

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

In re

ROYAL INTERCO, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (TMH)

Jointly Administered

Re: D.I. 15, 146, 149, 168, 187, 189

**SUPPLEMENTAL ORDER (I) AMENDING FINAL DIP ORDER,
(II) APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF
CLAIMS, LIENS, AND ENCUMBRANCES, (III) APPROVING THE ASSUMPTION
AND ASSIGNMENT OF DESIGNATED EXECUTORY CONTRACTS AND
UNEXPIRED LEASES, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”) dated April 8, 2025 [D.I. 15], of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), for the entry of (i) an order (a) approving the bid procedures (the “**Bid Procedures**”), in connection with the sale of all or substantially all of the Debtors’ assets; (b) approving various forms and the manner of notice of respective dates, times and places in connection therewith; (c) authorizing the Debtors to enter into and perform under an asset purchase agreement attached thereto as Exhibit A between the Debtors and Sofidel America Corp. (the “**Purchaser**”), subject to the solicitation of the highest acceptable offer for the Debtors’ assets (the “**Acquired Assets**”); (d) approving the Bid Protections granted to the Purchaser; (e) approving procedures for the assumption and assignment of certain designated executory contracts and unexpired leases; (f) scheduling an auction and the date and time of the hearing to approve the sale of the Acquired Assets and assumption of certain liabilities of the Debtors; and (g) granting related relief; and (ii) an order (a) authorizing the sale (the “**Sale**”)

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors’ mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

of the Acquired Assets to the Purchaser free and clear of all liens, claims, interest and other encumbrances pursuant to the asset purchase agreement attached hereto as Exhibit A (the “**Agreement**”)² to the *Order (I) Approving the Sale of the Debtors’ Assets Free and Clear of Claims, Liens, and Encumbrances, (II) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* [D.I. x] (the “**Sale Order**”); (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (c) granting related relief; and the Court having considered the Motion and entered the *Order Pursuant to Sections 105, 363, 364, 365 and 541 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9007 and Del. Bankr. L.R. 2002-1 and 6004-1 (A) Approving Bid Procedures for the Sale of Substantially All of the Debtors’ Assets; (B) Approving the Debtors’ Entry Into Stalking Horse Agreement and Related Bid Protections; (C) Approving Procedures for the Assumption and Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; (D) Scheduling an Auction and Sale Hearing; (E) Approving Forms and Manner Of Notice Of Respective Dates, Times, and Places In Connection Therewith; and (F) Granting Related Relief* [D.I. 149] approving, among other things, the Bid Procedures attached thereto as Exhibit 1, authorizing the Debtors to designate Sofidel America Corp. as the Stalking Horse Bidder, the Stalking Horse Agreement as the stalking horse bid for the Acquired Assets, the Bid Protections, all as more fully described in the Bid Procedures Order; and the Debtors having received Bids other than the Stalking Horse Bid for the Acquired Assets; and the Debtors accordingly, pursuant to the Bid Procedures, having held an Auction on May 15, 2025; and the Purchaser having been selected as the Successful Bidder for the Acquired Assets; and this Court having conducted the Sale Hearing on May 22, 2025; and all parties in interest having been heard,

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Sale Order, Final DIP Order, or Agreement, as applicable.

or having had the opportunity to be heard, regarding the Agreement, the Sale and the Sale Order; and this Court having reviewed and considered all objections and responses thereto, including the objections to the Sale of the Official Committee of Unsecured Creditors [D.I. 168, 189] (the “**Committee Objection**”), the Office of the United States Trustee [D.I. 169] (the “**U.S. Trustee Objection**”) and Ad Hoc Group of 503(b)(9) Claimants [D.I. 187] (the “**Ad Hoc Objection**”), and the arguments of counsel made, and the evidence adduced, at the hearing with respect to the Bid Procedures, held on May 2, 2025 and the Sale Hearing; and upon the entire record of the Bid Procedures Hearing and the Sale Hearing; and the Court having previously entered a final DIP order (D.I. 146) (the “**Final DIP Order**”); and after due deliberation thereon, and good cause appearing therefor:

IT IS HEREBY FOUND, CONCLUDED, AND DETERMINED THAT:³

A. Prepetition Agent, acting at the direction of the requisite Prepetition Lenders, and Postpetition Agent, acting at the direction of the requisite Postpetition Lenders, have consented to the terms of this Order.

B. Pursuant 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 (the “**Sale Proceeds**”) shall be remitted to Agents for application in accordance with Paragraph 2(c) of the Final DIP Order; *provided, however*, that Agents and Lenders have agreed to consent to the use of such Sale Proceeds in order to enable the Debtors to pay all accrued and unpaid Budget expenses first incurred after the Filing Date and until

³ The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such. The Court’s findings shall also include any oral findings of fact and conclusions of law made by the Court during or at the conclusion of the Sale Hearing. This Sale Order shall constitute the findings of fact and conclusions of law and shall take immediate effect upon execution hereof.

the Termination Date and not to exceed the amounts for such expenses as set forth in the Budget (as the same may be amended from time to time); provided, further, the Final DIP Order specified that any allowed 503(b)(9) claims would not be included in the foregoing proviso and the treatment of such allowable 503(b)(9) claims would otherwise be addressed in connection with such sale order, by assumption by the proposed purchase, by settlement (as the same may be reduced by operation of 502(d)), or by further order of this Court. Final DIP Order, ¶ 13.

C. This Court has determined to enter this Order (i) modifying the Final DIP Order with respect to claimants who may have or assert allowable claims under section 503(b)(9) of the Bankruptcy Code (the “503(b)(9) Claimants”) for the purpose of determination of allowable claims under section 503(b)(9) of the Bankruptcy Code (the “503(b)(9) Claims”), and related objections and offsets to such 503(b)(9) Claims, and (ii) resolving the Committee Objection and Ad Hoc Objection.

NOW, THEREFORE, in consideration of the Recitals and findings set forth above, which are incorporated herein by this reference, **IT IS HEREBY ORDERED THAT:**

1. Notwithstanding anything to the contrary in the Final DIP Order, pursuant to Bankruptcy Rule 3007(c) and Local Rule 3007-1, the Debtors are authorized, but not directed, to pay all or part of, allowed 503(b)(9) Claims to the extent determined in accordance with this Order in the aggregate amount not to exceed \$1,800,000.

2. 503(b)(9) Escrow Account: The Debtors’ obligation under Paragraph 13 of the Final DIP Order regarding the application of Sale Proceeds is modified as follows:

a. Upon the consummation of the Sale, from the proceeds of such Sale, the Debtors shall escrow funds solely for purposes of this Order equal to the aggregate amount of \$1,800,000 comprising: (i) \$468,788.23 for the asserted

503(b)(9) Claim of International Paper Corporation (“**IPC**”), (ii) \$41,040.06 for the asserted 503(b)(9) Claim of Print Pro, Inc. (“**PPI**”); and (iii) \$1,290,171.71 for other 503(b)(9) Claims that may be asserted;

b. Such funds shall be held in an escrow account maintained by Richards, Layton & Finger, P.A. (the “**Escrow Account**”);

c. The liens granted in favor of the Agents pursuant to the Final DIP Order will continue with respect to the Escrow Account to the extent not used to satisfy the 503(b)(9) claims otherwise allowed in accordance with the terms of this Order. Not less frequently than every 10 business days after the 503(b)(9) Bar Date (defined below), the Escrow Agent will remit to Agent all amounts in the Escrow Account in excess of the aggregate 503(b)(9) claims otherwise allowed in accordance with the terms of this Order (as reduced by consent, settlement or adjudication in accordance with this Order). Any such amounts received by Agent will be applied to the Aggregate Debt in accordance with Paragraph 2(c) of the Final DIP Order.

3. Determination of 503(b)(9) Claim: The Debtors shall send not less than 21 days’ notice to all known, potential 503(b)(9) Claimants to establish a bar date for the assertion of 503(b)(9) claims (the “**503(b)(9) Bar Date**”).

a. The form of bar date notice attached hereto as **Exhibit A** is hereby approved.

b. All 503(b)(9) Claims shall be filed by the 503(b)(9) Claimants before the 503(b)(9) Bar Date by utilizing the proof of administrative claim form

attached hereto or by filing a motion in accordance with the Bankruptcy Code, Bankruptcy Rules and Local Rules prior to the 503(b)(9) Bar Date.

c. The Debtors or any other party in interest may file and serve objections (each, an “**Objection**”) in accordance with the Bankruptcy Rules and Local Rules to asserted 503(b)(9) Claims on any basis, including, on the grounds that such claims, in part or in whole:

- i. fail to specify the asserted claim amount;
- ii. the goods were not delivered in the ordinary course or within the 20-day period set forth in section 503(b)(9) of the Code;
- iii. have been satisfied by payment on account of such claim; or
- iv. the 503(b)(9) Claim is subject to offset, including by operation of section 502 of the Code, by reason of such applicable 503(b)(9) Claimant received preferential transfers pursuant to sections 544, 547, 548 or 550 of the Code; provided, however, that the Debtors and their estates may only assert such claims for the purpose of reducing the liability for such 503(b)(9) Claim and may not seek an affirmative recovery from any 503(b)(9) Claimant on account of such preferential transfers.

d. The Debtors (or such other party in interest filing such Objection) shall provide notice to Agents, the U.S. Trustee and the Committee (the “**Notice Parties**”) with respect to any Objection or resolution or proposed settlement thereof. Any such Objection or proposed settlement thereof may be resolved consensually by the Debtors and 503(b)(9) Claimant or otherwise shall be resolved by the Court at a hearing to be scheduled at the Court’s earliest convenience.

e. Without limitation of the foregoing, the Debtors are authorized, in their sole discretion, to commence an adversary proceeding with respect to any alleged preferential transfer pursuant to sections 544, 547, 548 or 550 of the Code

against any of the 503(b)(9) Claimants; *provided, however*, that the Debtors and their estates may only assert such claims for the purpose of reducing the liability for any 503(b)(9) Claims and may not seek an affirmative recovery from any 503(b)(9) Claimant on account of such preferential transfer.

f. The Debtors are further authorized to hold amounts maintained in Escrow Account pending the determination of any Objection (and, with respect to any preferential transfer pursuant to sections 544, 547, 548 or 550 of the Code against any of the 503(b)(9) Claimants the Debtors shall have the right to offset any such preference liability determined by the Court against any allowed 503(b)(9) Claim as set forth in this Order).

4. 503(b)(9) Payments: For every proposed payment in respect of an allowed 503(b)(9) Claim determined pursuant to this Order (each, a “**Proposed 503(b)(9) Payment**”), the Debtors shall provide advance notice to the Notice Parties (each of which may be through counsel) three (3) business days prior to disbursing any such Proposed 503(b)(9) Payment. All payments on account of any 503(b)(9) Claims shall be made solely from funds maintained in the Escrow Account.

5. Exclusive Procedures. The procedures established pursuant to this Order shall be the sole and exclusive method for creditors to assert, seek determination of and obtain payment of any 503(b)(9) Claims. Any 503(b)(9) Claimant that accepts payment from the Debtors on account of all or a portion of such party’s claim pursuant to this Order or the Final DIP Order shall be deemed to have agreed to the terms and provisions of this Order, the Sale Order and the Final DIP Order.

6. Reservation of Rights. Nothing herein shall impair or prejudice the Debtors' or any party's ability to contest, in their sole discretion, the extent, perfection, priority, validity, or amounts of any 503(b)(9) Claims. Nothing in this Order shall obligate the Debtors to settle or pursue a settlement of any particular 503(b)(9) Claim. Settlements of claims may be negotiated and compromised by the Debtors in their sole discretion (subject to applicable law) and in accordance with other applicable orders of the Court.

7. Avoidance Actions Against Employees of the Debtors. As part of the Sale, Purchaser shall be deemed to acquire as an Acquired Asset all Avoidance Actions against ordinary course trade vendors of the Debtors and the Debtors' employees, officers and directors that were employed as of the Petition Date, and upon the Closing shall be deemed to covenant not to sue with respect to such Avoidance Actions. For the avoidance of doubt, Avoidance Actions against the Debtors' former officers, directors, financial advisors and other advisors not engaged or otherwise retained or employed by the Debtors as of the Petition Date shall not be Acquired Assets, *provided, however*, such Acquired Assets do not include the Debtors' estates' interest in such Avoidance Actions to the extent the same may be asserted for purposes of reducing liability with respect to 503(b)(9) Claims as set forth herein.

8. Resolution of Committee Objection and Ad Hoc Objection. The Committee Objection and Ad Hoc Objection shall be deemed withdrawn and resolved in their entirety.

9. Final DIP Order. The Final DIP Order is amended as follows: (a) the Budget shall be deemed amended to increase the line item for the professionals for the Official Committee of Unsecured Creditors (the "Committee Professionals") as Carveout Professionals to \$700,000 for the duration of these chapter 11 cases; and (b) the date of "June 22, 2025" in definition 21 of the Final DIP Order is hereby deleted and replaced with "May 21, 2025." Each

Carveout Professional agrees that its payment from the Carveout and the Carveout Reserve shall consist of only those professional fees allocated to such Carveout Professional in the Budget (as amended hereby), without prejudice to such Carveout Professional's ability to be paid from sources other than the Aggregate Collateral. Except as expressly set forth herein, the Final DIP Order shall remain in full force and effect.

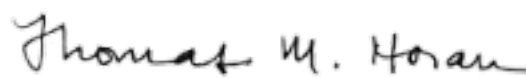
10. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of any right of any Debtor, or any other party in interest to dispute any prepetition claims on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Code; or (f) a waiver of any right of any Debtor or any other party in interest under the Code or any other applicable law.

11. The Debtors are authorized but not directed to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

12. The terms and conditions of this Order are immediately effective and enforceable upon its entry and, immediately upon entry.

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

Dated: May 23rd, 2025
Wilmington, Delaware



THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Bar Date Notice

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

In re

ROYAL INTERCO, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (TMH)

Jointly Administered

NOTICE OF DEADLINE FOR FILING 503(B)(9) CLAIMS

On April 8, 2025 (the “Petition Date”), the above-captioned debtors and debtors in possession (the “Debtors”) filed voluntary chapter 11 petitions in the U.S. Bankruptcy Court for the District of Delaware (the “Court”). On May 23, 2025, the Court entered an order (D.I. •) establishing the following deadline: **[•], 2025, 5:00 p.m. (prevailing Eastern Time)**, as the deadline (the “**503(b)(9) Bar Date**”) for persons or entities to assert a claim under section 503(b)(9) of the Bankruptcy Code for the value of any goods received by the Debtors within 20 days before the Petition Date in which the goods have been sold to the Debtors in the ordinary course of the Debtors’ business (a “**503(b)(9) Claim**”).

Instructions for Asserting a 503(b)(9) Claim. Any person or entity asserting a 503(b)(9) Claim against the Debtors **MUST** assert such 503(b)(9) Claim **so as to be actually received** prior to the 503(b)(9) Bar Date. Any person or entity asserting a 503(b)(9) Claim against the Debtors may assert such 503(b)(9) Claim (a) by submitting the attached 503(b)(9) Claim Form or (b) by filing a motion with the Court in accordance with the Bankruptcy Code and applicable rules. Asserted 503(b)(9) Claims must be written in the English language, denominated in U.S. dollars, specify the name and case number of the applicable Debtor, set forth the legal and factual bases for the claim, and include supporting documentation or an explanation for why supporting documentation is not available.

A 503(b)(9) Claim Form may be filed electronically at
<https://dm.epiq11.com/case/royalpaper/info> using the interface available after clicking the link
entitled “File a Claim.”

If filing by paper copy, an original, signed hard copy of the 503(b)(9) Claim Form must be sent if by first-class mail to Royal Interco, LLC Claims Processing Center c/o Epiq Corporate Restructuring, LLC P.O. Box 4419 Beaverton, OR 97076-4419. If sent by hand delivery or overnight mail, it must be sent to Royal Interco, LLC Claims Processing Center c/o Epiq Corporate Restructuring, LLC 10300 SW Allen Blvd. Beaverton OR 97005.

503(B)(9) Claim Forms sent by means other than as described above will not be accepted.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors’ mailing address is 711 North 17th Avenue, Phoenix, AZ 85007

THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT, BY ITSELF, MEAN THAT YOU HAVE A 503(B)(9) CLAIM OR THE DEBTORS BELIEVE YOU HAVE A 503(B)(9) CLAIM.

ANY PERSON OR ENTITY REQUIRED TO TIMELY FILE A 503(B)(9) CLAIM ON OR BEFORE THE 503(B)(9) BAR DATE BUT FAILS TO DO SO SHALL NOT BE PERMITTED TO PARTICIPATE IN ANY DISTRIBUTION ON ACCOUNT OF SUCH CLAIM OR RECEIVE FURTHER NOTICES REGARDING SUCH CLAIM.

If you have any questions relating to this notice, please contact the Debtors' notice and claims agent, Epiq, at RoyalPaper@epiqglobal.com. Information and documents related to the Debtors' chapter 11 cases and this notice may be found at <https://dm.epiq11.com/case/royalpaper/info>.

Dated: May 23, 2025
Wilmington, Delaware

**MORRIS, NICHOLS, ARSHT &
TUNNELL LLP**

/s/ DRAFT

Robert J. Dehney, Sr. (No. 3578)
Matthew O. Talmo (No. 6333)
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Counsel to the Debtor and Debtor in Possession

United States Bankruptcy Court for the District of Delaware Royal Interco, LLC Claims Processing Center c/o Epiq Corporate Restructuring, LLC P.O. Box 4419 Beaverton, OR 97076-4419		To submit your form online please go to https://dm.epiq11.com/case/royalpaper Use your Mail ID for access Your Mail ID is as follows:
Name of Debtor (Select only one Debtor per Proof of Claim form): ☐ Royal Interco, LLC (Case Nbr 25-10674) ☐ Royal Paper, LLC (Case Nbr 25-10676) ☐ Sun Paper Company (Case Nbr 25-10675) ☐ Doubletree Paper Mills L.L.C. (Case Nbr 25-10677)		For Court Use Only
☐ Check box if the address on the envelope sent to you by the court needs to be updated. Identify your replacement address in Part 1 (Section 3) below.		
503(b)(9) ADMINISTRATIVE CLAIM		
04/25		

This form is solely for making a claim for payment in a bankruptcy case of claims under section 503(b)(9) of the Bankruptcy Code.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of April 8, 2025, the date the case was filed.

Part 1: Identify the Claim		
1. Who is the current creditor? Name of the current creditor (the person or entity to be paid for this claim): _____ Other names the creditor used with the debtor: _____		
2. Has this claim been acquired from someone else? ☐ No ☐ Yes. From whom? _____		
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)		4. Does this claim amend one already filed? ☐ No ☐ Yes. Claim number on court claims register (if known) _____ Filed on _____ MM / DD / YYYY
Where should notices to the creditor be sent? _____ Name _____ Number Street _____ City State Zip Code Country (if International): _____ Contact phone: _____ Contact email: _____	Where should payments to the creditors be sent? (if different) _____ Name _____ Number Street _____ City State Zip Code Country (if International): _____ Contact phone: _____ Contact email: _____	5. Do you know if anyone else has filed a proof of claim for this claim? ☐ No ☐ Yes. Who made the earlier filing? _____ _____

Part 2: Give Information About the Claim**6. Do you have any number you use to identify the debtor?**☐ No☐ Yes.

Last 4 digits of the debtor's account or any number you use to identify the debtor:

7. What were the goods sold?

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.

8. How much is the Administrative Expense under 11 U.S.C. § 503(b)(9)?

\$ _____

Does this amount include interest or other charges?☐ No☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).**Part 3 Sign Below**

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:☐ I am the creditor.☐ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other co-debtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date _____
MM / DD / YYYY Signature _____

Print the name of the person who is completing and signing this claim:

Name _____
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____
Number Street

City State ZIP Code

Contact Phone _____ Email _____