

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

Never Slip Holdings, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10663 (LSS)

(Jointly Administered)

Related Docket No. 332

**ORDER (I) AUTHORIZING THE RETENTION OF
CARROLL SERVICES LLC TO PROVIDE JAMES CARROLL
AS WIND-DOWN ADMINISTRATOR AND ADDITIONAL PERSONNEL
EFFECTIVE AS OF JULY 1, 2024, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of Never Slip Holdings, Inc. and its affiliated debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors”) in the above-captioned chapter 11 cases for entry of an order (this “Order”), pursuant to sections 105(a) and 363 of title 11 of the United States Code, as amended, (the “Bankruptcy Code”) and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing the retention of Carroll Services LLC (“Carroll Services”) to provide James Carroll as the wind-down administrator to the Debtors (the “Wind-Down Administrator”) and additional personnel to support the Wind-Down Administrator (the “Additional Personnel”) effective as of July 1, 2024 (the “Effective Date”), and (ii) granting related relief, all as more fully set forth in the Motion; and due and sufficient notice of the Motion having been provided under the circumstances, and it appearing that no other or further notice need be provided; and the Court having jurisdiction to consider the Motion and the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Never Slip Holdings, Inc. (5010); Never Slip TopCo, Inc. (8956); SHO Holding I Corporation (7699); SHO Holding II Corporation (7738); Shoes For Crews, Inc. (9679); SFC Holdings, Inc. (8908); SFC Holdings, LLC (2357); Shoes for Crews, LLC (2362); SRS/MKS, L.L.C. (7003); Shoes for Crews Canada, Ltd. (0085); SFC Canada, Inc. (1314); and Sunrise Enterprises, LLC (4516). The Debtors’ service address is 5000 T-Rex Avenue, Suite 100, Boca Raton, FL 33431.

² Capitalized terms used, but not defined, in this Order shall have the same meanings given to them in the Motion.

relief requested therein in accordance with 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; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and this Court's entry of a final order being consistent with Article III of the United States Constitution; and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and a hearing having been scheduled and, to the extent necessary, held to consider the relief requested in the Motion (the "Hearing"); and upon the record of the Hearing (if any) and all the proceedings before the Court; and the Court having found and determined the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors, and any parties in interest; and the legal and factual bases set forth in the Motion and at the Hearing (if any) having established just cause for the relief granted herein; and any objections to the relief requested herein having been resolved as set forth herein or withdrawn; and after due deliberation thereon and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted, as set forth herein.
2. The Debtors are authorized, pursuant to sections 105 and 363 of the Bankruptcy Code, to retain Carroll Services to provide James Carroll as the Wind-Down Administrator and to provide the Additional Personnel for the Debtors and their estates on the terms described in the Motion and the Engagement Agreement, as modified herein, effective as of the Effective Date.
3. The Debtors and Carroll Services are hereby authorized to designate James Carroll to serve as Wind-Down Administrator, on the terms and conditions set forth in the Motion and the Engagement Agreement, and to make payments to Carroll Services, including the payment of the Compensation, as set forth in the Engagement Agreement, without further order

of this Court. subject to the following terms that apply notwithstanding anything in the Motion or the Engagement Agreement to the contrary:

- a. Carroll Services and its affiliates shall not act in any other capacity (for example, and without limitation, as a claims agent/claims administrator, or investor/acquirer) in connection with the Chapter 11 Cases.
- b. In the event the Debtors seek to have any personnel of Carroll Services assume executive officer positions that are different than the positions disclosed in the Motion, or to change materially the terms of the engagement by either (i) modifying the functions of executive officers, (ii) adding new executive officers, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.
- c. Carroll Services shall file with the Court, with copies to the U.S. Trustee and counsel to the DIP Lenders (together, the “**Notice Parties**”), a monthly report of staffing on the engagement for the previous month (the “**Staffing Reports**”). The Staffing Reports shall include the names and tasks performed of the Additional Personnel, including any independent contractors assigned, and shall be due by the 20th of each month for the previous month. Notice for the Staffing Reports will provide for a time period of at least fourteen (14) days for objections by parties in interest. All staffing shall be subject to review by the Court in the event an objection is filed.
- d. Carroll Services shall file with the Court, and provide notice to the Notice Parties, reports of compensation earned and expenses incurred on a quarterly basis (the “**Quarterly Reports**”). The Quarterly Reports shall summarize the service provided, identify the compensation earned by each executive officer, staff employee and independent contractor provided, and itemize the expenses incurred, and shall be due no later than twenty (20) days after the end of a quarter with the first being due on or before October 20, 2024. The notice shall provide a time period of at least fourteen (14) days for objections by parties in interest. All compensation shall be subject to review by the Court in the event an objection is filed.
- e. For the avoidance of doubt, the Wind-Down Administrator, Additional Personnel and any independent contractors are permitted to record their billable time as follows:
 - i. The first 30 hours per month of fees that are to be paid at the rate of \$525 per hour may be recorded in 1 hour increments; and
 - ii. Any remaining hours in such month that are to be billed at the rate of \$525 per hour shall be recorded in .1 hour increments.

- f. No principal, employee, or independent contractor of Carroll Services shall serve as a director of the Debtors during the pendency of these Chapter 11 Cases.
- g. Carroll Services shall disclose any and all facts that may have a bearing on whether the firm, its affiliates, and/or any individuals working on the engagement hold or represent any interest adverse to the Debtors, their estates, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation.

4. All compensation and reimbursement due to, and other rights of Carroll Services and Mr. Carroll in accordance with the Engagement Agreement, as modified by this Order, including, without limitation, the indemnification obligations, shall be treated and allowed (subject to the compensation review procedures identified herein) as administrative expenses in accordance with Bankruptcy Code section 503 and shall be paid in accordance with the Engagement Agreement.

5. Notwithstanding any provision to the contrary in the Engagement Agreement, the Debtors are permitted (i) to indemnify those persons acting as executive officers only on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law; provided, however, Debtors shall have no duty to indemnify or hold Carroll Services harmless for any loss, action, claim, damage, liability, or cost (collectively, "**Loss**") to the extent such Loss is found, in a final judgment by a court of competent jurisdiction, to have resulted primarily and directly from the willful misconduct, gross negligence, bad faith, or unlawful activities of Carroll Services, and (ii) to provide insurance coverage under the Debtors' director and officer insurance policies to Carroll Services and its personnel.

6. Further, notwithstanding any provision to the contrary in the Engagement Agreement, Carroll Services shall be deemed to have waived, and shall not raise or assert any defense, based upon jurisdiction, venue, abstention, or otherwise to the jurisdiction and venue of this Court or (if the reference is withdrawn) the United States District Court for the District of Delaware to hear or determine any controversy or claims with respect to, in connection with, arising out of, or in any way related to Carroll Services's engagement in the Chapter 11 Cases.

7. With respect to controversies or claims arising out of or in any way related to the services in the Engagement Agreement, notwithstanding any arbitration, dispute resolution or exclusive jurisdiction provisions contained in the Engagement Agreement, any disputes arising under the Engagement Agreement shall be heard in this Court during the pendency of this case.

8. For a period of three years after conclusion of the engagement, Carroll Services shall not make any investments in the Debtors or any of the reorganized Debtors.

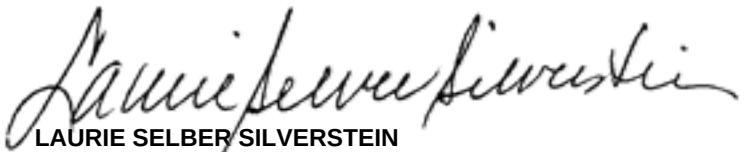
9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements set forth in Bankruptcy Rule 6004(a) are satisfied by such notice.

10. Notwithstanding the applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

12. This Court shall retain jurisdiction over all matters arising from or related to the implementation or interpretation of this Order.

Dated: August 2nd, 2024
Wilmington, Delaware


LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE