

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

In re

HRHI Wind-down, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (TMH)

Jointly Administered

Hearing Date:

TBD

Objection Deadline:

TBD

**MOTION OF DEBTORS FOR ENTRY OF AN (I) ORDER APPROVING ENTRY INTO SETTLEMENT AGREEMENT WITH GRIDIRON RP INVESTORS, LLC, GC FUND III RP AIV, L.P., GRIDIRON STRATEGIC ADVISORS FUND III, L.P., AND GRIDIRON CO-INVESTORS III, LLC PURSUANT TO 11 U.S.C. § 105(a) AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019; AND (II) INITIAL ORDER AND FURTHER ORDER (A) ESTABLISHING PROCEDURES WITH RESPECT TO FINAL FEE APPLICATIONS; (B) AUTHORIZING THE DEBTORS TO ABANDON CERTAIN PROPERTY; (C) DISMISSING THE DEBTORS' CHAPTER 11 CASES; (D) AUTHORIZING THE DEBTOR ENTITIES TO BE DISSOLVED IN ACCORDANCE WITH APPLICABLE STATE LAW; AND
(III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby move (the “Motion”) as follows:

PRELIMINARY STATEMENT

1. On September 3, 2025, the Official Committee of Unsecured Creditors (the “Committee”) purported to assert a Challenge under the Final DIP Order against GC Fund III RP, AIV, L.P., as the purported holder of the economic interest in the Term B Loan Obligations, for a “potential claim for recharacterization” (the “Committee Challenge”). That same day, the

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: HRHI Wind-down, LLC (7913); DPM Wind-down, L.L.C. (1830); HRHP Wind-down, LLC (9937); and SPC Wind-down, LLC (7899). The Debtors’ mailing address is 200 W. Madison Street, Suite 1000, Chicago, IL 60606.

Committee filed its Cross-Motion (D.I. 417) seeking the conversion of the Debtors' chapter 11 cases to cases under chapter 7.

2. Pursuant to the terms of the Final DIP Order (as defined below), the Debtors are authorized to either settle the Committee Challenge or initiate an adversary proceeding to prosecute the Committee Challenge. To that end, the Debtors engaged in good faith, arms'-length negotiations with Gridiron (as defined below) to potentially resolve the Committee Challenge and to put these chapter 11 cases on the path to a successful resolution through a dismissal. As a result of those negotiations, the Debtors and Gridiron have agreed to a settlement which settles the Committee Challenge in exchange for Gridiron's agreement to allow the Debtors to fund a wind-down budget for the Debtors and carve-out an additional \$200,000 from the Agent's collateral for the benefit of the Debtors' estates. The proceeds of the settlement will allow the Debtors to efficiently wind down and dismiss these chapter 11 cases.

3. The Settlement Agreement is eminently reasonable as it avoids costly and time-consuming litigation. The Debtors' entry into, and performance under, the Settlement Agreement is in the best interests of the Debtors, their estates, and all other stakeholders, and falls well within the range of reasonableness. Accordingly, the Debtors believe that the Settlement Agreement should be approved as a sound exercise of the Debtors' business judgment.

4. In addition, given that the Debtors do not have any funding for a chapter 11 plan process, dismissal of these chapter 11 cases in accordance with the procedures in this Motion is the most expeditious and cost-effective manner to complete their wind-down efforts. Aside from resolving the lone remaining 503(b)(9) Claim, the Debtors (or a chapter 7 trustee) have nothing left to administer because substantially all of their assets were sold pursuant to the Sofidel Sale Order and the ERC Sale Order (each as defined below).

5. Moreover, conversion of these cases to chapter 7 would not be in the best interests of creditors because such conversion would only add another layer of administrative expenses without any attendant benefit. In fact, conversion is likely to result in several constituencies in these cases, including certain otherwise budgeted administrative expenses and professional fees, being treated worse than they would be treated if these cases are dismissed as proposed herein (because those claims would be fully satisfied in a dismissal pursuant to the agreed-upon budget). Therefore, dismissal of the Debtors' chapter 11 cases on the terms described herein is the Debtors' best available option to exit from chapter 11.²

RELIEF REQUESTED

6. The Debtors seek entry of orders, substantially in the forms attached hereto as **Exhibit A** (the "Initial Order") and **Exhibit B** (the "Dismissal Order," and with the Initial Order, the "Proposed Order") (i) approving and authorizing the Debtors to enter into and perform under the settlement agreement attached to the Proposed Order as **Exhibit 1** (the "Settlement Agreement"), by and between (a) the Debtors and RP Holdco, LLC ("Holdco"), on the one hand, and (b) Gridiron RP Investors, LLC, GC Fund III RP AIV, L.P., Gridiron Strategic Advisors Fund III, L.P., and Gridiron Co-Investors III, LLC (individually and collectively, "Gridiron"), on the other hand; (ii) establishing procedures for the filing and approval of final fee applications by professionals retained in these chapter 11 cases (collectively, the "Professionals") and providing for payment of fees incurred by Professionals pursuant to and in accordance with the agreed upon budget and the Final DIP Order (as defined below) (the "Professional Fees"); (iii) authorizing, but

² The arguments raised in the *Debtors' Response to the Official Committee of Unsecured Creditors' (I) Objection to Debtors' Motion for Entry of an Order Extending the Exclusive Periods During Which Only the Debtors May File a Chapter 11 Plan and Solicit Acceptances, and (II) Cross-Motion to Convert the Debtors' Chapter 11 Cases to Chapter 7* (D.I. 447) (the "Response") are hereby incorporated herein by reference.

not directing, the Debtors to abandon any remaining assets that were not sold as part of the Sale (as defined below) or other dispositions of the Debtors' assets; (iv) dismissing the Debtors' chapter 11 cases; (v) authorizing the Debtors to be dissolved in accordance with applicable state law and on the terms provided for in the Initial Order and Dismissal Order, respectively; (vi) granting such other and further relief as the Court deems just and proper. In support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

7. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The Debtors consent pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware ("Local Rules") to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. The statutory basis for the relief requested herein are sections 105(a), 349, 363(b)(1), 554(a) and 1112(b) of title 11 of the United States Code (the "Bankruptcy Code"), as supplemented by rules 1017, 2002, 6007 and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rule 1017-2.

BACKGROUND

A. General Background

10. On April 8, 2025 (the “Petition Date”), the Debtors each commenced a voluntary case under chapter 11 of the Bankruptcy Code in this Court. The Debtors continue to manage their assets as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

11. On April 18, 2025, the Office of the United States Trustee (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Committee”) pursuant to Bankruptcy Code § 1102(a)(1) (D.I. 79).

12. Additional detail regarding the Debtors, their business and the events leading to the commencement of these cases is set forth in the *Declaration of Michael Ragano in Support of First Day Relief* (D.I. 3) (the “First Day Declaration”), which is incorporated herein by reference.

B. The DIP Orders

13. On April 10, 2025, the Court entered an order approving the Debtors’ motion for post-petition financing (the “DIP Motion”) on an interim basis (the “Interim DIP Order”). On May 5, 2025, the Court entered an order approving the Debtors’ DIP Motion on a final basis (the “Final DIP Order,” and with the Interim DIP Order, the “DIP Orders”). Importantly, the DIP Orders provide certain restrictions with respect to the use of the Cash Collateral.³ By way of examples, the DIP Orders provide that the Debtors are authorized to use Cash Collateral solely to extent to pay when due those expenses enumerated in the Budget,

³ Capitalized terms used in this section and not otherwise defined shall have the meanings ascribed to such terms in the DIP Orders.

allowable 506(b) claims, and to fund the Carveout. DIP Orders, ¶¶ 1, 2(d). Further, the Final DIP Order provides that no party can use the Carveout, Postpetition Debt or the Aggregate Collateral in connection with claims or causes of action adverse to Agents' or Lenders' interest in the Aggregate Collateral, other than \$50,000 for Committee professionals in connection with the investigation of potential Challenges. Final DIP Order, ¶ 7(b). Finally, each of the DIP Orders explicitly require the Debtors to turn over to the Agents all proceeds of sales to satisfy the Postpetition Debt and the Prepetition Debt.⁴ DIP Orders, ¶¶ 13, 2(c).

C. The Sales of the Debtors' Assets

14. The Debtors commenced these chapter 11 cases to pursue the going concern sale of their business (the "Sale") to Sofidel America Corp. ("Sofidel") pursuant to that certain asset purchase agreement, dated May 20, 2025 (the "APA"). To that end, after an extensive sale process and successful auction, on May 23, 2025, the Court approved the sale of substantially all of the Debtors' assets to Sofidel pursuant to the APA (D.I. 227) (the "Sofidel Sale Order"). The Sale to Sofidel closed on June 16, 2025. *See* D.I. 273.

15. The Sofidel Sale Order provides, among other things, that "[a]ll proceeds of the Sale shall be subject to the terms of the interim and final orders authorizing the Debtors to obtain postpetition financing and use of cash collateral . . . for application to the Aggregate Debt." Sofidel Sale Order, ¶ 12. In addition, the Court also entered a supplemental order (D.I. 232) (the "Supplemental Sale Order") approving the Sale and modifying the Final DIP Order to reflect a global resolution among the Debtors, the Committee and the Agents that was presented to the Court at the Sale Hearing. The Supplemental Sale Order, among other things, reinforced that

⁴ The Final DIP Order provides, "[s]ubject to entry of this Order, all proceeds from sales or other dispositions of all or any portion of the Aggregate Collateral other than in the ordinary course shall be remitted to Agents for application in accordance with Paragraph 2(c) of this Order." Final DIP Order, ¶ 13.

“[p]ursuant to, and in accordance with, Paragraph 13 of the Final DIP Order (D.I. 146), all proceeds from sales or other dispositions of all or any portion of the Aggregate Collateral as contemplated by the Sale Order ... shall be remitted to Agents for application in accordance with Paragraph 2(c) of the Final DIP Order.” *Id.*, ¶ B.

16. Following the closing of the Sale to Sofidel, the Debtors negotiated a separate sale for certain valuable tax credits of the Debtors. To that end, on August 7, 2025, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Authorizing the Sale of Employee Retention Credits Free and Clear of All Encumbrances; (II) Approving the Debtors’ Entry into the Risk Participation Agreement; and (III) Granting Related Relief* (D.I. 361) (the “ERC Sale Motion”).

17. On August 25, 2025, the Court entered an order (D.I. 391) (the “ERC Sale Order”) approving the ERC Sale Motion.

18. As a result of the sales of the Debtors’ assets (the “Sales”), the Term A Loans under the Debtors’ prepetition credit facility were paid in full. Gridiron, which has now been assigned the Term B Loans in full and is therefore the holder of the Term B Loans, has the economic interest in the remaining sale proceeds to be paid to the Prepetition Agent.

D. The Committee Challenge and Cross-Motion to Convert

19. The Final DIP Order established August 6, 2025, as the deadline to initiate a Challenge against any party holding the Term B Loans (the “Term B Challenge Period”) and June 22, 2025, with respect to any other Challenge. See Final DIP Order, Ex. A (Definition of Investigation Period). The Final DIP Order further provided that “if timely notified of a potential Challenge, Debtors shall retain authority to initiate, prosecute, settle or compromise [the]

Challenge in the exercise of their business judgment and subject to any applicable order of court.”
Id., ¶ 9(a).

20. On August 7, 2025, the Court entered an order (D.I. 359) approving a stipulation between the Debtors, the Committee and NXT Capital, LLC (“NXT”) which extended the Term B Challenge Period through and including August 20, 2025.

21. On August 21, 2025, the Court entered an order (D.I. 374) further extending the Term B Challenge Period through and including September 3, 2025.

22. On September 3, 2025, the Committee notified the Debtors via email that “[b]ased on the information the Committee has received to date, the Committee has identified a potential recharacterization claim with respect to Gridiron’s Term B Loans.” D.I. 447-1.

23. On September 3, 2025, the Committee filed *The Official Committee of Unsecured Creditors’ (I) Objection to Debtors’ Motion for Entry of an Order Extending the Exclusive Periods During Which Only the Debtors May File a Chapter 11 Plan and Solicit Acceptances, and (II) Cross-Motion to Convert the Debtors’ Chapter 11 Cases to Chapter 7* (D.I. 417) (the “Motion to Convert”). In the Motion to Convert, the Committee requests that the Court extend the Term B Challenge Period so that a chapter 7 trustee will have “sufficient time to investigate and pursue the colorable claims the Committee’s investigation has identified against Gridiron,” notwithstanding the Committee’s assertions that it already “conducted an investigation,” which “ultimately revealed a colorable claim of recharacterization.” Cross-Motion, ¶ 21.

24. On September 16, 2025, the Debtors filed the Response (D.I. 447) and NXT filed a limited objection (D.I. 448) to the Motion to Convert. The Motion to Convert is currently scheduled for hearing on October 21, 2025, at 1:00 p.m. (ET).

E. Omnibus Objections and Adversary Proceedings

25. The Supplemental Sale Order further provided for a process for the Debtors to reconcile and satisfy administrative expense claims asserted against the Debtors under section 503(b)(9) of the Bankruptcy Code. Under the process, the Debtors filed and served the *Notice of Deadline for Filing 503(b)(9) Claims* (D.I. 233) (the “Bar Date Notice”), which established June 13, 2025, at 5:00 p.m. (ET) as the deadline to for any entity to file a 503(b)(9) claim (the “503(b)(9) Bar Date”). Further, the Debtors deposited \$1,800,000 of sale proceeds into an escrow account to satisfy allowed 503(b)(9) claims (the “503(b)(9) Escrow”). Supp. Sale Ord., ¶ 3.

26. As of the 503(b)(9) Bar Date, the Debtors received thirty-one (31) 503(b)(9) claims (the “503(b)(9) Claims”) totaling approximately \$1,980,000. The Debtors conducted a comprehensive review and reconciliation of the 503(b)(9) Claims, and on July 22, 2025, the Debtors filed two omnibus objections seeking to disallow, expunge, modify, reduce and/or reclassify certain of the 503(b)(9) Claims. See D.I. 316, 317. On August 27, 2025, the Court entered an order (D.I. 404) disallowing or reducing eighteen asserted 503(b)(9) Claims, resulting in a reduction of the 503(b)(9) Claims pool of more than \$300,000.

27. On September 12, 2025, the Debtors filed the *Debtors’ First Omnibus Motion for Order Approving Settlement Agreements with Convermat Corporation, Cornerstone Adhesives & Packaging LLC, Print Pro, Inc., and Southwest Forest Products Inc.* (D.I. 432) (the “First Omnibus 9019 Motion”). On September 30, 2025, the Court entered an order (D.I. 478) approving the First 9019 Omnibus Motion. Accordingly, on October 6, 2025, the Debtors filed Notices of Withdrawal for the adversary actions with respect to the parties subject to the First Omnibus 9019 Motion.

28. On October 7, 2025, the Debtors filed the *Debtors' Second Omnibus Motion for Order Approving Settlement Agreements with Sustana Fiber LLC, Westrock – Southern Container, LLC and Smurfit Kappa North America LLC* (D.I. 484) (the “Second Omnibus 9019 Motion”). On October 10, 2025, the Debtors filed the *Debtors' Motion for an Order Approving Settlement Agreement with International Paper Company* (D.I. 489) (the “IPC 9019 Motion”). Upon entry of orders approving the Second Omnibus 9019 Motion and IPC 9019 Motion, the Debtors will file Notices of Withdrawal for the parties subject to the Second Omnibus 9019 Motion. Thus, only one adversary proceeding relating to the 503(b)(9) Claims will remain. Once the remaining 503(b)(9) Claim is resolved, the Debtors have nothing left to administer in these bankruptcy cases.

F. The Settlement Negotiations and Settlement Agreement

29. As previously described, after receiving notice of the Committee Challenge, the Debtors engaged in extensive good faith and arm's length negotiations with Gridiron. These negotiations proved fruitful and resulted in the settlement embodied in the Settlement Agreement.

30. A summary of the key terms of the Settlement Agreement is below:⁵

- a. Effectiveness: The Settlement Agreement shall become effective upon entry of a final order by the Court approving the Settlement Agreement (the “Effective Date”).
- b. Use of Sale Proceeds. In full resolution and settlement of the Committee Challenge, the Debtors shall be authorized to use of the Sale Proceeds in accordance with the budget attached to the Settlement Agreement as Exhibit A (the “Budget”) in order to enable the Debtors to pay all budgeted accrued and unpaid expenses and to provide an additional \$200,000 to satisfy other claims in accordance with the Bankruptcy Code. The Budget may be amended or modified, in writing expressly agreed to in advance by each of the parties thereto, in accordance with the Settlement Agreement and Release and the Final DIP Order.

⁵ This summary is provided solely for ease of reference and is qualified in its entirety by reference to the Settlement Agreement, the actual terms of which are controlling here. See Ex. 1 to Ex. A. Capitalized terms used but not otherwise defined in this paragraph shall have the meanings ascribed to such terms in the Settlement Agreement.

- c. Investigation Period: The Term B Challenge Period shall be deemed to have lapsed and shall not be subject to further extension.
- d. Releases by Debtors: The Debtors and Royal Holdco, LLC (“Holdco”), upon the Effective Date of the Settlement Agreement, release and forever discharge the Gridiron Entities, the Former Agent and Prepetition Lenders (each as defined in the Settlement Agreement) from any and all liabilities, damages, liens, obligations, indemnities, promises, losses, fees, costs, expenses, causes of action, suits, contributions, debts, sums of money, accounts, claims (as defined in Section 101[5] of the Bankruptcy Code), from the beginning of time until the Effective Date of the Settlement Agreement arising out of, related to or in connection with Holdco or the Debtors, including but not limited to the Committee Challenge.
- e. Releases by Gridiron: Upon the Effective Date of the Settlement Agreement, Gridiron and its affiliates, releases and forever discharges the Debtors and Holdco from any and all liabilities, damages, liens, obligations, indemnities, promises, losses, fees, costs, expenses, causes of action, suits, contributions, debts, sums of money, accounts, claims (as defined in Section 101[5] of the Bankruptcy Code) from the beginning of time until the Effective Date of this Settlement Agreement arising out of, related to or in connection with Holdco or the Debtors, including but not limited to the Committee Challenge (but explicitly not including claims with respect to the Term B Loans or otherwise pursuant to the Prepetition Credit Agreement).

31. The Settlement Agreement provides a path forward for the Debtors to resolve these chapter 11 cases through dismissal. For these reasons, and as discussed below, the Court should approve the Settlement Agreement.

BASIS FOR RELIEF

I. Approval of the Settlement Agreement Pursuant to Bankruptcy Code Section 105 and Bankruptcy Rule 9019 Is Appropriate.

32. The Court has broad authority pursuant to section 105(a) of the Bankruptcy Code to issue orders necessary to implement the provisions of the Bankruptcy Code. *See* 11 U.S.C. § 105(a) (“The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].”). Further, Bankruptcy Rule 9019(a) provides, in relevant part:

On the [debtor in possession's] motion and after notice and a hearing, the court may approve a compromise or settlement. Notice must be given to all creditors; the United States trustee; the debtor; all indenture trustees as provided in Rule 2002; and any other entity the court designates.

Fed. R. Bankr. P. 9019(a). In granting a motion pursuant to Bankruptcy Rule 9019, a court must find that the Settlement Agreement is fair, equitable, and in the best interest of the debtor's estate. *See Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 426 (S.D.N.Y. 1993), *aff'd*, 17 F.3d 600 (2d Cir. 1994).

33. Importantly, it is well-established that a settlement proponent need not convince the Court that a settlement is the best possible compromise, but only that the settlement falls “within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.” *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008); *see also In re W.R. Grace & Co.*, 475 B.R. 34, 77-78 (Bankr. D. Del. 2012) (“In analyzing the compromise or settlement agreement under the Martin factors, courts should not have a ‘mini-trial’ on the merits, but rather should canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness.”); *In re Nortel Networks, Inc.*, 522 B.R. 491, 510 (Bankr. D. Del. 2014) (same).

34. Settlements and compromises are “a normal part of the process of reorganization.” *Indep. Stockholders of TMT Trailer Ferry, Inc.*, 390 U.S. at 428. It is well settled that in order to “minimize litigation and expedite the administration of a bankruptcy estate, ‘[c]ompromises are favored in bankruptcy.’” *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996) (quoting 9 *Collier on Bankruptcy* ¶ 9019.03[1] (15th ed. 1993)); *see also Will v. Northwestern Univ. (In re Nutraquest, Inc.)*, 434 F.3d 639, 644 (3d Cir. 2006) (finding that “[s]ettlements are favored [in bankruptcy]”); *In re Adelphia Commc’n Corp.*, 361 B.R. 337, 348

(Bankr. D. Del. 2007) (same). Accordingly, when required, “courts are able to craft flexible remedies that, while not expressly authorized by the [Bankruptcy] Code, affect the result the [Bankruptcy] Code was designed to obtain.” *Official Comm. of Unsecured Creditors of Cybergenics Corp. v. Chinery*, 330 F.3d 548, 568 (3d Cir. 2003).

35. Courts should consider the best interest of creditors, with proper deference to their reasonable views, and consider the extent to which the settlement is truly the product of arms-length bargaining and not of fraud or collusion. *See Cajun Elec. Power Coop., Inc. v. Official Comm. of Unsecured Creditors (In re Cajun Elec. Power Coop., Inc.)*, 119 F.3d 349, 356 (5th Cir. 1997). The bankruptcy court does not engage in an independent investigation into the reasonableness of the proposed settlement, but instead “relies heavily on” the trustee or debtor in possession and the court generally defers to the trustee’s or debtor in possession’s judgment provided there is “a legitimate business justification” for the settlement. *Martin*, 91 F.3d at 395. “Ultimately, the decision whether or not to approve a settlement agreement lies within the sound discretion of the Court.” *Nortel*, 522 B.R. at 510.

36. In *Martin*, the United States Court of Appeals for the Third Circuit set forth a four-factor balancing test under which bankruptcy courts are to analyze settlement agreements. The factors the Court must consider are:

- 1) the probability of success in litigation;
- 2) the likely difficulties in collection;
- 3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and
- 4) the paramount interest of the creditors.

Martin, 91 F.3d at 393. *See also In re Nutraquest*, 434 F.3d at 644-45 (applying *Martin*’s four-factor test to affirm district court’s order approving settlement); *Key3Media*, 336 B.R. at 93

(holding that, when determining whether a compromise is in the best interests of the estate, courts must “assess and balance the value of the claim that is being compromised against the value of the estate of the acceptance of the compromise proposal”). No one factor is determinative, and a court should “assess and balance the value of the claim that is being compromised against the value to the estate of the acceptance of the compromise proposal.” *Martin*, 91 F.3d at 393.

37. The Debtors entry into the Settlement Agreement falls well within the range of reasonableness and satisfies the standards for approval under Bankruptcy Rule 9019. The first *Martin* factor—probability of success in litigation—is impossible to predict with any degree of certainty, but there are significant risks in pursuing the Committee Challenge. The Committee asserts that there is a “potential recharacterization claim,” but has not articulated to the Debtors (or the Court in the Committee’s pleadings) any factual or legal basis to support the Committee Challenge despite having nearly five months to investigate. Nonetheless, the Debtors carefully considered the Committee’s assertion and the relevant legal authority and believe that succeeding on the asserted recharacterization claim is unlikely. Therefore, the Debtors have concluded, in their business judgment, that entry into the Settlement Agreement is in the best interests of the Debtors’ estates given the uncertainty of success and the risks and expenses associated with prosecuting the Committee Challenge. Accordingly, the first *Martin* factor supports entry into the Settlement Agreement.

38. The second *Martin* factor—the likely difficulties in collection—also weighs in favor of the Settlement Agreement. As noted above, there is no guarantee that any litigation with Gridiron will result in material value for the Debtors and their estates. However, the Settlement Agreement provides for the funding of a wind-down budget and the carveout from the Collateral of an additional \$200,000 for the benefit of the Debtors’ estates. Accordingly, the

Settlement Agreement efficiently resolves potential litigation and the fees and uncertainty associated with efforts to collect on any potential judgment. As such, the second *Martin* factor supports approval of the Settlement Agreement.

39. The third *Martin* factor—the complexity of the litigation involved, and the expense inconvenience and delay necessarily attending it—is satisfied in this case, particularly given the nuanced bankruptcy law issues involved in the prosecution of a recharacterization claim. Moreover, the litigation would be fact-intensive and require significant discovery. To litigate this complex issue would necessarily require the Debtors to spend significant time and resources the Debtors’ estates simply do not have. Because the Settlement Agreement obviates the risks and expenses associated with litigation of a speculative recharacterization claim, the third *Martin* factor supports approval of the Settlement Agreement.

40. The fourth *Martin* factor—the paramount interest of creditors—is also satisfied here. The alternative to the Settlement Agreement is costly and time-consuming litigation with an uncertain outcome. Importantly, several administrative claims that have been accrued in these cases, and which would be paid in full pursuant to the agreed Budget, will go unpaid if the cases are converted, all the while, the proposed chapter 7 trustee would be incurring additional and increased administrative expenses. The Settlement Agreement provides the Debtors with the funding needed to pay accrued and unpaid administrative expenses through the dismissal of the chapter 11 cases (other than professional fees above and beyond the agreed-upon and budgeted fees). The Settlement Agreement also includes an additional \$200,000 carveout for the benefit of the Debtors’ estates. As such, on balance, the Settlement Agreement represents a net benefit to the Debtors’ estates. Accordingly, this *Martin* factor favors approval of the Settlement Agreement.

41. Therefore, each of the relevant *Martin* factors have been met. The resolution reflected in the Settlement Agreement reflects a result that is favorable to the Debtors' estates and constitutes a reasonable exercise of the Debtors' business judgment. Accordingly, for the foregoing reasons, the Debtors respectfully submit that the *Martin* factors are satisfied, and the Court should enter an order approving the Motion and authorizing the Debtors to consummate the terms of the Settlement Agreement.

II. Dismissal Is the Most Efficient, Orderly, and Value-Maximizing Way to Resolve the Chapter 11 Cases.

A. These Chapter 11 Cases Must Be Dismissed if “Cause” Is Shown Under Section 1112(b)(4) of the Bankruptcy Code.

42. Upon the request of a party in interest, section 1112(b)(1) of the Bankruptcy Code provides that, absent unusual circumstances, a court “shall” dismiss a chapter 11 bankruptcy case “for cause.” *See* 11 U.S.C. § 1112(b)(1). The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (“BAPCPA”) changed the statutory language with respect to dismissal from permissive to mandatory. *See Nester v. Gateway Access Solutions, Inc. (In re Gateway Access Solutions, Inc.)*, 374 B.R. 556 (Bankr. M.D. Pa. 2007) (stating that the amendments to section 1112 limit the court’s discretion to refuse to dismiss or convert a chapter 11 case upon a finding of cause). For reasons more fully explained below, cause exists to dismiss these chapter 11 cases and dismissal, rather than conversion to chapter 7, is in the best interests of the Debtors’ estates.

B. Cause Exists to Dismiss the Chapter 11 Cases Because the Debtors Have Ceased Operations and Have No Remaining Assets to Administer or Confirm a Plan.

43. Section 1112(b)(4) of the Bankruptcy Code provides a non-exhaustive list of 16 grounds for dismissal. 11 U.S.C. § 1112(b)(4)(A)-(P). *See In re Gateway Access Solutions*, 374 B.R. at 561 (“Generally, such lists are viewed as illustrative rather than exhaustive, and the Court should ‘consider other factors as they arise.’”) (quoting *First Jersey Nat’l Bank v. Brown*

(*In re Brown*), 951 F.2d 564, 572 (3d Cir. 1991)); *In re 3 Ram, Inc.*, 343 B.R. 113, 117 (Bankr. E.D. Pa. 2006) (“While the enumerated examples of ‘cause’ to convert or dismiss a chapter 11 case now listed in § 1112(b)(4) have changed under BAPCPA, the fact that they are illustrative, [and] not exhaustive has not.”) (citation omitted). As the list is non-exhaustive, a bankruptcy court is not constrained by those enumerated examples and may find “cause” based on the facts and circumstances of the particular chapter 11 case. *See In re Nugelt, Inc.*, 142 B.R. 661, 665 (Bankr. D. Del. 1992).

44. Courts have broad equitable discretion under section 1112(b) to dismiss a chapter 11 case based on the particular facts and circumstances of the case. *See C-TC 9th Ave. P’ship v. Norton Co. (In re C-TC 9th Ave. P’ship)*, 113 F.3d 1304, 1311 n.5 (2d Cir. 1997); *In re MF Glob. Holdings Ltd.*, 465 B.R. 736, 742 (Bankr. S.D.N.Y. 2012); *Trident Assocs. Ltd. P’ship v. Metro Life Ins. Co. (In re Trident Assocs. Ltd. P’ship)*, 52 F.3d 127, 131 (6th Cir. 1995), *cert. denied*, 516 U.S. 869 (1995); *In re Smith*, 77 B.R. 496, 499-500 (Bankr. E.D. Pa. 1987).

45. A chapter 11 plan is not feasible in these cases. The Debtors liquidated substantially all of their assets in connection with the Sales and no longer conduct business. Post-closing, the Debtors’ estates exist solely to (i) meet the Debtors’ obligations under the APA approved in connection with the sale of their assets to Sofidel; (ii) administer the 503(b)(9) Claims; and (iii) effectuate an orderly exit from these chapter 11 cases. While doing so, the estates continue to accrue Professional Fees and U.S. Trustee fees. There is no longer a business to reorganize or assets to distribute, and thus no reason (or funds available) to pursue a plan of reorganization or liquidation. Accordingly, cause exists to dismiss the chapter 11 cases pursuant to section 1112(b)(4) of the Bankruptcy Code and relevant case law.

C. Dismissal Is in the Best Interests of the Debtors' Creditors and Their Estates.

46. Once a court determines that cause exists to dismiss a debtor's chapter 11 case, the court must then evaluate whether dismissal is in the best interests of the debtor's creditors and of the estate. *See In re Calrissian LP*, 2018 WL 3854004, at *2 (Bankr. D. Del. 2018); *Rollex Corp. v. Associated Materials, Inc. (In re Superior Siding & Window, Inc.)*, 14 F.3d 240, 242 (4th Cir. 1994) ("Once 'cause' is established, a court is required to consider this second question of whether to dismiss or convert."). A variety of factors demonstrate that it is in the best interest of the Debtors' estates and their creditors to dismiss these chapter 11 cases.

47. *First*, dismissal of a chapter 11 bankruptcy case meets the "best interests of creditors" test where a debtor has nothing to reorganize or administer. *See In re BTS, Inc.*, 247 B.R. 301, 310 (Bankr. N.D. Okla. 2000); *Camden Ordinance Mfg. Co. of Ark., Inc. v. U.S. Trustee (In re Camden Ordinance Mfg. Co. of Ark., Inc.)*, 245 B.R. 794, 799 (E.D. Pa. 2000) (reorganization to salvage business which ceased business was unfeasible); *Royal Trust Bank, N.A. v. Brogdon Inv. Co. (In re Brogdon Inv. Co.)*, 22 B.R. 546, 549 (Bankr. N.D. Ga. 1982) (court dismissed chapter 11 proceeding in part where there was "simply nothing to reorganize" and no reason to continue the reorganization). As previously explained, the Debtors have nothing left to administer because substantially all of their assets and operations were sold pursuant to the Sofidel Sale Order and the ERC Sale Order, and the Debtors have limited funding available to wind-down the Debtors' estates.

48. *Second*, courts have found that dismissal is in the "best interests of creditors" where an interested party, other than the debtor, supports the dismissal of the debtor's chapter 11 case. *See Camden Ordinance*, 245 B.R. at 798; *In re Mazzocone*, 183 B.R. 402, 414 (Bankr. E.D. Pa. 1995), *aff'd*, 200 B.R. 568 (E.D. Pa. 1996) (factors weighed more heavily in favor

of dismissal of chapter 11 case rather than conversion to chapter 7 where debtor and U.S. Trustee both favored dismissal). Here, Gridiron, who is entitled to receive the remaining Sale proceeds as the holder of the Term B Loans, is the only creditor with any real economic interest in any remaining assets and it supports dismissal of these chapter 11 cases rather than conversion to chapter 7.

49. *Third*, and finally, dismissal is appropriate where, as here, it will maximize the value of the Debtors' estates because the alternative—conversion to a chapter 7 liquidation and appointment of a trustee—is (a) unnecessary and would provide no benefit to creditors, and (b) would impose significant additional administrative costs upon the Debtors' estates without any meaningful source of funds to satisfy such costs. As noted earlier, substantially all of the Debtors' assets have been sold pursuant to the Sales, including avoidance actions. As a result, creditors would not receive greater recoveries (and certain creditors and stakeholders could possibly fare worse) in a chapter 7 liquidation.

50. Further, as detailed above and in the Debtors' Response to the Motion to Convert, the only task that remains for the Debtors is to administer the 503(b)(9) Claims. Response, ¶ 15. In addition, Gridiron is the 100% holder of the Term B Loans and as such, is entitled to any remaining proceeds from the Sales. Response, ¶ 20. Accordingly, a chapter 7 trustee would have no funds to satisfy additional claims arising after conversion to cases under chapter 7 of the Bankruptcy Code. In short, not only is there nothing for a chapter 7 trustee to administer with respect to these cases, but there would also be no funds available to the chapter 7 trustee.

51. The holders of the 503(b)(9) Claims and other parties to these cases deserve a more responsible conclusion to these cases that results in payment to known administrative creditors. An unnecessary and counter-productive conversion to chapter 7 provides no benefits to

creditors and needlessly imposes additional administrative costs. For these reasons, a dismissal pursuant to section 1112 of the Bankruptcy Code is in the best interests of the Debtors' creditors and their estates.

D. Dismissal Is Warranted Under Section 305(a) of the Bankruptcy Code.

52. Cause further exists to dismiss the chapter 11 cases under section 305(a) of the Bankruptcy Code, which provides that “[t]he court, after notice and a hearing, may dismiss a case under this . . . title, or may suspend all proceedings in a case under this title, at any time if . . . the interests of creditors and the debtor would be better served by such dismiss or suspension” 11 U.S.C. § 302(a). Dismissal pursuant to section 305(a) of the Bankruptcy Code is appropriate where the court finds that both creditors and the debtor would be better served by dismissal. *In re AMC Investors, LLC*, 406 B.R. 478, 487–88 (Bankr. D. Del. 2009).

53. Whether dismissal is appropriate under this provision is determined on a case-by-case basis and rests within the sound discretion of the bankruptcy court. *In re Northshore Mainland Servs., Inc.*, 537 B.R. 192, 203 (Bankr. D. Del. 2015); *In re Sky Grp. Int’l, Inc.*, 108 B.R. 86, 91 (Bankr. W.D. Pa. 1989). Many factors are considered when determining the best interests of creditors and the debtor, including: (a) the economy and efficiency of administration, (b) whether federal proceedings are necessary to reach a just and equitable solution, (c) whether there is an alternative means of achieving an equitable distribution of assets, and (d) whether the debtor and the creditors are able to work out a less expensive out-of-court arrangement which better serves all interests in the case. *AMC Investors*, 406 B.R. at 488.

54. Dismissal of the instant cases is warranted under section 305(a)(1) for the same reasons that “cause” exists to dismiss these cases pursuant to section 1112(b) of the Bankruptcy Code. Simply stated, dismissal represents, and will effectuate, the most efficient and

effective resolution of these chapter 11 cases. Given the absence of estate assets or a business to reorganize, the Debtors further submit that proceeding with a chapter 11 plan process would be wasteful, time consuming, and of no benefit to their estates or creditors (and would be a process for which the estate has no funds).

55. Similarly, conversion and appointment of a chapter 7 trustee is unnecessary, would provide no benefit to creditors, and would likely be detrimental to the estate and creditors because claims that would otherwise be paid pursuant to the agreed upon budget would likely not be paid, and it would impose significant additional administrative costs, and create unnecessary delay for parties in interest. Further, conversion to chapter 7 is not supported by the Debtors' key creditor constituencies—namely, Gridiron. Given that substantially all of the Debtors' assets have been sold or disposed of, appointing a chapter 7 trustee would not help liquidate the Debtors' assets or maximize value.

III. The Court Should Establish a Procedure to Approve Professional Fees.

56. In connection with winding down the Debtors' estates and the dismissal of these chapter 11 cases, and notwithstanding any provisions to the contrary in the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* (D.I. 226), (the "Interim Compensation Order") the Debtors seek the Court's approval of procedures for the final payment of Professional Fees and expenses incurred by Professionals on behalf of the Debtors' estates throughout these chapter 11 cases.

57. Specifically, the Debtors request that the Court allow the Debtors to set a deadline for all Professionals to file final requests for allowance and payment of the budgeted fees and expenses incurred during these chapter 11 cases (collectively, the "Final Fee Applications") at twenty-one (21) days (the "Final Fee Application Deadline") after the Debtors serve a notice of

final fee hearing (the “Notice of Final Fee Hearing”) on all Professionals retained in these chapter 11 cases. The Notice of Final Fee Hearing will also contain the date and time of a hearing (the “Final Fee Hearing”) received from the Court. The Debtors further request that any objections to the Final Fee Applications be filed and served on counsel for the Debtors and such applicable Professional by 4:00 p.m. (prevailing Eastern Time) no later than twenty-one (21) days after the Final Fee Application Deadline.

58. Courts in this jurisdiction have granted similar relief in the context of dismissals. *See, e.g., In re Hamon Holdings Corporation, et al.*, Case No. 22-10375-TMH (Bankr. D. Del. Jan. 9, 2025) (D.I. 1001); *In re AN Global LLC, et al.*, Case No. 23-11294 (JKS) (Bankr. D. Del. March 27, 2024) (D.I. 799); *In re Alamo Drafthouse Cinemas Holdings, LLC, et al.*, Case No. 21-10474 (MFW) (Bankr. D. Del. August 16, 2022) (D.I. 1351); *In re RM Wind-Down Holdco LLC*, Case No. 18-11795-MFW (Bankr. D. Del. Apr. 30, 2019) (D.I. 635); *In re The Wet Seal, LLC*, Case No. 17-10229-CSS (Bankr. D. Del. Mar. 19, 2019) (D.I. 1006); *In re The Bon-Ton Stores, Inc.*, Case No. 18-10248-MFW (Bankr. D. Del. Feb. 1, 2019) (D.I. 1436).

IV. The Court Should Authorize the Debtors to Abandon *De Minimis* Assets.

59. Section 554(a) of the Bankruptcy Code and Bankruptcy Rule 6007 authorize a debtor-in-possession, upon notice and a hearing, to abandon estate property that is of little value to the estate or otherwise is burdensome to maintain.

60. As previously discussed, the Debtors have sold, liquidated, or otherwise disposed of substantially all of their assets, no longer have an operating business, and are winding down their affairs. As a result, to the extent that any assets remain, the Court should permit the Debtors to abandon such assets. To the extent that any assets remain, they will be of no value to

the Debtors after dismissal of the chapter 11 cases. For those reasons, the Debtors should be authorized to abandon any such assets in their discretion.

V. The Court Should Authorize, but Not Require, Dissolution of the Debtors.

61. Because the Debtors have sold substantially all of their assets and ceased operations, the Debtors intend for their corporate entities to be dissolved as soon as reasonably practicable upon entry of the Dismissal Order. Courts in this jurisdiction have previously authorized the dissolution of debtors by court order in connection with the dismissal of a chapter 11 case, in accordance with applicable state law. *See, e.g., In re MediaMath Holdings, Inc.*, Case No. 23-10882 (LSS) (Bankr. D. Del. Apr. 20, 2024) (D.I. 658); *In re Alamo Drafthouse Cinemas Holdings, LLC*, Case No. 21-10474 (MFW) (Bankr. D. Del. Sept. 29, 2022) (D.I. 1478); *In re Destination Maternity Corp.*, Case No. 19-12256 (BLS) (Bankr. D. Del. Dec. 29, 2021) (D.I. 1229); *In re John Varvatos Enters.*, Case No. 20-11043 (CTG) (Bankr. D. Del. Jun. 30, 2021) (D.I. 808); *In re RM Wind-Down Holdco LLC*, Case No. 18-11795 (MFW) (Bankr. D. Del. Apr. 30, 2019) (D.I. 635); *In re Quantum Foods, LLC*, Case No. 14-10318 (KJC) (Bankr. D. Del. Apr. 6, 2018) (D.I. 1798); *In re Sunco Liquidation, Inc.*, Case No. 17-10561 (KG) (Bankr. D. Del. Aug. 18, 2017) (D.I. 706).

62. It is appropriate and necessary for the Court to authorize the dissolution of the Debtors. The Debtors have no further business to conduct and no other purpose in remaining active as corporate entities in their respective jurisdictions. The Debtors may incur additional taxes and statutory fees owing to their continued corporate existence absent their prompt dissolution. Accordingly, it is in the best interests of the Debtors' estates for the Debtors to dissolve as soon as practicable following entry of the Dismissal Order.

VI. All Prior Releases, Stipulations, Settlements, Rulings, Orders and Judgments Should Remain Binding and Should Continue to Have Full Force and Effect.

63. The dismissal of a chapter 11 case ordinarily vacates certain orders previously entered by the bankruptcy court and restores parties to the prepetition status quo. *See* 11 U.S.C. § 349(b). A bankruptcy court may, however, “for cause, order[] otherwise . . .” *Id.* Courts in this jurisdiction have regularly maintained the enforceability of orders approving sales, releases and settlements, after a dismissal, notwithstanding section 349 of the Bankruptcy Code. *See, e.g., In re MediaMath Holdings, Inc.*, Case No. 23-10882 (LSS) (Bankr. D. Del. Apr. 20, 2024) (D.I. 658); *In re Alamo Drafthouse Cinemas Holdings, LLC*, Case No. 21-10474 (MFW) (Bankr. D. Del. Sept. 29, 2022) (D.I. 1478); *In re Destination Maternity Corp.*, Case No. 19-12256 (BLS) (Bankr. D. Del. Dec. 29, 2021) (D.I. 1229); *In re John Varvatos Enters., Inc.*, Case No. 20-11043 (CTG) (Bankr. D. Del. Jun. 30, 2021) (D.I. 808); *In re RM Wind-Down Holdco LLC*, Case No. 18-11795 (MFW) (Bankr. D. Del. Apr. 30, 2019) (D.I. 635); *In re Sunco Liquidation, Inc.*, Case No. 17-10561 (KG) (Bankr. D. Del. Nov. 6, 2017) (D.I. 865).

64. In these cases, the Debtors have sold substantially all of their assets pursuant to the Sales. Following the Sales, the Debtors pursued an orderly wind-down of these chapter 11 cases, including evaluating and resolving various claims, assuming and assigning various executory contracts and unexpired leases, and disposing of remaining estate property. Given all of these facts and circumstances, ample cause exists to allow all prior orders, releases, stipulations, settlements, rulings, and judgments entered by the Court in connection with these chapter 11 cases to be given continued effect, notwithstanding the requested dismissal, unless otherwise provided by a subsequent stipulation with the same party or parties.

VII. The Certification Process and the Request for Entry of Final Dismissal Order is Reasonable Under the Circumstances.

65. As soon as reasonably practicable following the filing of a certification of counsel stating that the conditions precedent to dismissal have been met (the “Certification”), the Debtors request that the Court enter the Dismissal Order, substantially in the form submitted herewith. Among other things, the Certification will verify that: (a) all quarterly fees of the U.S. Trustee owed in connection with these chapter 11 cases have been paid in full and all Monthly Operating Reports have been filed, (b) the Professional Fees incurred in these chapter 11 cases have been approved on a final basis (to the extent applicable) and paid in full (to the extent set forth in the approved Budget), and (c) the Escrow Account (as defined in the Supplemental Sale Order) for 503(b)(9) Claims has been fully administered.

66. The Debtors intend to serve the Certification on the U.S. Trustee and all entities that have requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”), but will not send the Certification to all of the Debtors’ creditors and equity holders and parties in interest, as such parties will receive reasonable notice of the proposed dismissal through the notice of this Motion requesting such dismissal.

NOTICE

67. Notice of this Motion is being provided to: (a) the U. S. Trustee; (b) counsel to the Agent for the Debtors’ DIP Facility; (c) counsel to the Committee; and (d) 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.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of (i) the Initial Order, granting certain of the relief requested herein, (ii) the Dismissal Order, upon filing of the Certification, and (iii) such other relief as is just and proper under the circumstances.

Dated: October 20, 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Matthew O. Talmo

Robert J. Dehney, Sr. (No. 3578)

Matthew O. Talmo (No. 6333)

Scott D. Jones (No. 6672)

Brianna N. V. Turner (No. 7468)

1201 N. Market Street, 16th Floor

Wilmington, Delaware 19801

Telephone: (302) 658-9200

Facsimile: (302) 658-3989

Email: rdehney@morrisnichols.com

mtalmo@morrisnichols.com

sjones@morrisnichols.com

bturner@morrisnichols.com

Counsel to the Debtors and Debtors in Possession

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

In re

HRHI Wind-down, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10674

Jointly Administered

Objection Deadline:
TBD

Hearing Date:
TBD

**NOTICE OF MOTION OF DEBTORS FOR ENTRY OF AN (I) ORDER APPROVING
ENTRY INTO SETTLEMENT AGREEMENT WITH GRIDIRON RP INVESTORS, LLC,
GC FUND III RP AIV, L.P., GRIDIRON STRATEGIC ADVISORS FUND III, L.P., AND
GRIDIRON CO-INVESTORS III, LLC PURSUANT TO 11 U.S.C. § 105(a) AND
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019; AND (II) INITIAL ORDER
AND FURTHER ORDER (A) ESTABLISHING PROCEDURES WITH RESPECT TO
FINAL FEE APPLICATIONS; (B) AUTHORIZING THE DEBTORS TO ABANDON
CERTAIN PROPERTY; (C) DISMISSING THE DEBTORS' CHAPTER 11 CASES;
(D) AUTHORIZING THE DEBTOR ENTITIES TO BE DISSOLVED
IN ACCORDANCE WITH APPLICABLE STATE LAW; AND
(III) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that, on October 20, 2025, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Motion of Debtors for Entry of an (I) Order Approving Entry Into Settlement Agreement with Gridiron RP Investors, LLC, GC Fund III RP AIV, L.P., Gridiron Strategic Advisors Fund III, L.P., and Gridiron Co-Investors III, LLC Pursuant to 11 U.S.C. § 105(a) and Federal Rule of Bankruptcy Procedure 9019; and (II) Initial Order and Further Order (A) Establishing Procedures with Respect to Final Fee Applications; (B) Authorizing the Debtors to Abandon Certain Property; (C) Dismissing the Debtors’ Chapter 11 Cases; (D) Authorizing the Debtor Entities to Be Dissolved in Accordance with Applicable State Law; and (III) Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: HRHI Wind-down, LLC (7913); DPM Wind-down, L.L.C. (1830); HRHP Wind-down, LLC (9937); and SPC Wind-down, LLC (7899). The Debtors’ mailing address is 200 W. Madison Street, Suite 1000, Chicago, IL 60606.

PLEASE TAKE FURTHER NOTICE that, any responses or objections to approval of the relief requested in the Motion must be (a) in writing; (b) filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before a date **to be determined** (the “Objection Deadline”); and (c) served so as to be received on or before the Objection Deadline by the undersigned proposed counsel to the Debtors.

PLEASE TAKE FURTHER NOTICE that, a hearing will be held before the Honorable Thomas M. Horan, United States Bankruptcy Judge, on a date **to be determined**, in Courtroom 7 of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to consider approval of the Motion.

PLEASE TAKE FURTHER NOTICE THAT ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED AND RECEIVED IN ACCORDANCE WITH THE PROCEDURES ABOVE WILL BE CONSIDERED BY THE COURT AT SUCH HEARING.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE that copies of the Motion (and all exhibits thereto) and any other related documents are available for review free of charge by accessing <https://dm.epiq11.com/RoyalPaper> or (b) for a fee via PACER by visiting <https://pacer.uscourts.gov>.

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Dated: October 20, 2025
Wilmington, Delaware

Respectfully submitted,

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Scott D. Jones

Robert J. Dehney, Sr. (No. 3578)

Matthew O. Talmo (No. 6333)

Scott D. Jones (No. 6672)

Brianna N. V. Turner (No. 7468)

1201 N. Market Street, 16th Floor

Wilmington, Delaware 19801

Telephone: (302) 658-9200

Facsimile: (302) 658-3989

Email: rdehney@morrisnichols.com

mtalmo@morrisnichols.com

sjones@morrisnichols.com

bturner@morrisnichols.com

*Counsel to the Debtors and
Debtors in Possession*

Exhibit A

Initial Order

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

In re

HRHI Wind-down, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (TMH)

Jointly Administered

Re: D.I. ____

**ORDER (I) APPROVING ENTRY INTO SETTLEMENT AGREEMENT WITH
GRIDIRON RP INVESTORS, LLC, GC FUND III RP AIV, L.P., GRIDIRON
STRATEGIC ADVISORS FUND III, L.P., AND GRIDIRON CO-INVESTORS III, LLC
PURSUANT TO 11 U.S.C. § 105(a) AND FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9019; (II) ESTABLISHING PROCEDURES WITH RESPECT TO FINAL
FEE APPLICATIONS; (III) AUTHORIZING THE DEBTORS TO ABANDON
CERTAIN PROPERTY; (IV) DISMISSING THE DEBTORS' CHAPTER 11 CASES;
(V) AUTHORIZING THE DEBTOR ENTITIES TO BE DISSOLVED
IN ACCORDANCE WITH APPLICABLE STATE LAW; AND
(VI) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an initial order (this “Order”) pursuant to sections 105(a), 349, 363(b)(1), 554(a) and 1112(b) of the Bankruptcy Code, Bankruptcy Rules 1017, 2002, 6007 and 9019, and Local Rule 1017-2, authorizing the Debtors to enter into the Settlement Agreement attached hereto as **Exhibit 1**, dismissing these chapter 11 cases, and granting related relief, all as further described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: HRHI Wind-down, LLC (7913); DPM Wind-down, L.L.C. (1830); HRHP Wind-down, LLC (9937); and SPC Wind-down, LLC (7899). The Debtors’ mailing address is 200 W. Madison Street, Suite 1000, Chicago, IL 60606.

² Capitalized terms not defined herein are used as defined in the Motion.

§ 157(b) and that this Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing 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; and after due deliberation thereon; the Court having determined that there is good and sufficient cause for the relief granted in the Order;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Notwithstanding any provisions in the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* to the contrary, all Professionals shall file final fee applications for Professional Fees no later than twenty-one (21) days after service of the notice of final fee hearing by the Debtors (the “Notice of Final Fee Hearing”). Any objections to the Final Fee Applications shall be filed and served on counsel for the Debtors and the Professional submitting the application to which an objection is being filed, within twenty-one (21) days after the Final Fee Application Deadline. The Notice of Final Fee Hearing will include the date provided by the Court for the hearing, if necessary, on any disputes related to Final Fee Applications. The Notice of Final Fee Hearing shall be filed on the docket in these chapter 11 cases and served on all Professionals and the U.S. Trustee and no further notice shall be required.

3. Pursuant to sections 105(a) and 554 of the Bankruptcy Code and Bankruptcy Rule 6007, following payment of professional fees that are allowed by Court order and are set forth in the Budget or any budget approved pursuant to the Final DIP Order (“Budgeted Professional Fees”), U.S. Trustee fees and 503(b)(9) Claims, the Debtors are authorized, but not directed, to abandon any remaining non-cash assets of the estates.

4. As soon as reasonably practicable following the completion of the payment of U.S. Trustee’s fees, payment of Budgeted Professional Fees, and payment of Allowed 503(b)(9) Claims, the Debtors shall file a certification (the “Certification”) of counsel requesting entry of the Dismissal Order substantially in the form attached to the Motion as **Exhibit B**. Among other things, the Certification must report that (a) all U.S. Trustee fees have been paid in full and all Monthly Operating Reports have been filed; (b) the Professional Fees incurred in the chapter 11 cases have been approved and paid in full; and (c) Allowed 503(b)(9) Claims have been satisfied in full.

5. The Certification shall be served only on the Notice Parties and no further notice regarding the dismissal of the chapter 11 cases shall be required. The Debtors’ creditors and parties in interest have received reasonable notice of the proposed dismissal through the Dismissal Notice.

6. Notwithstanding any provision of this Initial Order to the contrary, the obligation of each Debtor to file a Monthly Operating Report and to pay quarterly fees to the U.S. Trustee shall continue until all of the Debtors’ chapter 11 cases are dismissed in accordance with the provisions of this Initial Order. The Certification shall include an attestation by counsel to the Debtors that the foregoing has been done.

7. The terms of the Settlement Agreement attached hereto as **Exhibit 1**, including the Debtors' entry into the Settlement Agreement, are hereby approved.

8. The Investigation Period (as defined in the Final DIP Order), including but not limited to the Term B Investigation Period (as defined in the Settlement Agreement), is hereby deemed to have lapsed and is not subject to further extension, and the stipulations, waivers, releases and representations contained in the Interim Order (as defined in the Final DIP Order) and the Final DIP Order are hereby deemed to be final and binding on all parties.

9. The Budget attached to the Settlement Agreement as Exhibit A shall constitute the current "Budget" under the Final DIP Order.

10. To the extent applicable, Bankruptcy Rules 6004(h) and 6006(d) are waived and this Initial Order shall be effective and enforceable immediately upon entry.

11. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted pursuant to this Initial Order.

12. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Initial Order.

Exhibit 1

Settlement Agreement

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is made and entered into by and between (a) Gridiron RP Investors, LLC, a Delaware limited liability company ("RP Investors"), in its capacity as successor Agent under the Prepetition Credit Agreement and the other Prepetition Documents¹ (in such capacity, the "Agent"), GC Fund III RP AIV, L.P., a Delaware limited partnership, Gridiron Strategic Advisors Fund III, L.P., a Delaware limited partnership, and Gridiron Co-Investors III, LLC, a Delaware limited partnership (collectively, "Gridiron Lenders," and together with RP Investors, "Gridiron"), and (b) HRHP Wind-down, LLC (f/k/a Royal Paper, LLC), an Arizona limited liability company, DPM Wind-down, LLC (f/k/a Doubletree Paper Mills, L.L.C.), an Arizona limited liability company, SPC Wind-down LLC (f/k/a Sun Paper Company), a Delaware limited liability company, HRHI Wind-down LLC (f/k/a Royal Interco, LLC), a Delaware limited liability company (collectively, the "Debtors"), and Royal Holdco, LLC ("Holdco").

RECITALS

WHEREAS, Borrowers (as defined in the Prepetition Credit Agreement), the Prepetition Lenders and NXT Capital, LLC, in its capacity as former Agent under the Prepetition Credit Agreement and the Prepetition Documents (the "Former Agent") entered into that certain Credit Agreement, dated as of June 15, 2018 (as amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition Credit Agreement");

WHEREAS, the Gridiron Lenders entered into that certain Participation Agreement, dated as of January 17, 2023 (as amended, restated, supplemented, or otherwise modified from time to time, the "Participation Agreement") by and among the Gridiron Lenders,

¹ Undefined terms used herein shall have the meanings ascribed to them in the Final DIP Order (defined herein).

as “Participants”, NXT Capital, LLC, as “Participating Lender” and Former Agent, pursuant to which the Gridiron Lenders purchased the economic interest in the Term B Loans;

WHEREAS, on April 8, 2025 (the “Petition Date”), the Debtors each filed a voluntary petition for bankruptcy relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, Borrowers (as defined in the Postpetition Credit Agreement) entered into that certain Debtor-In-Possession Credit Agreement, dated as of April 10, 2025 (as amended, restated, supplemented, or otherwise modified from time to time, the “Postpetition Credit Agreement”) by and among Borrowers, the “Lenders” party thereto, and NXT Capital, LLC, in its capacity as Postpetition Agent;

WHEREAS, on the Petition Date, the Debtors filed a motion (D.I. 16) (the “DIP Motion”) seeking, among other things, authorization to enter into the Postpetition Credit Agreement and perform their obligations under the Postpetition Documents;

WHEREAS, on May 5, 2025, the Court entered an order approving the DIP Motion on a final basis (D.I. 146) (the “Final DIP Order”). The Final DIP Order established August 6, 2025, as the deadline to initiate a Challenge against Gridiron as the party holding the economic interest in the Term B Loan Obligations (the “Term B Investigation Period”). *See* Final DIP Order, Ex. A (Definition of “Investigation Period”). The Final DIP Order provided that “if timely notified of a potential Challenge, Debtors shall retain authority to initiate, prosecute, settle or compromise a Challenge in the exercise of their business judgment and subject to any applicable order of court.” *Id.*, ¶ 9(a);

WHEREAS, on August 7, 2025, the Court entered an order (D.I. 359) approving a stipulation between the Debtors, the Committee and the Former Agent which extended the Term B Investigation Period through and including August 20, 2025;

WHEREAS, on August 21, 2025, the Court entered an order (D.I. 374) further extending the Term B Investigation Period through and including September 3, 2025;

WHEREAS, on September 3, 2025, the Committee notified the Debtors via email that “[b]ased on the information the Committee has received to date, the Committee has identified a potential recharacterization claim with respect to Gridiron’s Term B Loans” (the “Committee Challenge”).² D.I. 447-1. The same day, the Committee filed a motion (D.I. 417) to convert the Debtors’ chapter 11 cases to cases under chapter 7 and requesting that the Term B Investigation Period be further extended to permit a chapter 7 trustee to investigate causes of action against Gridiron (as defined in such motion);

WHEREAS, on or about October 8, 2025, the Gridiron Lenders, as participants, and NXT as participating lender, entered into that certain Assignment Agreement, pursuant to which, among other things, NXT assigned all of its rights and interests in the Term B Loans to the Gridiron Lenders;

WHEREAS, pursuant to that certain Agreement Regarding Agency Resignation, Appointment and Acceptance, dated October 8, 2025, the Former Agent resigned and appointed RP Investors as Agent under the Prepetition Credit Agreement;

WHEREAS, as a result of the sales of substantially all of the Debtors’ assets (D.I. 227, 391) (the “Sales”), the Gridiron Lenders are entitled to a recovery from the proceeds of the

² Nothing herein shall be or shall be deemed an admission that such email constituted appropriate notice of a “Challenge” under the terms of the Final DIP Order.

Sales (the “Sale Proceeds”) on account of the Term B Loan Obligations pursuant to paragraphs 2(c) and 13 of the Final DIP Order, and paragraph 12 of the order approving the Sales;

WHEREAS, the Debtors have considered the Committee Challenge, and the purported justification and support therefore, and have determined that the settlement proposed herein is reasonable, appropriate and in the best interests of the Estates; and

WHEREAS, the Parties hereto desire to enter into this Settlement Agreement and Release to compromise and resolve the Committee Challenge.

NOW, THEREFORE, in consideration of the foregoing and the covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, effective upon entry of a final order of the Bankruptcy Court approving this Settlement Agreement (the “Effective Date”), it is hereby agreed by the Parties as follows:

AGREEMENT AND RELEASE

1. **Recitals**: The Recitals are true and correct and are incorporated herein by reference.
2. **Budget**: In full resolution and settlement of any and all claims against the Gridiron Parties (as defined below), including but not to the Committee Challenge, the parties hereby agree that the Debtors shall be authorized to use of the Sale Proceeds in accordance with the budget attached hereto as **Exhibit A** (the “Budget”) to pay all budgeted accrued and unpaid expenses set forth in the Budget and to provide an additional \$200,000 to the Debtors’ estates. The Budget may be amended or modified, in writing expressly agreed to in advance by each of the parties hereto, in accordance with this Settlement Agreement and Release and the Final DIP Order.
3. **Investigation Period**. The Term B Investigation Period shall be deemed to have lapsed and shall not be subject to further extension.

4. **Taxes:** Subject to available funding from the bank account at Silicon Valley Bank in the name of Holdco (account number ending in 1316) or otherwise, the Debtors and Holdco hereby agree and covenant to reasonably cooperate with requests from Baker Tilly Advisory Group, LP (“Baker Tilly”) with respect to the preparation and filing of the 2024 and 2025 taxes for the Debtors and Holdco.

5. **Independent Manager:** Holdco and HRHI-Wind-down, LLC (f/k/a Royalty Interco, LLC) covenant that, promptly upon request by Agent, shall consent to the replacement of Craig Dean as Independent Manager of each such entity, and to amendments to the operating agreement to name a new independent manager of each such entity as proposed by the Agent. The Agent agrees that it shall not request the replacement of Craig Dean as independent manager of HRHI-Wind-down, LLC until after dismissal of the Debtors’ chapter 11 bankruptcy cases.

6. **Release by the Debtors:** Upon the Effective Date of this Settlement Agreement, the Debtors and Holdco release and forever discharge each of the Gridiron Entities (as defined below), the Former Agent and Prepetition Lenders, and each of their respective members, agents, employees, professionals, representatives, officers, attorneys, shareholders, directors, managers (including independent managers), partners, assigns and successors in-interest (collectively, the “Gridiron Released Parties”) from any and all liabilities, damages, liens, obligations, indemnities, promises, losses, fees, costs, expenses, causes of action, suits, contributions, debts, sums of money, accounts, claims (as defined in Section 101[5] of the Bankruptcy Code), and demands, whatsoever, in law or in equity, liquidated or indefinite, known or unknown, suspected or unsuspected, fixed or contingent, whether direct or indirect, hidden or concealed, from the beginning of time until the Effective Date of this Settlement Agreement arising out of, related to or in connection with Holdco or the Debtors, including but not limited to the Committee Challenge; *provided, however*, that

nothing herein shall release or waive Gridiron's, the Former Agent's or the Prepetition Lenders' obligations to the Debtors or Holdco under the Prepetition Documents, the Prepetition Liens, or the Prepetition Debt, if any. Nothing in this Settlement Agreement and Release shall be deemed to be (i) a release or waiver of the obligations of Gridiron arising from this Settlement Agreement and Release, or (ii) a release of any party other than the Gridiron Released Parties. For the purposes hereof, the term "Gridiron Entities" shall refer to Gridiron Capital Fund, III, LP, GC Fund III NMS AIV, LP, GC Fund III TNAA AIV, LP, GC Fund III LF AIV, LP, GC Fund III RP AIV, LP, Gridiron Strategic Advisors Fund III, LP, Gridiron Co-Investors III, LLC, and Gridiron RP Investors, LLC.

7. **Release by Gridiron:** Upon the Effective Date of this Settlement Agreement, Gridiron, on behalf of itself and its affiliates, releases and forever discharges the Debtors and RP Holdco, LLC and their respective members, agents, employees, professionals, representatives, officers, attorneys, shareholders, directors, managers (including independent managers), partners, assigns and successors in-interest (the "Debtor Released Parties") from any and all liabilities, damages, liens, obligations, indemnities, promises, losses, fees, costs, expenses, causes of action, suits, contributions, debts, sums of money, accounts, claims (as defined in Section 101[5] of the Bankruptcy Code), and demands, whatsoever, in law or in equity, liquidated or indefinite, known or unknown, suspected or unsuspected, fixed or contingent, whether direct or indirect, hidden or concealed, from the beginning of time until the Effective Date of this Settlement Agreement arising out of, related to or in connection with Holdco or the Debtors, including but not limited to the Committee Challenge; *provided, however*, that nothing herein shall release or waive the Debtors' or Holdco's obligations to Gridiron, the Former Agent or the Prepetition Lenders under the Prepetition Documents, the Prepetition Liens, or the Prepetition Debt (including but not limited to

related orders entered in these cases, including the Final DIP Order), including the Term B Loan Obligations. Nothing in this Settlement Agreement and Release shall be deemed to be (i) a release or waiver of the obligations of the Debtor Released Parties arising from this Settlement Agreement and Release, or (ii) a release of any party other than the Debtor Released Parties.

8. **Capacity:** The Parties agree, represent and warrant that they have full legal standing and capacity to enter into this Settlement Agreement and Release and sign the same with full authority and capacity and shall hold harmless and indemnify the other Party relying on this Settlement Agreement and Release in the event such standing, capacity or authority is challenged as voluntary. By executing and becoming a party to the Settlement Agreement and Release, the Parties represent that they have (i) relied upon the legal advice of counsel, who are the attorneys of their own choice; (ii) completely read the terms of the Settlement Agreement and Release; and (iii) fully understand and voluntarily accepted the terms of the Settlement Agreement and Release.

9. **Final DIP Order.** Except as expressly set forth in this Settlement Agreement and Release, nothing herein shall modify or affect the Final DIP Order or any other order of the Bankruptcy Court.

10. **No Admission of Liability:** The Parties expressly acknowledge that this Settlement Agreement and Release is made in connection with the Committee Challenge and that neither Party makes admission of liability in entering into the Settlement Agreement and Release.

11. **Cooperation:** Prior to and at all times following the closing of the settlement, the Parties agree to execute and deliver or to cause to be executed and delivered, such reasonable documents and to do, or cause to be done, such other reasonable acts and things as might reasonably be requested by the Parties to assure that the benefits of this Settlement Agreement and Release are realized by the Parties.

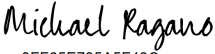
12. **Choice of Law:** This Settlement Agreement and Release shall be construed and enforced in accordance with the provisions of the Bankruptcy Code and, where not inconsistent, the laws of the State of Delaware without regard to the conflicts of laws or principles thereof. The Parties acknowledge and agree that the Bankruptcy Court shall have jurisdiction to hear and determine any claims or disputes between the Parties with respect to this Settlement Agreement and Release.

13. **Entire Agreement:** This Settlement Agreement and Release contains the entire agreement between and among the Parties. All covenants and agreements contained in this Settlement Agreement and Release shall bind and inure to the benefit of the respective heirs, successors, and assigns of the Parties hereto.

14. **Execution in Counterparts:** This Settlement Agreement and Release may be executed in multiple counterpart originals and via electronic copy.

IN WITNESS WHEREOF, the parties have executed this Settlement Agreement
and Release as follows.

**MICHAEL RAGANO, SOLELY IN HIS
CAPACITY AS THE CHIEF
RESTRUCTURING OFFICER OF THE
DEBTORS**

Signed by:

By: _____
Name: Michael Ragano
Title: Chief Restructuring Officer

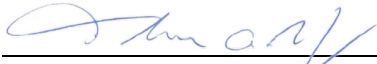
**CRAIG DEAN, SOLELY IN HIS CAPACITY
AS INDEPENDENT MANAGER OF RP
HOLDCO, LLC**


By: _____
Name: Craig Dean
Title: Independent Manager

GC FUND III RP AIV, L.P.,

By: GRIDIRON GP III, LLC
its General Partner

By: GRIDIRON PARTNERS III, LLC,
its Managing Member

By: 
Name: Thomas A. Burger, Jr.
Title: Managing Member

**GRIDIRON STRATEGIC ADVISORS FUND III,
L.P.**

By: GRIDIRON GP III, LLC
its General Partner

By: GRIDIRON PARTNERS III, LLC,
its Managing Member

By: 
Name: Thomas A. Burger, Jr.
Title: Managing Member

GRIDIRON CO-INVESTORS III, LLC,

By: its managing member, GRIDIRON GP III,
LLC

By: 
Name: Thomas A. Burger, Jr.
Title: Managing Member

GRIDIRON RP INVESTORS, LLC, as New Agent

By: GRIDIRON GP III, LLC
its Managing Member

By: GRIDIRON PARTNERS III, LLC,
its Managing Member

By: 
Name: Thomas A. Burger, Jr.
Title: Managing Member

EXHIBIT A

Budget

Weekly Cash Flow Forecast: Rolling Forecast

Week #	1	2	3	4	5	6	7	7 Week Total
Week Ending	10/17/2025	10/24/2025	10/31/2025	11/7/2025	11/14/2025	11/21/2025	11/28/2025	
Budget/Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
CASH FLOW								
RECEIPTS								
Receipts Owed to Royal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts Owed to Sofidel	-	-	-	-	-	-	-	-
Other Receipts	15,087	-	-	-	-	-	-	15,087
ERC Refunds	-	-	-	-	-	-	393,330	393,330
503(b)(9) Refund	-	-	-	-	-	-	-	-
Total Receipts	\$ 15,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,330	\$ 408,417
DISBURSEMENTS								
Operating Expenses								
Pulp & Parent Rolls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carriers / Freight	-	-	-	-	-	-	-	-
Services, Parts & Others	6,000	6,000	6,000	4,000	-	-	-	22,000
Finishing Supplies	-	-	-	-	-	-	-	-
Insurance	116,165	50,000	-	-	-	-	-	166,165
Utilities	-	-	-	-	-	-	-	-
Taxes	-	-	287,240	-	-	-	-	287,240
Receipts Paid to Sofidel	584,231	790,516	-	-	-	-	-	1,374,746
Total Operating Expenses	\$ 706,395	\$ 846,516	\$ 293,240	\$ 4,000	\$ -	\$ -	\$ -	\$ 1,850,151
Professional Fees & Other BK [1]								
Restructuring Consultant	125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
US Trustee Fees	-	-	-	-	-	-	47,589	47,589
Independent Director	-	-	-	20,000	-	-	-	20,000
Morris Nichols	125,000	-	-	-	-	-	-	125,000
Bank Counsel	-	-	-	-	-	-	-	-
Claims Agent	-	-	-	-	-	-	-	-
UCC Professionals [2]	200,000	-	-	-	-	-	-	200,000
Professional Fees & Other BK [1]	\$ 450,000	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 47,589	\$ 517,589
Debt Service								
Bank Fees	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,000	\$ 4,500
Paydown - LO TLB	3,500,000	-	-	-	-	-	1,190,000	4,690,000
Total Debt Service	\$ 3,500,000	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ 1,192,000	\$ 4,694,500
Total Disbursements	\$ 4,656,395	\$ 846,516	\$ 295,740	\$ 24,000	\$ -	\$ -	\$ 1,239,589	\$ 7,062,240
Net Cash Flow	\$ (4,641,308)	\$ (846,516)	\$ (295,740)	\$ (24,000)	\$ -	\$ -	\$ (846,259)	\$ (6,653,823)
Cumulative Cash Flow	\$ (4,641,308)	\$ (5,487,824)	\$ (5,783,564)	\$ (5,807,564)	\$ (5,807,564)	\$ (5,807,564)	\$ (6,653,823)	\$ (6,653,823)
ROLLFORWARDS								
Cash								
Beginning Bank Balance	\$ 6,657,115	\$ 2,015,807	\$ 1,169,291	\$ 873,551	\$ 849,551	\$ 849,551	\$ 849,551	\$ 6,657,115
Net Cash Flow	(4,641,308)	(846,516)	(295,740)	(24,000)	-	-	(846,259)	(6,653,823)
Checks Issued Less Checks Cleared	-	-	-	-	-	-	-	-
Cash Bank Balance	\$ 2,015,807	\$ 1,169,291	\$ 873,551	\$ 849,551	\$ 849,551	\$ 849,551	\$ 3,292	\$ 3,292
Outstanding Checks	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
A/R Owed to Sofidel	790,516	-	-	-	-	-	-	-
Cash (Net of O/S Checks & A/R Owed)	\$ 1,223,741	\$ 1,167,741	\$ 872,001	\$ 848,001	\$ 848,001	\$ 848,001	\$ 1,742	\$ 1,742
Accounts Receivable								
Beginning Balance	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880
Cash Receipts	-	-	-	-	-	-	-	-
Discounts / Write-offs	-	-	-	-	-	-	-	-
Ending Balance	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880	\$ 143,880

[1] Professional fees amounts assume global peace with the UCC and 503(b)(9) adversary complaints.

[2] Payment is contingent on approval by the court of the settlement.

Exhibit B

Dismissal Order

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

In re

HRHI Wind-down, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (TMH)

Jointly Administered

ORDER OF DISMISSAL AND DISSOLUTION

Upon *Motion of Debtors for Entry of Initial Order and Further Orders (I) Establishing Procedures with Respect to Final Fee Applications; (II) Authorizing the Debtors Abandon Certain Property; (III) Dismissing the Debtors' Chapter 11 Cases; (IV) Authorizing the Debtor Entities to Be Dissolved in Accordance with Applicable State Law; (V) Approving Entry into Settlement Agreement with Gridiron RP Investors, LLC, GC Fund III RP AIV, L.P., Gridiron Strategic Advisors Fund III, L.P., and Gridiron Co-Investors III, LLC Pursuant to 11 U.S.C. § 105(a) and Federal Rule of Bankruptcy Procedure 9019; and (VI) Granting Related Relief* (the "Motion"), that certain Initial Order granting the Motion, entered on [●], 2025 (D.I. ●), and the *Certification of Counsel and Request for Entry of an Order Dismissing Chapter 11 Cases*, filed on [●], 2025 (D.I. ●), it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal EIN, are as follows: HRHI Wind-down, LLC (7913); DPM Wind-down, L.L.C. (1830); HRHP Wind-down, LLC (9937); and SPC Wind-down, LLC (7899). The Debtors' mailing address is 200 W. Madison Street, Suite 1000, Chicago, IL 60606.

2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits and denied with prejudice.

3. Pursuant to section 1112(b) of the Bankruptcy Code, each of the chapter 11 cases are dismissed effective as of the entry of this Dismissal Order.

4. Notwithstanding anything to the contrary, including, without limitation, section 349 of the Bankruptcy Code, all prior orders, releases, stipulations, settlements, rulings, orders and judgments of this Court made during the course of the chapter 11 cases, including, without limitation, the Sofidel Sale Order, the ERC Sale Order, the Supplemental Sale Order, the Interim DIP Order and the Final DIP Order, shall remain in full force and effect, shall be unaffected by the dismissal of the chapter 11 cases, and are specifically preserved for purposes of finality of judgment and res judicata unless expressly amended or overruled by a subsequent stipulation, settlement, order or judgment of this Court, as applicable.

5. Each of the Professionals' retentions is terminated, effective immediately, without the need for further action on the part of this Court, the Debtors, or such firms. The retention of the Debtors' claims agent is likewise terminated, effective immediately, without the need for further action on the part of this Court or the Debtors. In accordance with Local Rule 2002- 1(e)(ix), within fourteen (14) days of the entry of this Dismissal Order, the Debtors' claims agent shall (a) forward to the Clerk an electronic version of all proofs of claim, (b) upload the creditor matrix into CM/ECF and (c) docket in the lead case a combined claims register containing claims from all cases.

6. The Debtors are authorized, but not directed, to destroy, abandon, or otherwise dispose of the Debtors' remaining books and records in their discretion, and to make all

payments necessary to effectuate such destruction; *provided, however*, that any documents containing personally identifiable information must be shredded.

7. As soon as reasonably practicable after entry of this Dismissal Order, without the need for further action on the part of this Court, to the extent not previously dissolved, the Debtors are authorized to dissolve their corporate entities in accordance with applicable state law, and the Debtors shall not be required to pay any taxes or fees to cause such dissolution. Any officer of the Debtors is authorized to execute and file on behalf of the Debtors all documents necessary and proper to effectuate and consummate the dissolution of the Debtors in accordance with law of the state of Delaware, the state of Arizona, or the state in which any Debtor entity was formed.

8. The Debtors are hereby authorized and empowered to take any and all steps necessary and appropriate to effectuate the terms of this Dismissal Order.

9. To the extent applicable, the 14-day stay to effectiveness of this Dismissal Order provided by Bankruptcy Rule 6004(h) is waived and this Order shall be effective and enforceable immediately upon entry.

10. Notwithstanding the dismissal of these chapter 11 cases, this Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation, interpretation, or enforcement of this or any other Order of this Court entered in these chapter 11 cases.