited basis, likely at a significantly increased cost to the estate. Moreover, Southern Motion could be exposed to substantial liability for damages resulting to persons and/or property absent insurance coverage, and such exposure could have an extremely negative impact on Southern Motion's ability to successfully reorganize.

67. Southern Motion is legally and contractually required to maintain certain Insurance Polies, including under state laws requiring it to maintain workers' compensation policies for its employees. Southern Motion could be fined a substantial amount by various state entities if certain insurance policies are not maintained. Further, without sufficient workers' compensation coverage, there is a significant risk that employees will not receive timely payments for employment related injuries, which could also have a detrimental effect on the financial well-being and morale of Southern Motion's employees. Departures by employees at this critical time could result in a severe disruption of Southern Motion's business and have an adverse impact on Southern Motion, the value of its assets and business, and its ability to reorganize.

68. Southern Motion also believes that paying the Insurance Obligations is permitted as an exercise of Southern Motion's business judgment as failure to pay the Insurance Obligations could result in: (i) the cancellation, or attempted cancellation of the Insurance Policies; (ii)

Southern Motion's inability to obtain renewal or replacement of the Insurance Policies on terms that are as favorable as the current terms of such Insurance Policies; and (iii) violation of the Bankruptcy Code, applicable laws and regulations, various contractual commitments, and the fiduciary duties of Southern Motion as debtor-in-possession. Each of these outcomes would be detrimental to Southern Motion, its creditors, and its estates, and would unnecessarily jeopardize the success of Southern Motion's reorganization.

69. Southern Motion intends to pay all post-petition Insurance Obligations owed to the Insurers in a timely manner, and if operations continue, it will have sufficient funds to do so.

XII. Utilities Motion

70. In the Utilities Motion, Southern Motion asks the Court to (i) approve Southern Motion's proposed form of adequate assurance of payment to the Utility Companies (as defined below), (ii) establish procedures for resolving objections by the Utility Companies relating to the adequacy of Southern Motion's proposed adequate assurance, (iii) prohibit the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, Southern Motion on account of the commencement of this Chapter 11 Case or any outstanding pre-petition invoices.

71. Southern Motion incurs utility expenses for necessary services, including electricity, telecommunications, natural gas, water, waste disposal, and other similar services (collectively, the "Utility Services") from a number of utility companies (collectively, the "Utility Companies"), which are generally paid on a monthly basis. A nonexclusive list of Southern Motion's Utility Companies is found on Exhibit B to the Utilities Motion (the "Utility Services List").

72. Based on its estimated monthly average for the most recent two (2) month period, Southern Motion estimates that it will be required to spend approximately $155,000.00 a month on Utility Services across all facilities.

73. Reinstating and/or preserving uninterrupted Utility Services is essential for Southern Motion to obtain and keep insurance, to protect, preserve and operate the estate's assets and properties, and to run an effective and orderly reorganization. It is essential that Utility Services continue to be available to Southern Motion on an uninterrupted basis during the pendency of this Case.

74. Southern Motion intends to pay all post-petition obligations owed to the Utility Companies in a timely manner and, if operations continue, it will have sufficient funds to do so. To provide the Utility Companies with adequate assurance pursuant to § 366 of the Bankruptcy Code, Southern Motion proposes to (i) bring each of the Utility Companies current for pre-petition services provided and (ii) pay to each of the Utility Companies an amount equal to one (1) month's cost of average Utility Services provided to Southern Motion by such Utility Company (collectively, the "Adequate Assurance Payments"; each, an "Adequate Assurance Payment"), calculated (where practicable) using the historical average of the months of June and July, as a security deposit. Southern Motion may demand a refund of any unapplied deposit amounts, or make adjustment to an Adequate Assurance Payment, as applicable, if it: (i) terminates any of the Utility Services provided by a Utility Company, (ii) makes other arrangements with certain Utility Companies for adequate assurance of payment, or (iii) determines that an entity listed on the Utility Services List is not a utility company as defined by § 366 of the Bankruptcy Code.

75. Southern Motion estimates that the total amount of the Adequate Assurance Payments will be approximately $225,000.00.

76. The Adequate Assurance Payments will be made within twenty (20) days after entry of the Order granting the Utilities Motion.

77. Any Utility Company that is not satisfied with the Proposed Adequate Assurance will be able to request additional or different adequate assurance of future payment pursuant to the procedures set forth in the Utilities Motion (the "Adequate Assurance Procedures").

78. The Utilities Motion also sets forth proposed procedures for addressing later-discovered Utility Companies not included on Exhibit B to the Utilities Motion.

XIII. Critical Vendors Motion

79. Through the Critical Vendors Motion, Southern Motion asks the Court to authorize, but not require, it to pay, in its sole discretion, through reasonable exercise of its business judgment, the pre-petition claims of certain critical vendors that are essential to the uninterrupted functioning of Southern Motion's business operations (the "Critical Vendors", whose pre-petition claims shall be identified as the "Critical Vendor Claims"), which shall not exceed $3,400,000.00 in the aggregate. Southern Motion's ability to continue to generate revenue on an uninterrupted basis and operate its business, and therefore the success of this Case, is critically dependent on goods and services provided by a variety of these Critical Vendors.

80. Southern Motion also seeks authorization for J.P. Morgan and any other applicable Banks and other financial institutions to receive, process, honor, and pay checks drawn on Southern Motion's accounts for the payment of pre-petition Critical Vendor Claims and to rely on the representations of Southern Motion as to which checks are issued and authorized to be paid in accordance with any Order granting the Motion without any duty of further inquiry and without liability for following Southern Motion's instructions.

81. Southern Motion, in consultation with its professionals, reviewed, and will continue to review, its accounts and undertook a process to identify those vendors that are truly essential to its operations. Southern Motion is reviewing and analyzing its books and records, consulting with its management and personnel responsible for operations and purchasing, reviewing contracts and supply agreements, and analyzing applicable laws, regulations, and historical practice to identify certain critical business relationships and/or suppliers of goods and services – the loss of which would materially impair the going-concern viability of Southern Motion's business. In this process, Southern Motion is considering a variety of factors, including:

- Whether a vendor is a sole or limited source or high-volume supplier of goods or services critical to Southern Motion's business operations;
- Whether alternative vendors are available that can provide requisite volumes of similar goods or services on equal, or better, terms and, if so, whether Southern Motion would be able to continue operating while transitioning business thereto;
- The degree to which replacement costs exceed the amount of a vendor's pre-petition claim;
- Whether an agreement exists by which Southern Motion could compel a vendor to continue performing on pre-petition terms;
- Whether certain specifications or contract requirements prevent, directly or indirectly, Southern Motion from obtaining goods or services from alternative sources;
- Whether failure to pay all or part of a particular vendor's claim could cause the vendor to refuse to ship inventory or to provide critical services on a post-petition basis;
- Whether Southern Motion's inability to pay all or part of the vendor's pre-petition claim could trigger financial distress for the applicable vendor; and/or
- Whether failure to pay a particular vendor could result in contraction of trade terms as a matter of non-bankruptcy law or regulation.

82. A disruption in the supply of goods and/or services provided by the Critical Vendors would likely result in immediate and irreparable harm to Southern Motion's business and its estate. It would also increase costs and cause Southern Motion to spend its resources unnecessarily in seeking to establish alternative sources for the goods and services supplied by the Critical Vendors.

83. Southern Motion's business activities necessarily require freight and storage services, customs brokerage services, telecommunication services, and the acquisition of raw materials necessary for constructing finished goods. Southern Motion obtains such services and materials from a limited number of specialized vendors, service providers, and other businesses that are Critical Vendors as defined in the Motion, often on an order-by-order basis and without long term contracts. Such Critical Vendors would likely be impossible to replace, or replacement would result in substantially higher costs at a critical point in this Case.

84. Southern Motion also currently enjoys favorable trade terms with many of its Critical Vendors. Southern Motion believes that many of these vendors may be unfamiliar with the chapter 11 process and unwilling to do business on existing terms–even assuming such parties will continue to supply Southern Motion at all. Loss of trade terms would materially impair the value of Southern Motion's estate.

85. Southern Motion requests authority in the Critical Vendors Motion to engage in discussions with possible Critical Vendors regarding the validity and amount of their claims to determine whether they qualify for Critical Vendor status and to discuss the terms under which such Critical Vendors would continue to provide goods and services to Southern Motion on credit if its Critical Vendor Claim were paid, in whole or in part, early in this Case.

86. Southern Motion submits that the requested relief will allow it to preserve value by paying the pre-petition claims of certain suppliers that are critical to its business while also

providing flexibility to engage in discussions with such parties regarding the validity, amount, and extent of their claims.

87. In return for paying the claims of the Critical Vendors, Southern Motion will seek to require the Critical Vendors to provide favorable trade terms in line with historical practice for the post-petition delivery of goods and services and supply Southern Motion with essential goods and services for the duration of the Case. For that reason, Southern Motion is requesting authority to condition payment of the Critical Vendor Claims upon such party's written agreement to continue supplying goods or services to it for the duration of the Case in accord with trade terms at least as favorable to it as those practices and programs in place prior to the Petition Date, as they may be modified by any Trade Agreement (as defined in the Critical Vendors Motion) (collectively, the "Customary Trade Terms").

88. More specifically, Southern Motion may elect to condition the payment of certain Critical Vendor's claims upon such party's agreement to continue supplying goods and services on Customary Trade Terms for the duration of the Case by executing a trade agreement (a "Trade Agreement") setting forth the terms and conditions that will govern post-petition transactions. Such Trade Agreement, once agreed to and accepted by a Critical Vendor, shall govern the commercial trade relationship during the Case, unless modified by Southern Motion in its discretion.

89. Additionally, if any party accepts payment of its Critical Vendor Claim and thereafter does not continue to provide goods or services on Customary Trade Terms, then (a) such Critical Vendor Claim payment may be deemed to be an improper post-petition transfer on account of a pre-petition claim, and therefore, immediately recoverable by Southern Motion in cash upon request; (b) upon recovery by Southern Motion, any pre-petition claim of such party shall be

reinstated as if the payment had not been made; and (c) if there exists an outstanding pre-petition balance due from Southern Motion to such party, Southern Motion may elect to recharacterize and apply any payment made to the Critical Vendor to such outstanding post-petition, and such supplier or vendor would be required to repay to Southern Motion any amounts it received as a Critical Vendor that exceed the post-petition obligations then outstanding.

90. Southern Motion requires a steady stream of goods and services from its Critical Vendors to maintain operational stability while simultaneously transitioning into chapter 11. Without the goods and services provided by the Critical Vendors, Southern Motion would be forced to halt production while it searched for alternate vendors and service providers, which could also cause it to forego favorable trade terms established with Critical Vendors pre-petition. Any disruption in Southern Motion's supply chain could result in loss of operational efficiency, decreasing the value of the business. Accordingly, Southern Motion submits that it is appropriate for the Court to authorize Southern Motion to engage in discussions with counterparties that may qualify as Critical Vendors regarding the validity and amount of their respective claims and to determine whether any such counterparties qualify as Critical Vendors, and for the Court to authorize Southern Motion by an Order granting the Critical Vendors Motion to satisfy the Critical Trade Claims.

XIV. Noticing and Claims Agent Motion

91. Pursuant to the Engagement Agreement, the Debtor seeks to retain Epiq Corporate Restructuring, LLC ("Epiq") as claims, noticing, and solicitation agent in the Chapter 11 Case to provide, among other things, the following bankruptcy administration services, if and to the extent requested:

a. Serve and/or prepare required notices and documents in the Chapter 11 Case in accordance with the Bankruptcy Code and Bankruptcy Rules in the form and manner directed by the Debtor and/or the Court;

b. Receive, docket, and maintain records of all proofs of claim filed in the Chapter 11 Case, including processing claims as they are filed, imaging and cataloging supporting documentation, and providing the Debtor and other parties with reports and access to claims data;

c. Assist with solicitation, balloting and tabulation of votes, and prepare any related reports, as required in support of confirmation of a chapter 11 plan of reorganization, and in connection with such services, process requests for documents from parties in interest;

d. Maintain (i) a list of all potential creditors, equity holders, and other parties in interest and (ii) a "core" mailing list consisting of all parties described in Bankruptcy Rules 2002(i), (j), and (k) and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010; update said lists and make said lists available upon request by a party in interest or the Clerk;

e. Furnish a notice to all potential creditors of the last date for the filing of proofs of claim and a form for the filing of a proof of claim;

f. For all notices, motions, orders or other pleadings or documents served, prepare and file or caused to be filed with the Clerk an affidavit or certificate of service within seven (7) business days of service which includes (i) either a copy of the notice served or the docket number(s) and title(s) of the pleading(s) served, (ii) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (iii) the manner of service, and (iv) the date served; and

g. Maintain a professional fee escrow account.

92. Epiq is one of the country's leading chapter 11 claims, noticing, and solicitation agents, with experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. Epiq has substantial experience in matters of this size and complexity and has acted as claims, noticing, and solicitation agent in many large bankruptcy cases nationwide.

93. The relief sought in the Noticing and Claims Motion will effectuate Southern

Motion's transition into bankruptcy and allow Epiq immediately begin providing effective notice of pleadings and orders to interested parties.

XV. Schedules Extension Motion

94. In the Schedules Extension Motion, Southern Motion asks the Court to extend the deadline by which Southern Motion must file its schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs (collectively, the "Schedules and Statements") by 30 days.

95. To prepare its Schedules and Statements, Southern Motion must compile information from books, records, and documents maintained by it relating to hundreds of creditors, as well as Southern Motion's many assets and liabilities. Given the scope of Southern Motion's operations, it will take substantial time to gather and process such information. Southern Motion has a limited number of employees with detailed knowledge of its financial affairs and the skill to perform the necessary review and analysis of its financial records. In light of the size and complexity of Southern Motion's business, and the resulting significant amount of work required to complete the Schedules and Statements, as well as the competing demands on Southern Motion's employees and professionals to assist in critical efforts to stabilize its business operations during the initial post-petition period, an extension is necessary.

96. The requested extension will also aid Southern Motion in efficiently preparing accurate Schedules and Statements, as it will allow Southern Motion to account for pre-petition invoices not yet received or entered into its accounting system as of the Petition Date, and will minimize the possibility of any subsequent amendments to the Schedules and Statements. As such,

the extension will benefit not only Southern Motion, but all creditors and other parties in interest, and will promote judicial economy by minimizing the potential need for amendment in the future.

97. Although Southern Motion, with the assistance of its advisors, has begun to compile information necessary for the Schedules and Statements, Southern Motion has been consumed with a multitude of other legal, business, and administrative matters leading up to the Petition Date. Nevertheless, recognizing the importance of the Schedules and Statements in this Case, Southern Motion intends to complete the Schedules and Statements as quickly as possible under the circumstances.

98. Southern Motion expects that it will require at least 30 additional days to finalize the Schedules and Statements. Southern Motion is therefore requesting in the Schedules Extension Motion that the Court extend the 14-day period for an additional 30 days, without prejudice to Southern Motion's right to request further extensions, for cause shown.

XVI. Emergency Hearing Motion

99. In the Emergency Hearing Motion, Southern Motion is asking the Court to set the First Day Motions for expedited hearing, because the relief requested in the First Day Motions is essential to both: (a) maintain the viability of Southern Motion's business and preserve Southern Motion's ability to reorganize successfully; and (b) provide for orderly and efficient administration of Southern Motion's estate. In particular, an expedited hearing is necessary so that Southern Motion can obtain the necessary relief to make the current week's payroll timely. Southern Motion also proposes a procedure in the Emergency Hearing Motion for notice of the hearing on the First Day Motions to be given to the United States Trustee for the Northern District of Mississippi, Southern Motion's thirty (30) largest unsecured creditors, and all parties entitled to notice pursuant to Bankruptcy Rule 2002, which Southern Motion believes is sufficient under the circumstances.

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 and belief.

Dated: August 31, 2026

/s/ David Baker
David Baker, Aurora Management
Partners as Chief Restructuring Officer

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Proposed Counsel to the Debtor

CERTIFICATE OF SERVICE

I do hereby certify that on August 31, 2026, a true and correct copy of the foregoing was served by electronic transmission through the Court's CM/ECF system, which will send notification of such filing to all parties requesting electronic notice, including:

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/s/ *Evan N. Parrott*
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