

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
SOUTHEASTERN DIVISION

In re:	§	Chapter 11
	§	
	§	Case No. 20-43597-399
BRIGGS & STRATTON CORPORATION, <i>et al.</i> ,	§	(Jointly Administered)
	§	
Debtors.	§	Related Docket No. 17

AMENDED INTERIM ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE EXISTING CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE THEREOF, AND (C) CONTINUE INTERCOMPANY TRANSACTIONS AND PROVIDE ADMINISTRATIVE EXPENSE PRIORITY FOR POSTPETITION INTERCOMPANY CLAIMS, AND (D) CONTINUE SUPPLY CHAIN FINANCING; (II) WAIVING REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE; AND (III) GRANTING RELATED RELIEF

Upon the motion, (the “**Motion**”)¹ of Briggs & Stratton Corporation and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105(a), 345(b), 363, 364, and 503 of the Bankruptcy Code (i) authorizing, but not directing, the Debtors to (a) continue using its existing cash management system (“**Cash Management System**”), as described herein, including the maintenance of existing bank accounts at their existing banks (collectively, the “**Bank Accounts**”), consistent with Debtors’ prepetition practices, (b) honor certain prepetition obligations related to the Cash Management System, (c) maintain existing business forms in the ordinary course of business, (d) continue to maintain intercompany business relationships with Debtor and non-Debtor affiliates and related parties consistent with historical practice and pay prepetition and postpetition obligations related thereto in the ordinary course of business, and (e)

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



continue the Supply Chain Financing in the ordinary course; (ii) waiving the requirements of section 345(b) of the Bankruptcy Code; and (iii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the Ficks Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having represented that due and proper notice of the Motion was provided, such notice was adequate and appropriate under the circumstances, and that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing to consider the relief requested in the Motion; and all objections, if any, to the Motion have been withdrawn, resolved, or overruled; 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 it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003 and is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor, **it is hereby ORDERED that the Motion is GRANTED on an interim basis in that:**

1. The Debtors are authorized, but not directed, pursuant to sections 105(a), 345(b), 363 and 503 of the Bankruptcy Code, to continue to manage their cash pursuant to the Cash Management System maintained by the Debtors before the Petition Date; to collect and disburse cash in accordance with the Cash Management System and Intercompany Transactions, except as otherwise set forth herein; and to make ordinary course changes to their Cash Management System, *provided* that such changes do not have a material effect on the Cash

Management System unless notice is first given to the U.S. Trustee, counsel to JPMorgan Chase Bank, N.A. (as the administrative agent and collateral agent under the ABL Credit Facility and DIP Facility), and any official statutory committee.

2. The Debtors are authorized to deposit and invest their cash and cash equivalents in the Bank Accounts consistent with their prepetition practices and the Cash Management System. With respect to the Debtors' four existing Bank Accounts at JPMorgan Chase and Bank of Montreal, the Debtors are relieved from the obligations under section 345(b) of the Bankruptcy Code and the requirements of the UST Operating Guidelines to obtain a bond from any entity with which money is deposited or maintained in the Bank Accounts for a period of ninety (90) days from the date of this Interim Order (the "**Initial Waiver Period**"). The Initial Waiver Period is subject to extension upon the Debtors' agreement with the U.S. Trustee. Upon request of the U.S. Trustee, the Debtors shall provide a periodic report on each of the Bank Accounts subject to the waiver to the U.S. Trustee, and such reports shall be kept strictly confidential by the U.S. Trustee.

3. The Debtors are authorized, but not directed, to honor any prepetition Intercompany Claims arising from Intercompany Transactions and to continue to engage in Intercompany Transactions, subject to the terms set forth in this Interim Order, in the ordinary course of business and consistent with past practice; *provided*, that such Intercompany Transactions shall be conducted at arm's length and in good faith between the Debtors and non-Debtor affiliates.

4. All Intercompany Claims against a Debtor arising after the Petition Date shall be accorded administrative expense in accordance with sections 364(a), 503(b)(1) and 507(a)(2) of the Bankruptcy Code.

5. The Debtors are further authorized, but not directed, to continue complying with the terms of the Supply Chain Financing in the ordinary course of business.

6. The Debtors shall maintain accurate records of all transfers within the Cash Management System so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their Books and Records, to the same extent maintained by the Debtors before the Petition Date.

7. The Debtors are authorized, but not directed, to continue using, in their present form (or as subsequently amended in accordance with this Interim Order), the Business Forms, as well as checks and other documents related to the Debtor Bank Accounts existing immediately before the Petition Date; *provided* that once the Debtors' existing Business Forms, checks, and other related documents have been used, the Debtors shall use reasonable efforts, when reordering checks or reprinting Business Forms or other related documents, to require the designation "Debtor in Possession" and the corresponding bankruptcy case number on such checks, Business Forms, and related documents; *provided further* that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall include a legend referring to the "Debtor in Possession" status and the bankruptcy case number on such items within reasonably promptly after the date of entry of this Interim Order.

8. Notwithstanding anything to the contrary in the UST Operating Guidelines, the Debtors are further authorized, but not directed, to: (i) designate, maintain and continue to use any or all of their existing Debtor Bank Accounts in the names and with the account numbers existing immediately before the Petition Date in the ordinary course and in a manner consistent with prepetition practices and the existing agreements governing the Debtor Bank Accounts (the "**Bank Account Agreements**"); (ii) deposit funds in and withdraw funds from such accounts by

all usual means, including, without limitation, checks, wire transfers, automated clearinghouse transfers, and other debits in the ordinary course and in a manner consistent with prepetition practices and the Bank Account Agreements; (iii) pay any Bank Fees or other charges associated with the Debtor Bank Accounts, whether arising before or after the Petition Date, in the ordinary course and consistent with the Debtors' prepetition practice and the Bank Account Agreements; and (iv) treat their prepetition Debtor Bank Accounts for all purposes as debtor in possession accounts.

9. Nothing in the Motion or this Interim Order shall be deemed to authorize the Debtors to accelerate any payments not otherwise due prior to the date of the hearing to consider entry of an order granting the relief requested in the Motion on a final basis.

10. Notwithstanding anything contained in the Motion or this Interim Order, any payment made, and any authorization of the Debtors contained herein shall be subject to the terms and conditions contained in any orders entered by this Court authorizing the Debtors to obtain debtor-in-possession financing and/or authorizing the use of cash collateral (each such order, a "**DIP Order**"), the documentation in respect of any such debtor-in-possession financing or use of cash collateral, and any budget in connection with any such debtor-in-possession financing and/or use of cash collateral. To the extent there is any inconsistency between the terms of any DIP Order and any action taken or proposed to be taken by the Debtors hereunder, the terms of the DIP Order shall control.

11. The Banks are authorized to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested, by the Debtors relating to such obligations, to the extent that sufficient funds are on deposit in available funds in the applicable bank accounts to cover such payments. The Banks are authorized to accept

and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

12. Nothing contained herein shall prevent the Debtors from opening any additional deposit accounts, or closing any Bank Accounts as they may deem necessary and appropriate in their sole discretion, and the Banks and other financial institutions are authorized to honor the Debtors' request to open or close, as the case may be, Bank Accounts or additional bank accounts; *provided, that* any new deposit account shall be with (i) a bank that is insured by the Federal Deposit Insurance Corporation, organized under the laws of the United States, and designated as an Authorized Depository under the UST Operating Guidelines or (ii) any other bank, as the Debtors may determine, upon prior notice to the U.S. Trustee, the Ad Hoc Committee, the administrative agent under the DIP Facility, and any statutory committee appointed in these chapter 11 cases; *provided, further, that* all accounts opened by any of the Debtors on or after the Petition Date at any bank shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been listed on **Exhibit A**, as attached hereto; *provided, further, that* nothing in this Interim Order shall authorize the Debtors to open or close Bank Accounts in a manner that is inconsistent with their obligations under any debtor-in-possession financing documents *provided, further, that* to the extent the Debtors open a new bank account, they shall provide notice to counsel to JPMorgan Chase Bank, N.A. (as the administrative agent and collateral agent under the ABL Credit Facility and DIP Facility).

13. Except as otherwise provided in this Interim Order, all financial institutions in which the Debtors maintain the Bank Accounts as of the Petition Date are authorized to continue

to maintain, service, and administer the Bank Accounts without interruption and in the usual and ordinary course in accordance with the Bank Account Agreements, and to receive, process, honor, and pay all checks, drafts, wires, or other transfers by the holders or makers thereof, as the case may be; *provided*, that nothing contained herein shall (i) require a financial institution to honor any check, wire, or other transfer unless the account has good and collected funds at the time of the requested action or (ii) authorize any financial institution to honor any check, draft, wire, or other transfer issued or dated before the Petition Date, except as otherwise provided by order of this Court; *provided, further*, however, that any such financial institution is authorized to accept and honor all representations from the Debtors as to which check, automated clearinghouse transfer, draft, wire, or other transfer drawn or issued or requested to be issued by the Debtors before the Petition Date should be honored pursuant to an order of this Court, and such financial institution shall not have any liability to any party for relying on the representation by the Debtors as provided for herein, nor shall any Bank honoring or not honoring any check or other item as a result of good faith error be liable to any party therefor.

14. To the extent a Bank in the ordinary course of the Cash Management System incurs an overdraft or other event giving rise to an uncovered debit, regardless of whether arising pre- or postpetition, the Bank shall be authorized to cover the overdraft or debit from funds of the Debtors in its possession and available for that purpose.

15. The Debtors are authorized, but not directed, to pay prepetition amounts outstanding as of the Petition Date, if any, owed to the Banks and other third parties that directly or indirectly provide services to the Debtors in connection with the Cash Management System as Bank Fees and other service charges for the maintenance of the Cash Management System.

16. The Debtors are further authorized, but not directed, to issue postpetition checks, or to effect postpetition funds transfer requests, in replacement of any checks or funds transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

17. Nothing contained herein shall prevent the Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

18. Nothing contained in the Motion or this Interim Order or any payment made pursuant to the authority granted by this Interim Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) an agreement or obligation to pay any claims, (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (vi) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code.

19. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

20. Notice of the Motion is adequate under Bankruptcy Rule 6004(a).

21. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

22. The Debtors are authorized to take all actions necessary or appropriate to carry out the relief granted in this Interim Order.

23. A final hearing (the “**Final Hearing**”) to consider the relief requested in the Motion shall be held on **August 18, 2020 at 10:00 a.m. (prevailing Central Time)**, in the United States Bankruptcy Court, Eastern District of Missouri, United States Courthouse, Thomas F. Eagleton Federal Building, 5th Floor, North Courtroom, 111 S. 10th Street, St. Louis, Missouri, 63102, and any objections or responses to the Motion shall be filed on or prior to **August 11, 2020 at 4:00 p.m. (prevailing Central Time)** and shall be served on: (i) Briggs & Stratton Corporation (Attn: Kathryn M. Buono, Esq.); (ii) proposed counsel to the Debtors (a) Weil, Gotshal & Manges LLP (Attn: Ronit J. Berkovich, Esq., Debora A. Hoehne, Esq., and Martha E. Martir, Esq.) and (b) Carmody MacDonald P.C., (Attn: Robert E. Eggmann, Esq., Christopher J. Lawhorn, Esq., and Thomas H. Riske, Esq.); and (iii) the Notice Parties (as defined in the Motion). If no objection or response is timely filed and served, the Court may enter the Final Order without need for the Final Hearing.

24. Not later than two (2) business days after the date of this Interim Order, the Debtors shall serve a copy of the Interim Order and shall file a certificate of service no later than twenty-four (24) hours after service.

DATED: July 23, 2020
St. Louis, Missouri

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Barry S. Schermer
United States Bankruptcy Judge

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*Proposed Local Counsel to the Debtors and
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-and-

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*Proposed Counsel to the Debtors and
Debtors in Possession*

Exhibit A
Bank Accounts¹

Debtor	Bank Name	Account Name	Type of Account	Last 4 Digits of Account No.
Briggs & Stratton Corporation	Bank of America	EUR Collection Account	Collection	8011
Briggs & Stratton Corporation	Bank of Montreal	CAD Collection Account	Collection	1266
Briggs & Stratton Corporation	JPMorgan Chase	Main Collection Account	Collection	4049
Briggs & Stratton Corporation	Bank of America	EUR Disbursement Account	Disbursement	8029
Briggs & Stratton Corporation	Bank of Montreal	CAD Disbursement Account	Disbursement	1253
Briggs & Stratton Corporation	U.S. Bank	Main Disbursement Account	Disbursement	1465
Briggs & Stratton Corporation	U.S. Bank	USD Control Disbursement	Disbursement	3619
Briggs & Stratton Corporation	U.S. Bank	ACH Disbursements Account	Disbursement	0362
Briggs & Stratton Corporation	Bank of America	JPY Hybrid Account	Hybrid	1014
Briggs & Stratton Corporation	BMO Wealth Management	Investment Account	Standalone	8717
Briggs & Stratton Corporation	Bank of America	Certificate of Deposit Account	Standalone	6598
Briggs & Stratton Corporation	U.S. Bank	DMC Liability	Standalone	6422
Briggs & Stratton Corporation	Wells Fargo Bank	Rabbi Trust	Standalone	3600
Briggs & Stratton Corporation	SunTrust Bank	NMTC - Construction Disbursement Account	NMTC Accounts	0942
Briggs & Stratton Corporation	SunTrust Bank	NMTC Operating Account	NMTC Accounts	0934
Briggs & Stratton Corporation	SunTrust Bank	NMTC - ST Fee Reserve Account	NMTC Accounts	0959
Briggs & Stratton Corporation	SunTrust Bank	NMTC - MUNI Fee Reserve Account	NMTC Accounts	0975
Briggs & Stratton Corporation	SunTrust Bank	NMTC - DVCII Fee Reserve Account	NMTC Accounts	0967
Billy Goat Industries Inc.	U.S. Bank	New Market Tax Credit	NMTC Accounts	3304
Briggs & Stratton Corporation	Lock Box	N/A	Lock Box	27397
Billy Goat Industries Inc.	Lock Box	N/A	Lock Box	28380

¹ Any relief granted in this Interim Order with respect to the Bank Accounts shall apply, for the avoidance of doubt, to accounts held at Bank of Montreal and JPMorgan Chase.

Debtor	Bank Name	Account Name	Type of Account	Last 4 Digits of Account No.
Allmand Bros., Inc.	Lock Box	N/A	Lock Box	28060
Briggs & Stratton International	U.S. Bank	B&S Int'l Standalone	Standalone	4237