

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b)	
OFFIT KURMAN, P.A. By: Paul J. Winterhalter, Esquire (006961986) Augustus T. Curtis (<i>pro hac vice</i> pending) Court Plaza South 21 Main Street, Suite 158 Hackensack, NJ 07601 Telephone: (267) 338-1370 Facsimile: (267) 338-1335 E-mail: pwinterhalter@offitkurman.com Augie.curtis@offitkurman.com <i>Proposed Counsel to Debtor</i>	
In re: BAKER & TAYLOR, LLC, <i>Debtor</i>	Chapter 11 Case No. 26 – 12863 CMG Judge: Christine M. Gravelle
	Hrg. Date: March 24, 2026 Time: 2:00 pm Location: 402 E. State Street Trenton, NJ 08608 Courtroom: No. 2

**MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER
PURSUANT TO 11 U.S.C. §345, §363, AND 503(b)(1)
APPROVING THE CONTINUED USE OF DEBTOR’S CASH MANAGMENT
PRACTICES AND EXTENDING OR MODIFYING DEPOSIT AND INVESTMENT
PRACTICES MANDATED BY SECTION 345 OF THE BANKRUPTCY CODE**

Baker & Taylor, LLC (the “Debtor” or “Baker & Taylor”), the Debtor and debtor in possession in the above captioned Chapter 11 case, by and through its proposed legal counsel, Offit Kurman, P.A., files this motion (the “Motion”) requesting entry of an order authorizing the Debtor to maintain its existing cash management systems and practices, and to the extent required modify the requirements or restrictions of 11 U.S.C. §345(b), and authorize all banks participating

in Debtor's cash management system to honor ordinary deposits and disbursements, and in support of this relief, states as follows:

Background

1. The Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") on March 16, 2026 (the "Petition Date").

2. In support of the relief sought in this Motion, the Debtor has filed the Declaration of Amandeep Kochar in Support of the Chapter 11 Petition, First Day Motions and Plan of Orderly Liquidation (the "Kochar Declaration").

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §157(b).

4. Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409.

5. The Debtor is organized under the laws of the State of Delaware with an office located at 1120 Route East, Bridgewater, New Jersey 08807. The Debtor formerly operated a physical and digital book distributorship.

6. Pursuant to 28 U.S.C. §586(a)(3) and the Operating Guidelines and Financial Reporting Requirements Required in all cases filed Under Chapter 11 ("UST Guidelines") established by the United States Trustee ("U.S. Trustee"), debtors are required close all existing pre-petition bank accounts and open new debtor in possession accounts, open up a new set of financial books and records as of the commencement of the bankruptcy case, and use new business forms and checks indicating the "debtor in possession" status of the debtor. The debtor in possession account may only be maintained at an approved banking institution which has agreed to be fully compliant and provide regular reports of deposits and disbursements of every debtor independently to the U.S. Trustee. These requirements are intended to assist in providing a clear

line of demarcation between prepetition and post-petition transactions and operations and to prevent the inadvertent payment of pre-petition claims.

Relief Requested

7. In this Motion, the Debtor is seeking the entry of interim and final orders authorizing, but not requiring, the Debtor to: (a) continue use of their existing cash management system by, among other things, maintaining existing bank accounts and paying certain pre-petition charges from the accounts, including payments for general and administrative business expenses incurred in the ordinary course of business, (b) continue to use their business forms in the same manner in which they existed prior to the Petition Date, and (c) waive the requirement that deposits be secured by a bond in favor of the United States or the deposit of securities as set forth in section 345(b) of the Bankruptcy Code.

8. Baker & Taylor maintains a centralized cash management system in conformity with requirements of its former secured lender's credit facility. The key components of the cash management system are shown on the "Baker & Taylor Bank of America Account Structure" attached as **Exhibit A**. The company holds a total of eight (8) bank accounts with Bank of America, N.A. ("Bank of America"), listed on the attached **Exhibit A**, including three (3) accounts into which institutional, retail and "key accounts" payments are received before being swept into a single "AR" account (the "Master AR Account"). In addition to these payments, the Master AR Account receives all ACH payments and wire transfers, and, through a separate "Credit Card Receipts" account funded by payments from credit card merchants, all of the company's credit card receipts. From the Master AR Account, all funds are released into an Operating Account held by Baker & Taylor. The company then transfers the majority of funds for use by the business into one of two disbursement accounts, an "AP Controlled Disbursements Account" and an "Other

Disbursement Account.” Substantially all of the company’s payments to third parties, including publishers, suppliers, vendors and others, are processed through one of the two disbursement accounts.¹

9. In the ordinary course of its business, Baker & Taylor utilizes many check types, correspondence and business forms, including, but not limited to, letterhead, purchase orders, invoices and other documents.

10. The relief requested in the Motion is necessary to minimize the expense to the estate associated with obtaining new banking accounts and developing and/or purchasing entirely new forms. The disruptions and delays in conducting business that would flow from this process, and the confusion of employees, customers and buyers would seriously impair the Debtor’s ability to operate as it enters the present case. Therefore, the Debtor seeks authority to continue to use its existing accounts, maintain its current correspondence, business forms, and checks as such existed immediately prior to the Petition Date, without reference therein to Baker & Taylor’s status as a debtor in possession.

11. The relief sought in the Motion is in the best interest of the estate, its creditors, and all other parties in interest and will facilitate the Debtor’s ability to operate in chapter 11 without disruption. The use of the Debtor’s present case management systems is integral to the Debtor’s operations. The existing cash management system is essential to enable the Debtor to centrally control and monitor corporate funds, ensure cash availability and liquidity, reduce administrative expense and delay by facilitating the movement of funds and enhance the development of accurate account balance and presentment information.

¹ In addition to the Bank of America Account Structure, the Debtor has two (2) accounts holding “petty cash” at the Municipal Bank in Momence, Illinois and First Covenant Bank in Commerce, Georgia. The Debtor is not seeking authority to maintain such accounts, and intends to close such accounts as soon as possible after the Petition Date and transfer any funds therein into the Bank of America Account Structure.

12. The cash management system is an ordinary course, essential business practice of the Debtor, and absent the relief requested, the Debtor would be forced to significantly alter its business practices, potentially causing severe disruption in cash flows at an extremely critical time of the Debtor's existence. Among other concerns, altering the cash management system could disrupt payments to vendors and others and significantly impair employees' ability to negotiate their pay. These consequences are not in the best interest of the Bankruptcy Estate and the Debtor's liquidation efforts. Due to the sophistication of the Debtor's financial controls, the goals of the UST Guidelines can be addressed and accomplished in a less disruptive manner, with the Debtor carefully implementing protocols to differentiate between prepetition and post-petition transactions.

Basis for the Requested Relief

13. Section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to "use property of the estate in the ordinary course of business." 11 U.S.C. §363(c)(1). "The framework of Section 363 is designed to allow a trustee (or in this case, a debtor in possession) the flexibility to engage in ordinary transactions without unnecessary creditor and bankruptcy court oversight, while protecting creditors by giving them an opportunity to be heard when transactions are not ordinary." *In re Roth Am., Inc.*, 975 F.2d 949,952 (3d Cir. 1992). Ordinary transactions under Section 363 includes the routine transactions necessitated by a debtor's cash management system. *See Amdura National Distrib. Co. v. Amdura Corp.*, 75 F.3d 1447, 1453 (10th Cir. 1996).

14. Bankruptcy courts routinely permit Chapter 11 debtors to maintain cash management systems, generally treating such requests for such relief as a relatively simple administrative matter. *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Oh. 1987). Requiring substantial modification to a controlled cash management practice has been found to be

an unnecessary administrative burden and economically inefficient. Under such conditions existing cash management systems have been permitted to be maintained. *See In re Columbia Gas Sys.*, 997 F.2d 1039, 1061 (3d Cir. 1993). Bankruptcy Courts have waived the strict requirements of the UST Guidelines when it is determined they are impractical and potentially detrimental to the Debtor's post-petition business operations and restructuring efforts. *See, e.g., In re Philadelphia Newspapers, Inc.*, Case No. 09-11204 (SR) (Bankr. E.D. Pa. Feb. 24, 2009); *In re Wickes Holdings, LLC*, Case No., 08-10212(KJC) (Bankr. D. Del. Feb.5, 2008); *In re Tweeter Home Entertainment Group, Inc.*, Case No. 07-10787(PJW) (Bankr. D. Del. June 13, 2007).

15. The Debtor submits maintaining its existing cash management system is practical, efficient and preserves all necessary protections and oversight sought by the US Trustee. The maintenance of the cash management system is in the best interest of the Debtor, the Bankruptcy Estate and benefits all creditors and parties in interest by assuring little disruption in the continual cash flows necessary for the operation of the business. If the Debtor was required to strictly comply with the UST Guidelines as to bank accounts and business forms, its operations would be severely harmed by the disruption, confusion, delay, and cost that would certainly result from the closure of the existing bank accounts, and the opening of new accounts.

16. Pursuant to Bankruptcy Code Section 345(b), any deposit or investment made by a debtor, except those insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States, must be secured by a bond in favor of the United States that is obtained through a corporate surety approved by the United States Trustee for the relevant district or the deposit of securities of the kind specified in 31 U.S.C. §9303. Section 345(b) of the Bankruptcy Code further provides, however, that a bankruptcy court may allow the use of alternatives to these investment guidelines

“for cause.” *In re Service Mech. Co.*, 240 B.R. 894, 896-7 (Bankr. M.D. Tenn. 1999). In this case, with the Debtor maintaining its principal accounts at Bank of America, the Debtor submits that there are sufficient protections for its funds in this case, and that cause exists to permit the Debtor to maintain its existing cash management system.

WHEREFORE, the Debtor respectfully requests this Court grant the Motion and enter an Order: (a) authorizing the Debtor to continue to use its existing cash management practices and existing bank accounts at Bank of America, provided that deposits received by the Debtor be maintained at Bank of America; (b) authorizing Bank of America to honor transfers and charge usual fees for its normal banking services, without the need for either the Debtor or banking institutions to post any further collateral or bond to act as the Debtor’s banking institutions; (c) authorizing the Debtor to continue to use business forms in the same manner in which they existed prior to the Petition Date; and (d) granting grant such other and further relief as this Court finds just and proper.

Respectfully submitted,

OFFIT KURMAN, P.A.

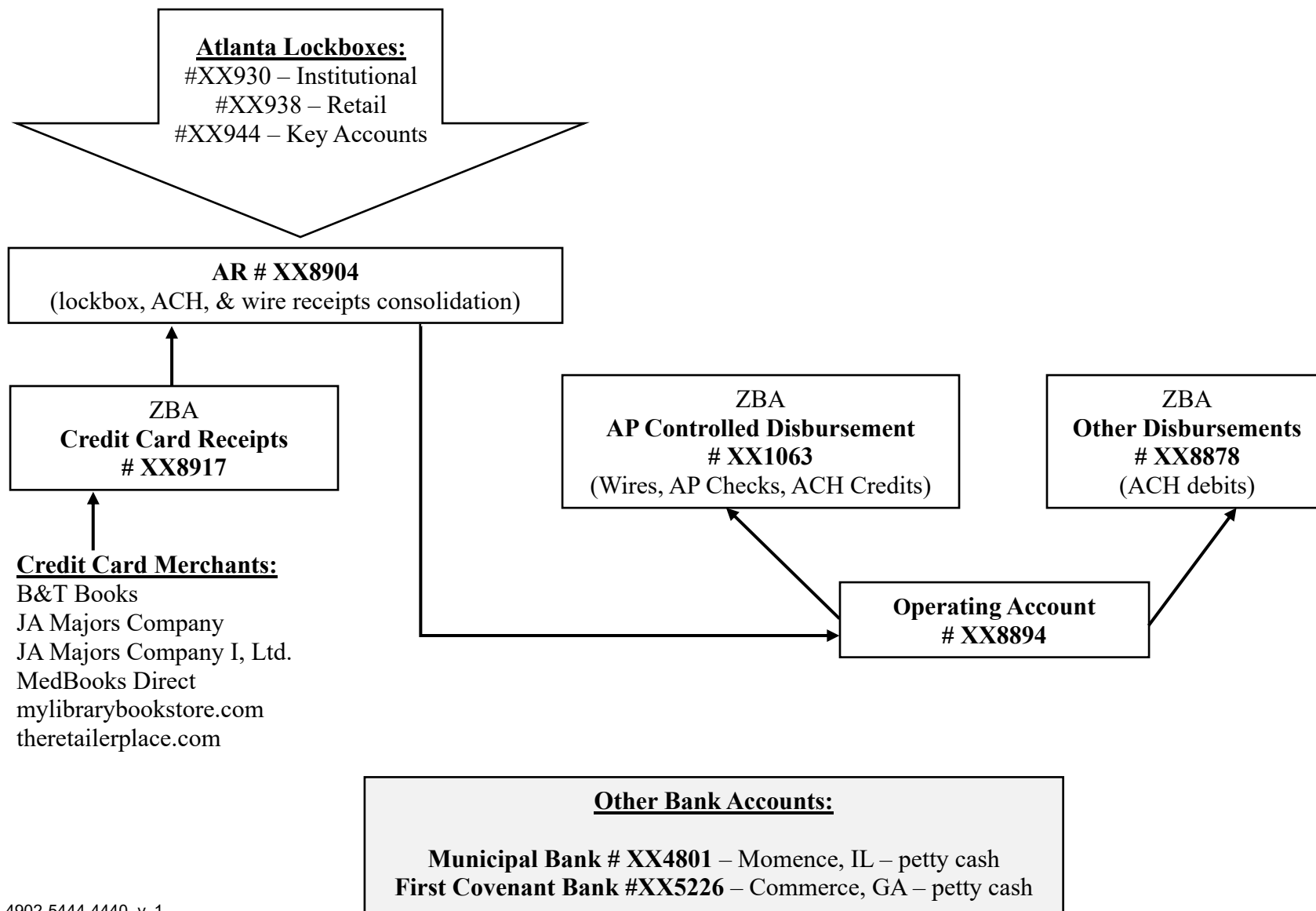
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Proposed Counsel to Debtor

Dated: March 16, 2026
4937-1028-8792, v. 2

Baker and Taylor, LLC's Bank of America Account Structure



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In re: BAKER & TAYLOR, LLC, <i>Debtor</i>	Chapter 11 Case No. 26 – 12863 CMG Judge: Christine M. Gravelle
	Hrg. Date: March 24, 2026 Time: 2:00 pm Location: 402 E. State Street Trenton, NJ 08608 Courtroom: No. 3

**INTERIM ORDER APPROVING THE CONTINUED USE OF DEBTOR'S
CASH MANAGEMENT PRACTICES AND TEMPORARILY
EXTENDING OR MODIFYING DEPOSIT PRACTICES
MANDATED BY SECTION 345 OF THE BANKRUPTCY CODE**

The relief set forth on the following pages 2 and 3 is ORDERED.

Debtor: Baker & Taylor, LLC
Case No: 26-12863 (CMG)
Caption of Order: Order Approving the Continued Use of Debtor's Cash Management Practices and Temporarily Extending or Modifying Deposit Practices Mandated By Section 345 of the Bankruptcy Code

This matter having been presented to the Court upon consideration of a Motion submitted on behalf of Baker & Taylor, LLC (the "Debtor") for an Order authorizing the Debtor to continue to use its cash management system, after proper notice of an expedited hearing, and based on the pleadings, submissions and record created at the hearing, and good cause being shown, it is hereby Ordered that:

1. The Motion is granted on an interim basis;
2. The Debtor is temporarily authorized to continue to use its existing cash management practices and its bank accounts at Bank of America for a period of 30 days from the date of this Order;
3. Bank of America is permitted to honor transfers and to charge usual fees for its normal services, and is not immediately required to post any collateral or bond for the purposes of acting as a conduit of funds being transmitted to and from the Debtor's accounts;
4. The Debtor shall continue to communicate with the Bank of America to determine if adequate arrangements, conditions, and protocols can be established to adequately and reasonably satisfy the requirements of the Office of the United States Trustee;
5. Notwithstanding the potential applicability of Federal Rules of Bankruptcy Procedure 6004(h), 9014 or otherwise, this Order is immediately effective and enforceable upon its entry, and the fourteen (14) day stay set forth in Bankruptcy Rule 6004(h) is hereby waived; and

6. A final hearing on relief sought by Debtor's Motion related to the use of Bank Accounts and Cash Management systems shall be heard before the Court on _____ beginning at _____ or as soon as the matter may be called by the Court.

4905-0643-0360, v. 2

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
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In re: BAKER & TAYLOR, LLC, <i>Debtor</i>	Chapter 11 Case No. 26 – 12863 CMG Judge: Christine M. Gravelle
	Hrg. Date: March 24, 2026 Time: 2:00 pm Location: 402 East State Street Trenton, NJ 08608 Courtroom: No. 3

**FINAL ORDER APPROVING THE CONTINUED USE OF DEBTOR'S CASH
MANAGEMENT PRACTICES AND EXTENDING OR MODIFYING DEPOSIT
PRACTICES MANDATED BY SECTION 345 OF THE BANKRUPTCY CODE**

The relief set forth on the following pages 2 and 3 is ORDERED.

Debtor: Baker & Taylor, LLC
Case No: 26-12863 (CMG)
Caption of Order: Order Approving the Continued Use of Debtor's Cash Management Practices and Temporarily Extending or Modifying Deposit Practices Mandated By Section 345 of the Bankruptcy Code

This matter having been presented to the Court upon consideration of a Motion filed on behalf of Baker & Taylor, LLC (the "Debtor") for an Order authorizing the Debtor to continue to use its cash management system, any answer or other response having been presented to the Motion, after proper notice and the opportunity for a hearing on the relief sought by the Motion, and for good cause established therein, it is hereby ordered that

1. The Motion is granted;
2. The Debtor is authorized to continue to use its existing cash management practices and to maintain its existing bank accounts at Bank of America; and Bank of America is permitted to honor transfers and to charge usual fees for its normal services, without posting any collateral or bond for the purposes of acting as a conduit of funds being transmitted to the Debtor's account.