

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

In re:	)	
	)	Chapter 11
	)	
ANAGRAM HOLDINGS, LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90901 (MI)
	)	
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION FOR ENTRY  
OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE PAYMENT OF  
CERTAIN TAXES AND FEES AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 3:30 p.m. (prevailing Central Time) on November 9, 2023.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on November 9, 2023 at 3:30 p.m. (prevailing Central Time) in Courtroom 404, 4th floor, 515 Rusk Street, Houston, Texas 77002.

Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Isgur's conference room number is 954554. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Isgur's home page. The meeting code is "JudgeIsgur." Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Isgur's home page. Select the case name, complete the required fields and click "submit" to complete your appearance.

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors' service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors' chapter 11 cases are not proposed to be consolidated with the Party City (as defined herein) debtors which emerged from chapter 11 cases in this Court on October 12, 2023. *See In re Party City Holdco Inc., et. al.*, Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City chapter 11 cases.



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The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state as follows in support of this motion:

**Relief Requested**

1. The Debtors seek entry of interim and final orders, substantially in the form attached hereto as **Exhibit A** (the “Interim Order”) and **Exhibit B** (the “Final Order”), respectively, (a) authorizing, but not directing, the Debtors to remit or pay (or use tax credits to offset or otherwise satisfy) all Taxes and Fees (as defined herein) due and owing to various state, local, and other applicable Authorities (as defined herein) that arose prior to the Petition Date (as defined herein) (including any Assessment (as defined herein) determined by Audit (as defined herein) or otherwise to be owed for periods prior to the Petition Date), and to pay all Taxes and Fees due and owing to various state, local, and other applicable Authorities that may arise after the Petition Date (including any Assessment subsequently determined by Audit or otherwise to be owed for periods after the Petition Date) and (b) granting related relief.

2. In addition, the Debtors request that the Court (as defined herein) schedule a final hearing to consider approval of this motion on a final basis.

**Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012 (the “Amended Standing Order”). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court.

4. Venue is proper pursuant to 28 U.S.C. § 1408.

5. The statutory bases for the relief requested herein are sections 105(a), 363(b), 507(a)(8), and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 1075-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

### **Background**

6. On the date hereof (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors have filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) substantially contemporaneously herewith. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

7. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of Adrian Frankum in Support of Debtors’ Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed substantially contemporaneously herewith and incorporated herein by reference.<sup>2</sup>

### **I. Taxes and Fees Overview**

8. In the ordinary course of business, the Debtors collect, incur, remit, withhold, and pay certain taxes, fees, and assessments in approximately eight jurisdictions in the United States

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

and Canada related to, among other taxes, income, sales and use, excise, property, permitting and fees, unemployment insurance, and various other governmental charges, fees, and assessments (collectively, “Taxes and Fees”).<sup>3</sup>

9. The Debtors pay and remit, as applicable, Taxes and Fees on a periodic basis, typically remitting them monthly, quarterly, semi-annually, annually, or on other terms to the federal government, various state and local governments, and other applicable taxing authorities and related inspectors, vendors, and agents (collectively, the “Authorities”), depending on the nature and incurrence of a particular Tax or Fee and as required by applicable laws and regulations. A schedule identifying the Authorities is attached hereto as Schedule A.<sup>4</sup> The Debtors generally remit the Taxes and Fees directly to the applicable Authority. As discussed further below, however, with respect to Income Taxes, Party City (as defined below) pays tax obligations on behalf of the Tax Group (as defined below) and the Debtors reimburse Party City for their allocable portion of the consolidated income tax liabilities of the Tax Group (as defined below).

10. Taxes and Fees typically (but not exclusively) are remitted and paid by the Debtors through checks and electronic transfers that are processed through their banks and other financial institutions or service providers. From time to time, the Debtors also receive tax credits for overpayments or refunds in respect of Taxes or Fees. The Debtors use these credits in the ordinary course of business to offset against future Taxes or Fees, or for other general corporate purposes, or have the amount of such credits refunded to the Debtors.

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<sup>3</sup> Other than with respect to any potential unknown Audits or Assessments, the Debtors do not seek authority to pay prepetition amounts related to payroll withholding taxes under this motion, but rather request such authority as part of the *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief* which has been filed substantially contemporaneously herewith.

<sup>4</sup> Although Schedule A is intended to be comprehensive, the Debtors may have inadvertently omitted Authorities from Schedule A. The Debtors request relief with respect to Taxes and Fees payable to all Authorities, regardless of whether such Authority is specifically identified on Schedule A.

11. The Debtors estimate that approximately \$37,000 in Taxes and Fees (other than Income Taxes) relating to the prepetition period have accrued and may become due and owing (or arise in connection with a collateral or bond posting obligation) in the ordinary course of business as set forth in more detail below:

<b>Category<sup>5</sup></b>	<b>Description</b>	<b>Approximate Amount Accrued and Unpaid as of Petition Date</b>	<b>Approximate Amount to Become Due During First 30 Days After Petition Date</b>
Sales and Use Taxes	Taxes on goods or services that are used/consumed or sold and assessed based on the value of those goods and services	\$8,500	\$2,000
Property Taxes	Taxes related to personal property that the Debtors own and use in the operation of their business	\$17,000	N/A
Other Taxes and Fees	Miscellaneous taxes and fees, including interest, Assessments, and fees related to business operations, such as unemployment insurance, building permit fees, and hazardous waste permit fees (“ <u>Other Taxes and Fees</u> ”)	\$11,500	N/A
<b>Total:</b>		\$37,000	\$2,000

## **II. Sales and Use Taxes**

12. The Debtors operate an international business selling products in countries and regions around the world. In connection with such operations, the Debtors incur, collect, and remit taxes on goods or services that are used, consumed or sold (the “Sales and Use Taxes”). Sales and Use Taxes are assessed based on the value of those goods and services. Sales and Use Taxes are general consumption taxes charged at either the point of purchase for goods and services or the point of sale of goods and services, which are usually set by an Authority as a percentage of the

<sup>5</sup> In certain cases, the approximate amount of Taxes and Fees is based on current exchange rates and may be subject to change based on fluctuations in exchange rates.

retail price of the good or service purchased or sold. The process by which the Debtors remit Sales and Use Taxes varies depending on the Authority. Generally, the Debtors remit Sales and Use Taxes on a monthly, quarterly, semi-annual, or annual basis, depending on the nature and incurrence of the particular Sales and Use Taxes as required by applicable laws and regulations.

13. In fiscal year 2022, the Debtors incurred approximately \$104,000 in the aggregate to various Authorities on account of Sales and Use Taxes. As of the Petition Date, the Debtors estimate that approximately \$8,500 in prepetition Sales and Use Taxes will have accrued and remain unpaid to the relevant Authorities, of which approximately \$2,000 will become due and owing in the first 30 days following the Petition Date. The Debtors seek authority to continue paying Sales and Use Taxes, including outstanding prepetition amounts, in the ordinary course of business.

### **III. Property Taxes**

14. The Debtors remit Property Taxes directly to the Authorities relating to personal property that the Debtors own and use in the operation of their business (the “Property Taxes”). Generally, the Debtors remit Property Taxes on a semi-annual basis.

15. In fiscal year 2022, the Debtors paid approximately \$257,500 in Property Taxes. As of the Petition Date, the Debtors owe approximately \$17,000 on account of prepetition Property Taxes, which will become due and owing following the Petition Date but none of which will become due and owing during the first 30 days of the chapter 11 cases. The Debtors seek authority to continue paying Property Taxes, including outstanding prepetition amounts, in the ordinary course of business.

### **IV. Other Taxes and Fees**

16. The Debtors incur other miscellaneous taxes, interest, assessments, and fees relating to business operations, such as licensing, permitting, and repatriation taxes (the “Other

Taxes and Fees”). The Debtors remit the Other Taxes and Fees directly to the applicable Authority. The Debtors typically remit Other Taxes and Fees to the relevant Authorities or customs agents on a monthly, quarterly, or annual basis, depending on the nature and incurrence of the particular Other Taxes and Fees as required by applicable laws and regulations.

17. In fiscal year 2022, the Debtors paid approximately \$29,500 in Other Taxes and Fees. As of the Petition Date, the Debtors estimate that approximately \$11,500 in prepetition Other Taxes and Fees will have accrued and remain unpaid to the relevant Authorities, which will become due and owing following the Petition Date but none of which will be become due and owing due during the first 30 days of the chapter 11 cases. The Debtors seek authority to continue paying Other Taxes and Fees, including outstanding prepetition amounts, in the ordinary course of business.

## **V. Income Taxes**

18. As discussed in the First Day Declaration, the Debtors are wholly owned subsidiaries Party City Holdings Inc. (“PCHI” and, together with certain of its affiliates, “Party City”), which emerged from chapter 11 cases in this Court on October 12, 2023 (Case No. 23-90005 (MI)). The Debtors and Party City are part of a consolidated tax group for income tax purposes (the “Tax Group”). Consequently, the Debtors do not pay any income taxes directly to any Authority. Instead, in the ordinary course of business, Party City pays the consolidated income tax liabilities of the Tax Group and the Debtors reimburse Party City in arrears on an annual basis in the first quarter of the calendar year for their allocable portion of such consolidated income tax liabilities (such income tax liabilities allocable to the Debtors, the “Income Taxes” and such payments, the “Party City Tax Payments”). In the past 12 months, the Debtors have made approximately \$3.2 million in Party City Tax Payments on account of Income Taxes.

19. As of the date hereof, the Debtors estimate that approximately \$2 million of Income

Taxes has accrued, exclusive of estimated tax receivables owed to the Debtors, none of which will be become due and owing due during the first 30 days of the chapter 11 cases. When due, the prepetition Income Taxes will be paid by Party City on the Debtors' behalf, and the Debtors will reimburse Party City, net of any tax receivables. The Debtors seek authority to continue reimbursing Party City for Income Taxes in the ordinary course of business, including outstanding prepetition amounts, and consistent with past practice.

## **VI. Audits**

20. As part of the Tax Group, the Debtors may be subject to investigations on account of income tax returns and/or obligations relating to Taxes and Fees from current or prior years (collectively, the "Audits"). For example, the Debtors understand that, on May 5, 2023 and July 20, 2023, respectively, the IRS issued letters to Party City Holdco Inc., a debtor in the Party City bankruptcy cases, informing it that the U.S. federal income tax returns of the Tax Group for tax periods ending December 31, 2014 through December 31, 2020 and ending December 31, 2021, respectively, were selected for examination. The Audits may result in the imposition of additional prepetition Taxes and Fees being assessed against the Debtors, including interest on late payment of taxes, penalties, and fees (such additional Taxes and Fees, collectively, "Assessments"). In addition, there may be Assessments that have already been made but are being contested in appropriate judicial or administrative proceedings, as well as amounts that may need to be posted as collateral to contest asserted Assessment amounts. Taxes and Fees relating to the prepetition period may become due and owing as a result of such Audits and Assessments, including in connection with settlements with the applicable Authority, after the Petition Date.<sup>6</sup>

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<sup>6</sup> Nothing in this motion or any related order constitutes or should be construed as an admission of liability by the Debtors with respect to any Audit or Assessment. The Debtors expressly reserve all rights with respect to any Audit. Furthermore, the Debtors reserve the right to contest any Assessment claimed to be due as a result of the Audits.

21. As of the Petition Date, the Debtors are not aware of any prepetition Assessments that are accrued and remain unpaid to the relevant Authorities. For the avoidance of doubt, however, the Debtors seek authority herein to pay any Assessments, including relating to the prepetition period, as they become due in the ordinary course of business.

### **Basis for Relief**

#### **I. Certain Taxes and Fees May Not Be Property of the Debtors' Estates**

22. Section 541(d) of the Bankruptcy Code provides, in relevant part, that “[p]roperty in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest . . . becomes property of the estate under subsection (a)(1) or (2) of this section only to the extent of the debtors’ legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.” Certain Taxes and Fees are collected or withheld by the Debtors on behalf of the applicable Authorities and are held in trust by the Debtors. *See, e.g., Begier v. Internal Revenue Serv.*, 496 U.S. 53, 57-60 (1990) (holding that certain taxes are property held by the debtor in trust for another and, as such, do not constitute property of the estate); *In re Shank*, 792 F.2d 829, 833 (9th Cir. 1986) (finding that sales tax required by state law to be collected by sellers from their customers is a “trust fund” tax and not released by bankruptcy discharge); *DeChiaro v. N.Y. State Tax Comm’n*, 760 F.2d 432, 435-36 (2d Cir. 1985) (same). Given that the Debtors may not have an equitable interest in funds held on account of such “trust fund” taxes, the Debtors should be permitted to pay those funds to the Authorities as they become due.<sup>7</sup>

#### **II. Failure to Pay Prepetition Taxes May Increase the Scope of Secured and Priority Claims Held by Authorities**

23. Payment of prepetition Taxes and Fees is also warranted because the Debtors’

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For the avoidance of doubt, the Debtors hereby request authority to pay Taxes and Fees as provided herein regardless of whether such Taxes and Fees constitute trust fund obligations.

nonpayment may increase the amount of secured claims held by Authorities against the Debtors' estates and may result in the imposition of liens on the Debtors' property. Authorities may assert liens against any personal property for which the Taxes and Fees are due and owing. Arguably, the relation back of a tax lien to the assessment or tax status date generally does not affect the enforceability of the tax lien against a debtor or violate the automatic stay imposed by section 362(a) of the Bankruptcy Code. See 11 U.S.C. § 362(b)(3). In fact, the creation and perfection of such a lien may not violate the automatic stay if the lien arises under applicable law for taxes that become due after the Petition Date even if they relate to the prepetition period. *See id.* § 362(b)(18) (providing that the automatic stay does not apply to "the creation or perfection of a statutory lien for an ad valorem property tax, or a special tax or special assessment on real property whether or not ad valorem, imposed by a governmental unit, if such tax or assessment comes due after the date of the filing of the petition").

24. To the extent that the Authorities hold oversecured claims, if the prepetition Taxes and Fees are not paid, postpetition interest, fees, penalties, and other charges may accrue. *See* 11 U.S.C. § 506(b); *United States v. Ron Pair Enters., Inc.*, 489 U.S. 235, 241–43 (1989) (holding that nonconsensual lienholders may receive interest on their claims under section 506(b) of the Bankruptcy Code). Even if these Taxes and Fees are not treated as secured claims, they may still, as discussed below, be entitled to priority treatment, as may any penalties assessed by the applicable Authorities on delinquent taxes owed by the Debtors. *See* 11 U.S.C. § 507(a)(8). Consequently, the Debtors' failure to pay prepetition Property Taxes thus may increase the amount of secured and priority claims held by the Authorities against the Debtors' estates.

### **III. Certain Taxes and Fees May Be Secured or Priority Claims Entitled to Special Treatment under the Bankruptcy Code**

25. Claims for certain Taxes and Fees are or may be priority claims entitled to payment

before general unsecured claims. *See* 11 U.S.C. § 507(a)(8) (describing taxes entitled to priority treatment). Moreover, to the extent that such amounts are entitled to priority treatment under the Bankruptcy Code, Authorities may attempt to assess interest and penalties if such amounts are not paid. *See* 11 U.S.C. § 507(a)(8)(G) (granting priority status to “a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss”). Claims entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code must be paid in full under a confirmable plan pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. Therefore, payment of certain Taxes and Fees at this time only affects the timing of the payment for the amounts at issue and will not unduly prejudice the rights and recoveries of junior creditors. Payment of such Taxes and Fees likely will give Authorities no more than that to which they otherwise would be entitled under a chapter 11 plan of reorganization and will save the Debtors the potential interest expense, legal expense, penalties, and other fees that might otherwise accrue on Taxes and Fees during these chapter 11 cases.

#### **IV. Payment of Taxes and Fees as Provided Herein Is a Sound Exercise of the Debtors’ Business Judgment**

26. Section 363(b) of the Bankruptcy Code provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). “In such circumstances, for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.” *In re ASARCO, L.L.C.*, 650 F.3d 593, 601 (5th Cir. 2011) (quotation omitted); *see also In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (courts require only that the debtor “show that a sound business purpose justifies such actions”).

27. “The business judgment standard in Section 363 is flexible and encourages

discretion.” *ASARCO, L.L.C.*, 650 F.3d at 601; *see also In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct”); *In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”).

28. Moreover, under section 105(a) of the Bankruptcy Code and the “doctrine of necessity,” the bankruptcy court may exercise its broad grant of equitable powers to permit the payment of prepetition obligations when such payment is essential to the continued operation of the debtors’ business. *See, e.g., In re Just For Feet, Inc.*, 242 B.R. 821, 824-25 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code provides a statutory basis for the payment of prepetition claims under the doctrine of necessity and noting that “[t]he Supreme Court . . . recognize[s] the court’s power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11”); *see also In re CEI Roofing, Inc.*, 315 B.R. 50, 56, 60-61 (Bankr. N.D. Tex. 2004) (holding that payment of certain prepetition claims under the doctrine of necessity is “based on both common sense and the express provisions of the Bankruptcy Code”); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2004) (authorizing the debtors to pay certain prepetition claims because “[t]he court d[id] not wish [the] Debtors’ businesses seriously damaged”). The rationale for the doctrine of necessity is consistent with the paramount goal of chapter 11—to facilitate the continued operation and rehabilitation of the debtor. *See Just For Feet, Inc.*, 242 B.R. at 825.

29. Courts in the Fifth Circuit have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including

an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (stating that in certain situations, a debtor's fiduciary duty to maximize estate value for all parties can only be satisfied through the payment of a prepetition claim); *In re CEI Roofing Inc.*, 315 B.R. at 50, 59 (recognizing the permissibility of paying prepetition obligations, particularly where all sophisticated parties are in agreement); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) ("The ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.").

30. In addition, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, debtors in possession are fiduciaries "holding the bankruptcy estate[s] and operating the business[es] for the benefit of [their] creditors and (if the value justifies) equity owners." *CoServ, L.L.C.*, 273 B.R. at 497. Implicit in the fiduciary duties of any debtor in possession is the obligation to "protect and preserve the estate, including an operating business's going concern value." *Id.*

31. The Debtors submit that Payment of the Taxes and Fees is an exercise of sound business judgment and is necessary to permit a successful reorganization, and such payments are necessary to avoid obstacles to a smooth transition into and ultimately out of these chapter 11 cases. Significant disruptions of the Debtors' operations of the types described above threaten to irreparably impair the Debtors' ongoing and essential relationships with regulators involved in every aspect of the Debtors' business and threaten to limit or prevent entirely the Debtors ability to transact with counterparties in the ordinary course of business, all of which would undoubtedly impair the Debtors' ability to sell their assets to a purchaser.

32. Further, nonpayment or delayed payment of the Taxes and Fees may subject the Debtors to efforts by certain Authorities, whether or not permissible under the Bankruptcy Code,

to revoke the Debtors' licenses and other privileges. Moreover, certain of the Taxes and Fees may be considered to be obligations as to which the Debtors' officers and directors may be held directly or personally liable in the event of nonpayment. These collection and/or enforcement efforts by the Authorities would create obvious distractions for the Debtors and their officers and directors in their efforts to bring these Chapter 11 Cases to a successful conclusion. Accordingly, the Debtors believe the relief requested herein is both essential to continue ongoing operations without disruption and in the best interests of the Debtors, their estates and all interested parties.

**V. The Court Should Authorize the Debtors' Financial Institutions to Honor and Process the Debtors' Payments on Account of Taxes and Fees**

33. The Debtors have sufficient funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations, anticipated access to cash collateral, and proceeds of the DIP Notes Facility and the DIP ABL Facility. Additionally, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

**Emergency Consideration**

34. Pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm," and Bankruptcy Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this motion. An immediate and orderly transition

into chapter 11 is critical to the viability of the Debtors' operations. Failure to obtain the requested relief during the first 21 days of these chapter 11 cases would imperil the Debtors' restructuring. The Debtors have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this motion on an emergency basis.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

35. The Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

**Reservation of Rights**

36. Nothing contained herein is intended to be or should be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion or any order granting the relief requested by this motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this

motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

**Notice**

The Debtors will provide notice of this motion to the following parties or their respective counsel:

(a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the ABL Agent and to the agent under the DIP ABL Facility; (e) counsel to the First Lien Notes Trustee; (f) counsel to the Second Lien Notes Trustee; (g) counsel to the PC Noteholder Group; (h) counsel to the trustee under the DIP Notes Facility; (i) the United States Attorney's Office for the Southern District of Texas; (j) the Internal Revenue Service; (k) the United States Securities and Exchange Commission; (l) the state attorneys general for states in which the Debtors conduct business; (m) other regulatory agencies having a regulatory or statutory interest in these cases; (n) counsel to Party City (o) counsel to Barings, LLC, Arnold & Porter Kaye Scholer LLP, 70 West Madison Street Suite 4200, Chicago, IL 60602-4231, Attn: Tyler Nurnberg (Tyler.Nurnberg@arnoldporter.com) and Alex Hevia (alexander.hevia@arnoldporter.com); and (p) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

*[Remainder of Page Intentionally Left Blank]*

WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

November 8, 2023

Respectfully submitted,

By: /s/ Tom A. Howley

**HOWLEY LAW PLLC**

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- and -

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*Proposed Counsel to the Debtors and the Debtors  
in Possession*

**Certificate of Accuracy**

I certify that the facts and circumstances described in the above pleading giving rise to the emergency request for relief are true and correct to the best of my knowledge, information, and belief. This statement is made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Tom A. Howley

Tom A. Howley

**Certificate of Service**

I certify that on November 8, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Tom A. Howley

Tom A. Howley

**SCHEDULE A****Authorities**

<b>Authority</b>	<b>Jurisdiction</b>	<b>Type</b>
INTERNAL REVENUE SERVICE	Federal	Income Taxes
MINNESOTA DEPARTMENT OF REVENUE	State	Income Taxes
HENNEPIN COUNTY TREASURER	Minnesota	Hazardous Waste Permit Fees
HENNEPIN COUNTY TREASURER	Minnesota	Property Taxes
CANADA REVENUE AGENCY	Ontario, Canada	Sales and Use Taxes
STATE OF WASHINGTON	Washington	Sales and Use Taxes
MINNESOTA DEPT. OF REVENUE	Minnesota	Sales and Use Taxes
STATE OF CALIFORNIA	California	Other Taxes and Fees
STATE OF MICHIGAN	Michigan	Other Taxes and Fees
CITY OF BLOOMINGTON	Bloomington	Building Permit Fees
MINNESOTA POLLUTION CONTROL AGENCY	Minnesota	Other Taxes and Fees

**EXHIBIT A**

**Interim Order**

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

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In re:

ANAGRAM HOLDINGS, LLC, *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 23-90901 (MI)  
)  
) (Jointly Administered)  
)

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**INTERIM ORDER (I) AUTHORIZING THE PAYMENT OF  
CERTAIN TAXES AND FEES AND (II) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Interim Order”) (a) authorizing, but not directing, the Debtors to remit or pay or (or use tax credits to offset or otherwise satisfy) all Taxes and Fees due and owing to various state, local, and other applicable Authorities, or to Party City, as applicable, that arose prior to the Petition Date (including any Assessment determined by Audit or otherwise to be owed for periods prior to the Petition Date), and to remit, pay or (to the extent already paid for on the Debtors’ behalf) reimburse for (or use tax credits to offset or otherwise satisfy) all Taxes and Fees due and owing to various state, local, and other applicable Authorities or Party City, as applicable, that arose after the Petition Date (including any Assessment subsequently determined by Audit or otherwise to be owed for periods after the

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<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors’ chapter 11 cases are not proposed to be consolidated with the Party City debtors which emerged from chapter 11 cases in this Court on October 12, 2023. *See In re Party City Holdco Inc., et. al.*, Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City chapter 11 cases.

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

Petition Date) and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The final hearing on the Motion shall be on [\_\_\_], 2023, at [\_\_\_]:[\_\_\_].m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on [\_\_\_], 2023. If no objections to entry of the final order on the Motion are timely received, the Court may enter such final order without need for the final hearing.

2. The Debtors are authorized, but not directed, to remit or pay (or use tax credits to offset or otherwise satisfy) all Taxes and Fees due and owing to various state, local, and other applicable Authorities that arose prior to or after the Petition Date (including any Assessment determined by Audit or otherwise to be owed for periods prior to the Petition Date and, for the avoidance of doubt, posting collateral or a letter of credit in connection with any dispute related to

Assessments), in each case, solely to the extent that such Taxes and Fees become payable in accordance with applicable law.

3. The Debtors are authorized, but not directed, to make the Party City Tax Payments in the ordinary course of business, including with respect to outstanding prepetition amounts; *provided* that the Debtors shall not make any Party City Tax Payments for any Taxes and Fees actually paid by Party City on behalf of the Debtors prior to the Petition Date, pending entry of a final order of the Court approving such reimbursements.

4. The Debtors are further authorized, but not directed, to settle some or all of the prepetition Taxes and Fees for less than their face amount without further notice or hearing; *provided*, that the Debtors will consult with the Ad Hoc Group with respect to any such settlement involving Taxes and Fees in excess of \$100,000.

5. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in the Motion or this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

6. Notwithstanding anything to the contrary herein or in the Motion, in the event the Debtors make a payment with respect to any Taxes and Fees for the prepetition portion of any “straddle” amount, and this Court subsequently determines such amount was not entitled to priority or administrative treatment under section 507(a)(8) or 503(b)(1)(B) of the Bankruptcy Code, the Debtors may (but shall not be required to) seek an order from the Court requiring a return of such amounts and the payment of such amount shall, upon order of the Court, be refunded to the Debtors.

7. To the extent that the Debtors have overpaid any Taxes and Fees, the Debtors are authorized, but not directed, to seek a refund or credit.

8. Nothing in the Motion or this Interim Order shall be deemed to authorize the Debtors to accelerate any payments not otherwise due.

9. The Debtors shall maintain a matrix/schedule of amounts remitted, satisfied, or paid (including tax credits used to offset) on account of Taxes and Fees subject to the terms and conditions of this Interim Order, including the following information: (a) the names of the payee; (b) the category as further described and classified in the Motion; (c) the date and the aggregate amount of the payment by category; and (d) the Debtor or Debtors that made the payment. The Debtors shall provide, on a confidential basis, a copy of such matrix/schedule to the advisors to the Ad Hoc Group, the U.S. Trustee, and any statutory committee appointed in these cases by the last day of each calendar month.

10. The banks and financial institutions on which checks were drawn or electronic fund transfer requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic fund transfer requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic fund transfer requests as approved by this Interim Order.

11. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

12. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable

non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

13. Notwithstanding the relief granted in the Motion or this Interim Order, any payment made or to be made by the Debtors pursuant to the authority granted herein, and any relief or authorization granted herein, shall be subject to and in compliance with each interim and final order entered by the Court in respect of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens And Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*, filed substantially contemporaneously herewith (collectively, such interim and final orders, the "DIP Order"), including compliance with any budget or cash flow forecast in connection therewith and any other

terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Order, the DIP Notes Documents (as defined in the DIP Order), or the DIP ABL Agreement (as defined in the DIP Order). To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Interim Order or any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

15. Notice of the Motion as provided therein is hereby deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized, but not directed, to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

18. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Houston, Texas

Dated: \_\_\_\_\_, 2023

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UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT B**

**Final Order**

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

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In re:

ANAGRAM HOLDINGS, LLC, *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 23-90901 (MI)  
)  
) (Jointly Administered)  
) (Emergency Hearing Requested)

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**FINAL ORDER (I) AUTHORIZING THE PAYMENT OF  
CERTAIN TAXES AND FEES AND (II) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Final Order”) (a) authorizing, but not directing, the Debtors to remit or pay or (or use tax credits to offset or otherwise satisfy) all Taxes and Fees due and owing to various state, local, and other applicable Authorities, or to Party City, as applicable, that arose prior to the Petition Date (including any Assessment determined by Audit or otherwise to be owed for periods prior to the Petition Date), and to remit, pay or (to the extent already paid for on the Debtors’ behalf) reimburse for (or use tax credits to offset or otherwise satisfy) all Taxes and Fees due and owing to various state, local, and other applicable Authorities or Party City, as applicable, that arose after the Petition Date (including any Assessment subsequently determined by Audit or otherwise to be owed for periods after the

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<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors’ chapter 11 cases are not proposed to be consolidated with the Party City debtors which emerged from chapter 11 cases in this Court on October 12, 2023. *See In re Party City Holdco Inc., et. al.*, Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City chapter 11 cases.

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

Petition Date) and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Debtors are authorized, but not directed, to remit or pay (or use tax credits to offset or otherwise satisfy) all Taxes and Fees due and owing to various state, local, and other applicable Authorities that arose prior to or after the Petition Date (including any Assessment determined by Audit or otherwise to be owed for periods prior to the Petition Date and, for the avoidance of doubt, posting collateral or a letter of credit in connection with any dispute related to Assessments), in each case, solely to the extent that such Taxes and Fees become payable in accordance with applicable law.

2. The Debtors are authorized, but not directed, to make the Party City Tax Payments

in the ordinary course of business, including with respect to outstanding prepetition amounts.

3. The Debtors are further authorized, but not directed, to settle some or all of the prepetition Taxes and Fees for less than their face amount without further notice or hearing; *provided*, that the Debtors will consult with the Ad Hoc Group with respect to any such settlement involving Taxes and Fees in excess of \$100,000.

4. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in the Motion or this Final Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

5. Notwithstanding anything to the contrary herein or in the Motion, in the event the Debtors make a payment with respect to any Taxes and Fees for the prepetition portion of any “straddle” amount, and this Court subsequently determines such amount was not entitled to priority or administrative treatment under section 507(a)(8) or 503(b)(1)(B) of the Bankruptcy Code, the Debtors may (but shall not be required to) seek an order from the Court requiring a return of such amounts and the payment of such amount shall, upon order of the Court, be refunded to the Debtors.

6. To the extent that the Debtors have overpaid any Taxes and Fees, the Debtors are authorized, but not directed, to seek a refund or credit.

7. Nothing in the Motion or this Final Order shall be deemed to authorize the Debtors to accelerate any payments not otherwise due.

8. The Debtors shall maintain a matrix/schedule of amounts remitted, satisfied, or paid (including tax credits used to offset) on account of Taxes and Fees subject to the terms and conditions of this Final Order, including the following information: (a) the names of the payee; (b) the category as further described and classified in the Motion; (c) the date and the aggregate

amount of the payment by category; and (d) the Debtor or Debtors that made the payment. The Debtors shall provide, on a confidential basis, a copy of such matrix/schedule to the advisors to the Ad Hoc Group, the U.S. Trustee, and any statutory committee appointed in these cases by the last day of each calendar month.

9. The banks and financial institutions on which checks were drawn or electronic fund transfer requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic fund transfer requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic fund transfer requests as approved by this Final Order.

10. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

11. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code;

(f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

12. Notwithstanding the relief granted in the Motion or this Final Order, any payment made or to be made by the Debtors pursuant to the authority granted herein, and any relief or authorization granted herein, shall be subject to and in compliance with each interim and final order entered by the Court in respect of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens And Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*, filed substantially contemporaneously herewith (collectively, such interim and final orders, the "DIP Order"), including compliance with any budget or cash flow forecast in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Order, the DIP Notes Documents (as defined in the DIP Order), or the DIP ABL Agreement (as defined in the DIP Order). To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Final Order or any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

13. Notice of the Motion as provided therein is hereby deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized, but not directed, to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Houston, Texas

Dated: \_\_\_\_\_, 2023

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UNITED STATES BANKRUPTCY JUDGE