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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

MULTI-COLOR CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 26-10910 (MBK)

(Jointly Administered)

**DEBTORS' OMNIBUS OBJECTION TO
MOTIONS SEEKING DISMISSAL OR TRANSFER OF VENUE**

¹ The last four digits of Debtor Multi-Color Corporation's tax identification number are 5853. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://www.veritaglobal.net/MCC>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 3284 Northside Parkway NW, Suite 400, Atlanta, Georgia 30327.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) object to (a) *The Cross-Holder Ad Hoc Group’s Motion to Dismiss or, in the Alternative, Transfer the Chapter 11 Cases* [Docket No. 71] (the “Holdout Group Motion”) filed by the ad hoc group of Holders of Claims represented by Jones Day and Wollmuth Maher & Deutsch LLP (the “Minority Holdout Group”)² and (b) the *Motion of the United States Trustee to (i) Dismiss Case of Debtor MCC-Norwood, LLC Pursuant to 11 U.S.C. § 1112(b) and (ii) Transfer Venue or Dismiss Cases of All Debtors Pursuant to 28 U.S.C. §§ 1406, 1408, and 1412 and Fed. R. Bankr. P. 1014(a)* [Docket No. 266] (the “UST Motion,” and, together with the Holdout Group Motion, the “Motions”)³ filed by the U.S. Trustee (together with the Minority Holdout Group, the “Movants”). In support of this objection, the Debtors respectfully state as follows:

Preliminary Statement

1. Venue in these cases in the Bankruptcy Court for the District of New Jersey is proper. 28 U.S.C. § 1408(1) (the “Venue Statute”) permits a debtor to commence a bankruptcy case in any district where the debtor’s “principal assets” have been located for longer than any other district in the 180-day period prior to commencement of the case. The principal asset of Debtor MCC-Norwood, LLC (“MCC-Norwood”) approximately \$1.05 million in cash, is located in bank accounts at ConnectOne Bank, a New Jersey state-chartered bank. And where venue is proper, the law is clear that the Debtors’ choice of forum is entitled to great weight and should only be overturned if the Movants demonstrate, by a preponderance of the evidence, that the

² See *Joint Verified Statement of Jones Day and Wollmuth Maher & Deutsch LLP Pursuant to Bankruptcy Rule 2019* [Docket No. 199] (the “Minority Holdout Group 2019 Statement”).

³ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motions or in the *Joint Prepackaged Chapter 11 Plan of Reorganization of Multi-Color Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 17] (the “Plan”), as applicable.

transfer of venue is warranted in the interest of justice or convenience of the parties. The Venue Statute provides a debtor with maximum flexibility to select a venue.

2. In the face of this high burden, the motion of the Minority Holdout Group—a dwindling group representing approximately 10% of the Debtors’ funded debt creditors in a case where a supermajority of such creditors support the Debtors’ proposed plan and where all other creditors are unimpaired—is pure gamesmanship and should be denied. The Minority Holdout Group has moved to dismiss the Debtors’ chapter 11 cases, or alternatively, for transfer of the Debtors’ chapter 11 cases from this Court to a bankruptcy court located approximately 60 miles south—the Bankruptcy Court for the District of Delaware. The arguments set forth in the Motions appear premised on a blank in question 4 of the petition filed for MCC-Norwood (the “Original Petition”)⁴ but ignore the clear statement in the Original Petition that MCC-Norwood’s case was filed in this district based on the primary venue requirements. Original Pet. at 4.⁵ The Movants have repeatedly ignored this critical fact and mischaracterized what was sworn to by MCC-Norwood in its petition. While the Original Petition was undoubtedly clear, to dispel any further arguments on the matter, MCC-Norwood filed an amended petition (the “Amended Petition”)⁶ listing the specific location of its principal assets in New Jersey, as it is its right to do. Amended Pet. at 1.

3. Setting aside this distraction, the Minority Holdout Group, and now the U.S. Trustee, have asserted, based on a retelling of the facts and the law, to dismiss or transfer these

⁴ *Voluntary Petition*, Case No. 26-10909 (MBK) (Bankr. D.N.J. Jan. 29, 2026) [Docket No. 1].

⁵ The remaining petitions for the Debtors reflect that the other Debtors filed in this district because the case of an affiliate (*i.e.*, MCC-Norwood) was filed in this district.

⁶ *Amended Voluntary Petition*, Case No. 26-10909 (MBK) (Bankr. D.N.J. Feb. 19, 2026) [Docket No. 6].

cases from the District of New Jersey. These unsubstantiated arguments have cast unnecessary uncertainty over these broadly-supported and value-maximizing prepackaged chapter 11 cases and must be put to an end. If granted, the requests would be catastrophic to the Debtors' restructuring and would result in unnecessary additional administrative expense for the estate at the expense of the Debtors' stakeholders, operations, employees, customers, and vendor relationships. The Motions should be denied, and the Debtors' chapter 11 cases should be allowed to proceed before the Court.

Background

4. MCC-Norwood is an Ohio limited liability company, formed in 2014. MCC-Norwood is a direct, wholly-owned subsidiary of Debtor Multi-Color Corporation ("MCC") and has no subsidiaries.⁷ MCC-Norwood was formed as an acquisition vehicle for the Debtors' purchase (the "Norwood Acquisition") of a manufacturing facility located in Norwood, Ohio (the "Norwood Facility") from Graphic Packaging International, Inc. and Bluegrass Labels Company, LLC pursuant to that certain Asset Purchase Agreement, dated as of February 1, 2014, by and among Graphic Packaging International, Inc. and Bluegrass Labels Company, LLC, as sellers, MCC-Norwood, as buyer, and MCC, as parent. MCC-Norwood has officers and a single-member board of managers.

5. While MCC-Norwood owned the Norwood Facility, MCC-Norwood did not have its own employees or customers. The employees that operated the Norwood Facility were employees of MCC. MCC's employees were responsible for all sales of products manufactured in the Norwood Facility, incurred selling, general, and administrative expenses on account thereof,

⁷ MCC-Norwood is a disregarded entity for federal income tax purposes.

and maintained and serviced customer accounts related to the labels manufactured at the Norwood Facility (including invoicing and collection activities).

6. On May 9, 2023, MCC announced the closure of the Norwood Facility to consolidate MCC-Norwood's operations into other existing facilities. On or around July 31, 2023, MCC-Norwood closed the Norwood Facility. Thereafter, the Debtors marketed the Norwood Facility for sale to third parties. On December 13, 2023, MCC-Norwood and a third-party purchaser entered into a purchase and sale agreement (the "Norwood PSA") providing for the sale of the Norwood Facility and the real property on which it was located in exchange for a purchase price of \$4.9 million. Following certain amendments to the Norwood PSA, on December 28, 2023, the sale transaction closed. Since the closure of the Norwood Facility in July 2023, MCC-Norwood has not resumed operations, hired employees, or acquired assets other than the Norwood Accounts (as defined below).

7. On December 19, 2025, MCC-Norwood opened a bank account (as funded, the "Adequate Assurance Account") with ConnectOne Bank. In connection with opening the Adequate Assurance Account, a representative of the Debtors executed a "New Account Information" form (the "Account Information Form"), disclosing certain information regarding MCC-Norwood. The address for ConnectOne Bank is 301 Sylvan Avenue, Englewood Cliffs, New Jersey 07632 (the branch located at such address, the "Sylvan Avenue Branch").

8. The Account Information Form required that the signatory acknowledge that it received, understood, and agreed to be bound by the terms of ConnectOne Bank's form deposit account agreement (the "Account Agreement"). The Account Agreement provides that it "is governed by the laws of the state where th[e] account is opened," the law of New Jersey. The wire instructions related to the Norwood Accounts list the address of the Sylvan Avenue Branch as

the “beneficiary bank.” On January 9, 2026, MCC-Norwood entered into a cash management services agreement (the “Norwood CMS Agreement”) with ConnectOne Bank pursuant to which ConnectOne Bank agreed to provide certain cash management services to MCC-Norwood related to sending outgoing wires and fraud protection, among other services.

9. On January 13, 2026, the Debtors funded the Adequate Assurance Account with approximately \$1.05 million via a wire transfer to the Adequate Assurance Account at the Sylvan Avenue Branch as beneficiary bank. On the same day, MCC-Norwood opened a second account with ConnectOne Bank (as funded, the “DIP Account,” and, together with the Adequate Assurance Account, the “Norwood Accounts”) and funded the DIP Account with \$1,000 via a wire transfer from the Adequate Assurance Account. The Debtors intended to and do currently use the Adequate Assurance Account as a necessary segregated bank account for purposes of holding adequate assurance deposits pursuant to the Interim Utilities Order.⁸ The Debtors opened and maintain the DIP Account to facilitate and hold proceeds of the DIP Notes Facility.⁹ As of the Petition Date, the balances in the Adequate Assurance Account and the DIP Account were \$1,048,975 and \$1,000, respectively. As described further herein, the Norwood Accounts, located in New Jersey, represented the Debtors’ principal assets for the requisite portion of the 180-day period prior to the Petition Date.

⁸ The “Interim Utilities Order” is the *Interim Order (I) Approving the Debtors’ Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors’ Proposed Procedures for Resolving Adequate Assurance Requests, and (IV) Granting Related Relief*.

⁹ *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 106], Ex. 2 (DIP Note Purchase Agreement) § 14.4 (identifying the DIP Account for receipt of payments to the issuers thereunder).

10. On January 29, 2026, MCC-Norwood filed the Original Petition. At the first day hearing, the Debtors described the Norwood Accounts and confirmed that the Norwood Accounts were MCC-Norwood's principal assets. Jan. 30, 2026 Hr'g Tr. at 28:8–13 [Docket No. 85] (the "First Day Hearing Transcript"). On February 19, 2026, MCC-Norwood filed the Amended Petition, in which MCC-Norwood specified the location of its principal assets as the Sylvan Avenue Branch.

Objection

I. Venue for these Chapter 11 Cases is Proper in the District of New Jersey.

11. Venue for bankruptcy cases under title 11 is proper "in the district court for the district . . . in which the domicile, residence, principal place of business in the United States, or principal assets in the United States of the person or entity that is subject of such case have been located for the one hundred and eighty days immediately preceding such commencement, or for a longer portion of such one-hundred-and-eighty-day period than the domicile, residence, or principal place of business, in the United States, or principal assets in the United States, of such person were located in any other district." 28 U.S.C. § 1408(1). The Court "determines proper venue by reference to facts existing during the 180 days prior to the commencement of the case." *In re Ortiz*, 2017 WL 770611, at *2 (Bankr. D.P.R. Feb. 27, 2017) (quoting *In re Handel*, 253 B.R. 308, 310 (1st Cir. B.A.P. 2000)).

12. Bankruptcy Rule 1014(a)(2) provides that, if petitions commencing cases are filed in "an improper district, the court may dismiss the case or may transfer it to another district on the same grounds and under the same procedures as stated in [Bankruptcy Rule 1014(a)(1)]." Fed. R. Bankr. P. 1014(a)(2). Bankruptcy Rule 1014(a)(1), in turn, provides that "the court may transfer [a] case [filed in a proper district] to another district in the interest of justice or for the convenience of the parties." *Id.* § 1014(a)(1).

13. “There is a presumption that the district where the bankruptcy petition is filed is the appropriate district for venue purposes.” *In re Handel*, 253 B.R. 308, 310 (1st Cir. B.A.P. 2000); *In re Broady*, 247 B.R. 470, 472 (8th Cir. B.A.P. 2000) (“Venue in the district in which the debtor files its bankruptcy petition is presumed to be proper.”). Here, the Movants bear the burden of overcoming this presumption and proving that venue is improper by a preponderance of the evidence. *Handel*, 253 B.R. at 310; *Broady*, 247 B.R. at 472; *In re J&L Plumbing & Heating, Inc.*, 186 B.R. 388, 390, 392 (Bankr. E.D. Pa. 1995) (observing that the movant bears “the burden of proof of the facts necessary to support” a motion to dismiss or transfer venue premised on allegedly defective venue (citing *In re Uslar*, 131 B.R. 22, 23 (Bankr. E.D. Pa. 1991))); *accord In re PermaLife Prods., LLC*, 432 B.R. 503, 510 (Bankr. D.N.J. 2010) (holding that the burden of proving improper venue under Bankruptcy Rule 7012(b) on a motion to dismiss adversary proceeding is on the defendant-movant).

A. The Original Petition’s Immaterial Omission Is Irrelevant for Venue Purposes and Has Been Amended.

14. MCC-Norwood clearly indicated in its Original Petition that there was a proper basis for venue under the Venue Statute. The Minority Holdout Group’s sole argument,¹⁰ and the

¹⁰ The Minority Holdout Group has waived any additional venue objections. The Minority Holdout Group has committed to funding an alternative DIP facility, the terms of which include express consent to venue in this district and waiver of any objection to such venue. *Declaration of Benjamin Rosenblum in Support of the Cross-Holder Ad Hoc Group’s Omnibus Objection* [Docket No. 78], Ex. 1 at 7 (the “Holdout Group Commitment Letter”). The members of the Minority Holdout Group that signed the Holdout Group Commitment Letter agreed that it “shall constitute legal, valid, and binding obligations . . . enforceable against each party” to it. *Id.* at 18. The Minority Holdout Group went so far as to “ma[k]e arrangements with the [D]ebtors’ fronting bank” such that it was “in a position to fund” its alternative DIP proposal. First Day Hr’ Tr. at 131:9–11. Indeed, the Minority Holdout Group was “committed to providing an alternative DIP *immediately*.” *Id.* at 137:22–24. The doctrine of judicial estoppel exists to prevent the very conduct at issue here—a party intentionally taking irreconcilable positions in the same proceeding to gain an unfair advantage. *Ryan Ops. G.P. v. Santiam-Midwest Lumber Co.*, 81 F.3d 355, 358 (3d Cir. 1996). The Minority Holdout Group is “playing fast and loose” and seeking “an inconsistent advantage by pursuing [the] incompatible theory” that venue is improper *unless* the Court were willing to approve its alternative DIP proposal. *Id.* The Court should therefore apply judicial estoppel here and prevent the Minority Holdout Group from taking further inconsistent positions.

U.S. Trustee’s primary argument, regarding the Debtors’ alleged failure to establish proper venue is premised on a blank line in the Original Petition. The Movants incorrectly assert that silence regarding the specific location of its principal assets in question 4 of the Original Petition constitutes an affirmative representation as to their location other than in New Jersey. The Movants each ignore MCC-Norwood’s *actual* affirmative representation in question 11 of the Original Petition, signed under oath by a representative of the Debtors, clearly providing that MCC-Norwood “has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.” Original Pet. at 4; Amended Pet. at 4.

15. The Movants appear to suggest that that MCC-Norwood’s omission in question 4 somehow constitutes an incurable defect or irretrievable error for venue. This is not the case. The Original Petition is not the only word on venue. Indeed, as the Court did here, a bankruptcy court can and should rely on its full evidentiary record, including the petition, declarations, and the hearing record, to determine venue and other matters at its first day hearing. *See* First Day Hr’g Tr. at 29:14–30:3 (finding that the record was insufficient “to overcome the presumption that’s recognized in . . . [the] Third Circuit, in favor of the debtor’s selection of venue”). Such an omission, which is particularly irrelevant in a single-district venue, can and was easily dispensed with on the record. *Id.* at 28:8–13.

16. A petition also cannot be the final word on venue because it is freely and readily amendable. Bankruptcy Rule 1009(a) specifically permits debtors to amend their petitions at any time.¹¹ Debtors frequently amend their petitions, including to address this exact type of omission.

¹¹ Bankruptcy Rule 1009(a) permits a debtor to “amend [its] voluntary petition . . . at any time before the case is closed.” Fed. R. Bankr. P. 1009(A). No Court approval is needed to file the Amended Petition and amendments pursuant to Bankruptcy Rule 1009 are “liberally allowed.” *In re Michael*, 163 F.3d 526, 529 (9th Cir. 1998) (citing *In re Doan*, 672 F.2d 831, 833 (11th Cir. 1982)); *see In re Van Nostrand*, 183 B.R. 82, 86–87 (Bankr.

See, e.g., In re Rex Energy Corp., No. 18-22032 (W.D. Pa. May 18, 2018) (debtor omitted the location of assets despite asserting venue on that basis, then filed an amended petition to address the omission after the court had entered various first day orders).

17. While this has already been addressed, to put an end to this baseless conjecture, on the date hereof, MCC-Norwood filed the Amended Petition in accordance with Bankruptcy Rule 1009(a), in which MCC-Norwood clearly indicated the *specific* location of its principal assets in New Jersey as the Sylvan Avenue Branch. Amended Pet. at 1.

B. Venue is Proper for MCC-Norwood Pursuant to 28 U.S.C. § 1408(1).

18. Turning to the underlying facts, MCC-Norwood had principal assets in New Jersey for the requisite period of time under the Venue Statute. Venue for MCC-Norwood's Chapter 11 Case is, therefore, proper in this district. The Movants have offered no evidentiary or legal basis to dispute this.

19. The Bankruptcy Code does not define "principal." *In re Neufeld*, 2012 WL 5845590, at *1 (Bankr. M.D. Pa. Nov. 16, 2012). Some courts have held that a "principal" asset is an asset "of the first, highest, or foremost importance, rank, worth, or degree." *Id.* (quoting Am. Heritage Dictionary (4th ed. 2000)); *In re Shelton*, Case No. 01-20655, 2001 WL 35814440, at *5 (Bankr. D. Id. Oct. 12, 2001) (citing Black's Law Dictionary 1192 (6th ed. 1990)). The Bankruptcy Code likewise does not define "asset," but some courts appear to define assets to be co-extensive with property of the estate pursuant to section 541(a) of the Bankruptcy Code. *See Shelton*, 2001 WL 35814440, at *5 (observing that schedules A and B to Official Form No. 6 "require itemization of all property of the estate"); *but see Schwab v. Reilly*, 560 U.S. 770, 785

D.N.J. 1995) (finding that an individual debtor could amend its schedules and selection of exemptions "at any time prior to the closing of the case" pursuant to Bankruptcy Rule 1009).

(2010) (“[M]ost assets become property of the estate upon commencement of a bankruptcy case.” (emphasis added)).

20. Although courts have at times attempted a simplified approach for the purpose of determining principal assets, the majority view has developed toward a context-specific analysis “construed in a way most resonant with the functional concerns of the administration of the bankruptcy estate.” *In re Blixseth*, 484 B.R. 360, 367 (9th Cir. B.A.P. 2012) (in evaluating principal assets-based venue, court considered that the context was an involuntary proceeding and thus a “creditor collection device,” and evaluated assets’ location according to trustee’s rights to seize and liquidate them); *see also In re Houghton Mifflin Harcourt Pub. Co.*, 474 B.R. 122, 136 (determining, “[a]fter quantitative and qualitative analysis,” that equity in profitable subsidiaries, not “money-losing lease and sublease assets,” were the debtor’s principal assets). *But see Neufeld*, 2012 WL 5845590, at *1 (“Therefore, the analysis required is a simple determination of where the greater dollar value of all property of the estate is located.” (citing *Shelton*, 2001 WL 35814440, at *5)).

21. Certain courts have also held that “a debtor’s ‘principal assets’ may be located in more than one district.” Order on Mot. to Transfer Venue at 1, *In re Barretts Minerals Inc.*, Case No. 23-90794 (MI) (Bankr. S.D. Tex. Dec. 7, 2023) [Docket No. 413] (the “Barretts Order”); *In re Mid Atlantic Retail Grp.*, 2008 WL 612287, at *3 (Bankr M.D.N.C. Jan. 4, 2008). The Venue Statute “does not require that only *the* principal asset may support venue; rather, venue may be proper in a district where principal assets are located.” *Mid Atl. Grp.*, 2008 WL 612287, at *3 (emphasis in original) (quoting *In re Ross*, 312 B.R. 879, 889 (Bankr. W.D, Tenn. 2004)); *In re Ortiz*, 2017 WL 770611, at *2–*3 (Bankr. D.P.R. Feb. 27, 2017). “Thus, a debtor may have more

than one appropriate venue based upon more than one principal asset.” Barretts Order at 2 (quoting *Mid Atl. Grp.*, 2008 WL 612287, at *3).

i. The Norwood Accounts Are MCC-Norwood’s Principal Assets.

22. The Norwood Accounts total more than \$1 million and represent MCC-Norwood’s only asset of any value, material or otherwise. The Norwood Accounts were established to facilitate the Debtors’ reorganization efforts, including by ensuring that the Debtors could immediately implement their requested first day relief with no disruption to their operations. In considering context as directed under *Blixseth*, the Norwood Accounts are not merely the Debtors’ only valuable, realizable, or non-contingent asset—the Norwood Accounts are the sole, principal asset for the purpose of facilitating the Debtors’ reorganization in these chapter 11 cases.

23. The Norwood Accounts were MCC-Norwood’s only asset of value during the relevant period under the Venue Statute. MCC-Norwood sold its only other historical asset, the Norwood Facility, more than two years ago and has neither resumed operations nor, before opening and funding the Norwood Accounts, acquired any other assets. And the Movants have not meaningfully disputed this fact in the Motions. See UST Mot. ¶ 21 (presenting an alternative argument “if [MCC-]Norwood has any other assets”); see *generally* Holdout Group Mot. Counsel for the Minority Holdout Group *alluded* to alleged additional assets at the first day hearing but has not elaborated further. First Day Hr’g Tr. at 21:18–24:14, 28:24–29:12; 30:19–31:1. The Norwood Accounts are MCC-Norwood’s sole principal asset under the Venue Statute and serve the critical function of facilitating the Debtors’ reorganization.

ii. The Norwood Accounts Are Located in New Jersey.

24. In the UST Motion, the U.S. Trustee argued that the Norwood Accounts “do not have a location for venue purposes that is separate and distinct from [MCC-]Norwood itself.” UST Mot. ¶ 16. The U.S. Trustee’s position, however, is contrary to directly applicable caselaw

specifically addressing the issue of the location of a deposit account and the funds therein in the bankruptcy context.

25. The U.S. Trustee states, without citation, that “the general rule is that [intangible assets] are presumed to follow the location of the owner.” UST Mot. ¶ 17. That is not the general rule. “[I]n determining the location of intangible property for venue purposes, a trial court must adopt a ‘context-specific’ analysis that employs a ‘common sense appraisal of the requirements of justice and convenience in particular conditions.’” *Blixseth*, 484 B.R. at 366–67 (quoting *Office Depot v. Zuccarini*, 596 F.3d 696, 702 (9th Cir. 2010)).; see *Yayasan Sabah Dua Shipping SDN BHD v. Scandinavian Liquid Carriers Ltd.*, 335 F. Supp. 2d 441, 448 (S.D.N.Y. 2004) (“[T]here are times when justice and convenience requires that a legal situs be ascribed to [intangible assets] At the root of the selection is generally a common sense appraisal of the requirements of justice and convenience in particular conditions.” (quoting *Severnoe Secs. Corp. v. London & Lancashire Inc.*, 255 N.Y. 120 (1931))).

26. More importantly, it is well-established that a deposit account is located in the district in which the bank holding the account is located. See *Yayasan Sabah*, 335 F. Supp. 2d at 449 (finding that a Liberian corporation’s “account and funds” were located at the New York branch of the bank holding the account); *In re Iglesias*, 226 B.R. 721, 723 (Bankr. S.D. Fla. 1998) (holding that a bank account was located in the district in which the bank with which the debtor opened the account was located); see also *In re Bavelis*, 453 B.R. 832, 869 (Bankr. S.D. Ohio 2011) (holding that a brokerage account was located where it was opened); *In re Global Ocean Carriers Ltd.*, 251 B.R. 31, 38 (Bankr. D. Del. 2000) (finding in the bankruptcy eligibility context for foreign debtors that bank accounts held at banks in New York and Delaware “constitute[d] property in the United States”); *In re MacTague*, 198 B.R. 428, 429 (Bankr. W.D.N.Y. 1996)

(“Nonetheless, \$194 in a bank account is clearly ‘property,’ and at least two courts have held that such an account is property ‘in’ the district in which the deposit account is located . . .”). Other courts have similarly held that a bank account is located “wherever [it is] available for withdrawal by the depositor.” *Boland Marine & Indus., LLC v. Bouchard Transp. Co., Inc.*, 2020 WL 10051743 at *6 (W.D. Tex. 2020) (citing *Acme Contracting, Ltd. v. Tolest, Inc.*, 2008 WL 4534175 at *7 (E.D. Mich. 2008)).

27. As indicated on the Account Information Form, the Norwood Accounts were opened at the Sylvan Avenue Branch of ConnectOne Bank located in New Jersey. The wire instructions related to the Norwood Accounts list the Sylvan Avenue Branch as the beneficiary bank for wires into the Norwood Accounts. The Norwood Accounts’ routing numbers are New Jersey-based. The Deposit Account Agreement is governed by New Jersey law. The Norwood CMS Agreement lists a New Jersey address as ConnectOne Bank’s address for delivery of a notice of termination. ConnectOne Bank’s deposit operations function is located at the same address. Accordingly, the Norwood Accounts are located in New Jersey at the Sylvan Avenue Branch.

28. MCC-Norwood’s principal assets are the Norwood Accounts, which have been located in New Jersey for a longer portion of the 180-day period preceding the Petition Date than in any other district. MCC-Norwood did not have other assets in any other district during that time. Venue for MCC-Norwood’s Chapter 11 Case in New Jersey is, therefore, proper under the Venue Statute.

C. Venue is Proper for the Other Debtors Pursuant to 28 U.S.C. § 1408(2).

29. Section 1408(2) of title 28 of the United State Code provides that “a case under title 11 may be commenced in the district court for the district . . . in which there is pending a case under title 11 concerning such person’s affiliate.” 28 U.S.C. § 1408(2). Each Debtor is an affiliate of MCC-Norwood— each Debtor is under common, direct or indirect ownership of Debtor Labels

Buyer, LLC. 11 U.S.C. § 101(2). Because MCC-Norwood's Chapter 11 Case is pending before this Court, and its venue is proper as set forth above, venue is proper for each affiliate-Debtor of MCC-Norwood. 28 U.S.C. § 1408(2).

D. There is No Argument to Deny Proper Venue in this District.

30. Based on the conjecture at the first day hearing, the Minority Holdout Group may point to one or more of the arguments described *infra* to dispute MCC-Norwood's principal assets. These arguments fail because, whether viewed quantitatively or qualitatively, they lack any indicia of value or purpose in the context of the Debtors' reorganization efforts. The Norwood Accounts, on the other hand, are valuable, principal assets that serve legitimate, critical functions in facilitating the Debtors' chapter 11 cases.

i. The Legacy Patents Are Valueless Historical Artifacts.

31. MCC-Norwood was assigned five U.S. patents and seven foreign reciprocal patents (the "Legacy Patents") in connection with the Norwood Acquisition. The Legacy Patents describe certain processes related to the manufacturing of heat transfer labels used at the Norwood Facility at the time of the Norwood Acquisition.

32. Valuation analyses regarding patents are highly technical and typically require significant expert testimony. The task is much simpler here because the Legacy Patents have no value. The Legacy Patents do not appear on MCC-Norwood's trial balance. MCC-Norwood does not derive, and never has derived, revenues or cash flows from licensing the Legacy Patents. The Legacy Patents are, accordingly, without quantitative value to, and not assets of, MCC-Norwood.

33. The Legacy Patents also have no qualitative value. The Legacy Patents are more than a decade old, and their technology has been recreated or surpassed.¹² Nearly all of the Legacy Patents are no longer in use in any of the Debtors' processes—only one Legacy Patent remains in use at one of the Debtors' approximately 90 operating manufacturing facilities (the "Facilities"); but more preferred methods exist and the Debtors' competitors may readily use such methods. *See Town & Country Linen*, 2022 WL 2757643, at *26 (describing the seminal four-factor *Panduit* test for determining lost profits as including whether "acceptable noninfringing substitutes" exist). MCC-Norwood derives no qualitative benefit from the primary purpose of the Legacy Patents, namely, to provide the holder with the exclusive right to the underlying technology. *See Town & Country Linen*, 2022 WL 2757643, at *18; *see Beverly Hills*, 21 F.3d at 1570.

34. Absent quantitative or qualitative value (and absent a discernible location),¹³ the Legacy Patents cannot serve as the basis for venue for MCC-Norwood's chapter 11 case, especially in light of the valid basis for venue in the Norwood Accounts.

¹² For nearly two centuries, courts have recognized that "inventions or discoveries ha[ve] their chief value in a monopoly of use by the inventor." *Town & Country Linen Corp. v. Ingenious Designs LLC*, 2022 WL 2757643, at *18 (S.D.N.Y. July 14, 2022) (citing *Seymour v. McCormick*, 57 U.S. 480 (1853)); *see Beverly Hills Fan Co. v. Royal Sovereign Corp.*, 21 F.3d 1158, 1570 (Fed. Cir. 1994) ("Among the most important rights in the bundle of rights owned by a patent holder is the right to exclude others."). Accordingly, infringement damages, and relatedly the market value of patents, are tied closely to the inventor's "right to exclude" others from using their invention. *See Lindemann Maschinenfabrik GmbH v. Am. Hoist & Derrick Co., Harris Press & Shear Div.*, 895 F.2d 1403, 1406 (Fed. Cir. 1990) ("[T]he fact of infringement establishes the fact of damage because the patentee's right to exclude has been violated.").

¹³ It is not clear that the Legacy Patents have a location for purposes of determining the Debtors' proper bankruptcy venue. A patent is an intangible "federally created property right, valid throughout the United States." *Beverly Hills*, 21 F.3d at 1570; *see Merck & Co. v. Smith*, 261 F.2d 162, 164 (3d Cir. 1958) (holding that a patent is an intangible asset). "[I]ntangible property . . . has a situs only by legal fiction." *U.S. Indus., Inc. v. Gregg*, 540 F.2d 142, 151 n.5 (3d Cir. 1976); *Blixseth*, 484 B.R. at 366 ("Intangible property has no physical location; the location or situs of intangible property is a 'legal fiction.'" (citing cases)). No court has addressed the question of the location of a patent in connection with a bankruptcy venue analysis. At least one court, however, has held that, because a patent is a "federally created property right, valid throughout the United States[,] [i]ts legal situs would seem to be anywhere it is called into play." *Beverly Hills*, 21 F.3d at 1570. The only viable alternative reading is that Legacy Patents have no legal situs.

ii. MCC-Norwood's Status as an "Insured Entity" Under the Debtors' D&O Policy Is Not MCC-Norwood's Principal Asset.

35. MCC-Norwood is an "insured entity" under the Debtors' directors' and officers' liability insurance coverage (the "D&O Policy").¹⁴ The D&O Policy provides three types of insurance coverage: (a) coverage to directors, managers, and officers, as "insured persons," for losses related to claims made against them (*i.e.*, "side A coverage"); (b) coverage to the Debtors and their affiliates for the costs of indemnifying their directors, managers, and officers for losses, including defense costs, pursuant to the Debtors' and their affiliates' organizational documents (*i.e.*, "side B coverage"); and (c) coverage to the Debtors and their affiliates for losses related to claims made against them (*i.e.*, "side C coverage").

36. "An insurance policy paid for by the debtor is [not], ipso facto, a debtor asset." *In re Zenith Labs, Inc.*, 104 B.R. 659, 665 (D.N.J. 1989). Instead, "[a]n insurance policy purchased by the debtor is only an asset to the extent that it increases the debtor's worth or diminishes its liabilities," and "[i]f the policy . . . fails to meet this test, it cannot be said to be a debtor asset." *Id.*; see *Excelsior Ins. Co. v. Pennsbury Pain Center*, 975 F. Supp. 342, 353–54 (D.N.J. 1996) (quoting *Zenith*, 104 B.R. at 665).

37. The D&O Policy had no value to MCC-Norwood (an entity with no operations and no employees since 2023) during any portion of the requisite period under the Venue Statute. The D&O Policy does not appear anywhere on MCC-Norwood's trial balance. Further, no claims implicating coverage under the D&O Policy were pending or threatened against MCC-Norwood,

¹⁴ The Debtors' insurance policies are described in detail in the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage and Letters of credit Entered into Prepetition and Pay Related Prepetition Obligations, (B) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage and Letters of Credit Postpetition, and (C) Continue to Pay Broker Fees and (II) Granting Related Relief* [Docket No. 6].

or its manager or officers, in the 180-day period before the Petition Date. Accordingly, any losses subject to coverage under the D&O Policy were “purely theoretical” and therefore “contingent” in the relevant period. *See Zenith*, 104 B.R. at 666. Moreover, any “increase[to] the debtor’s worth or diminish[ment of] its liabilities” on account of the D&O Policy was, likewise, theoretical and contingent. *Id.* at 666 (finding that a directors’ and officers’ policy did not “affect[] the assets and liabilities of the debtor” where “it does not appear that any action has been initiated in the debtor’s name against the directors”).

38. The contingent rights under the D&O Policy served no function in facilitating the Debtors’ reorganization in the relevant period and therefore carry no status or value as an asset under the context-focused venue analysis.¹⁵ The D&O Policy is not a basis for proper venue.

iii. The Journal Entry Allocations Are Not Assets.

39. The Minority Holdout Group also insinuated that certain intercompany book entries constituted assets of MCC-Norwood. This assertion is also without merit. In the ordinary course of business, the Debtors and their affiliates manufacture their products in more than 90 Facilities worldwide. The Debtors manage their cash through a complex cash management system and maintain and engage in routine business relationships among themselves and with their non-Debtor affiliates that generate various forms of intercompany transactions.¹⁶ The Debtors’ ordinary course

¹⁵ Even if there were any indication that coverage under the D&O Policy would be triggered during the relevant period under the Venue Statute (there was not), the D&O Policy still would not have had value to MCC-Norwood. The coverage under the D&O Policy is subject to a standard “retention” (the “Retention”) in the amount of \$250,000 per claim made. The terms of the Retention provide that the insurer’s liability with regard to losses is limited to the excess of the amount of the Retention and that the insured entities under the D&O Policy, including MCC-Norwood, bear the cost of the Retention. Thus, in the hypothetical situation in which MCC-Norwood, its officers, or its manager incurred a loss subject to coverage, *MCC-Norwood*, not the insurer, would have dollar-one liability for otherwise covered losses, including defense costs, up to \$250,000 before it would be entitled to any reimbursement under the D&O Policy. The Retention makes the D&O Policy far more likely to result in a liability rather than an asset.

¹⁶ The Debtors’ cash management system is described in detail in the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Using the Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Debtor Bank Accounts, Business Forms, and*

intercompany transactions generally fall into two broad categories:¹⁷ (a) cash-settled intercompany transactions, including intercompany loans, shared service obligations, royalty payments, consulting services, and transfers into and out of the global cash pooling arrangement between MCC and certain of its foreign subsidiaries (the “Cash Pool”), each of which are governed by arm’s-length, contractual agreements among the parties thereto (each, an “Intercompany Agreement” and the transactions thereunder, the “Intercompany Agreement Transactions”); and (b) internal tracking and reporting of book entries in designated intercompany general ledger accounts pursuant to which the Debtors and their affiliates allocate certain selling, general, and administrative expenses and cash receipts among their various Facilities (the “Journal Entry Allocations”). Unlike the Intercompany Agreement Transactions, the Journal Entry Allocations are not cash settled and there are no intercompany contractual agreements governing these transactions.

40. MCC-Norwood is not party to any Intercompany Agreement, nor is it subject to any Intercompany Agreement Transactions. Before the Norwood Facility ceased operations in July 2023, certain Journal Entry Allocations were recorded for MCC-Norwood with regard to receipts and disbursements of MCC and certain of its affiliates on account of products manufactured in the Norwood Facility. Consistent with other Journal Entry Allocations, the Journal Entry Allocations of MCC-Norwood were never cash-settled.

41. Beginning in August 2025, the Debtors engaged in a review of their accounting practices and general ledgers (the “Post-Closure Review”) related to approximately fourteen

Books and Records, and (D) Continue Intercompany Transactions and (II) Granting Related Relief [Docket No. 13] (the “Cash Management Motion”).

¹⁷ As described in the Cash Management Motion, certain of the Debtors also engage in the North American Transfers. MCC-Norwood was never party to a North American Transfer.

closed, inactive, and sold Facilities in the United States and Canada, including the Norwood Facility (collectively, the “Closed Facilities”). Through the Post-Closure Review, the Debtors identified legacy intercompany balances on account of Journal Entry Allocations at certain of the Closed Facilities. The Debtors determined that the Journal Entry Allocations attributable to those Closed Facilities should have been eliminated at the time of the closure and/or sale of each Closed Facility.¹⁸ On or around November 12, 2025, as part of the Post-Closure Review, the Debtors eliminated the intercompany balances on account of Journal Entry Allocations attributable to the Norwood Facility. As of the end of 2025, the Debtors completed the Post-Closure Review and eliminated entries attributable to an additional eight Closed Facilities. As previously described, before the Post-Closure Review, the Journal Entry Allocations attributable to the Norwood Facility were stale, years-old legacy bookkeeping entries. After the Post-Closure Review, any Journal Entry Allocations attributable to the Norwood Facility were resolved.

42. The Journal Entry Allocations do not meet any reasonable, applicable definition of “assets” and do not constitute “accounts receivable.” The Bankruptcy Code does not define “accounts receivable.” In section 547, the Bankruptcy Code defines “receivable” as “right to payment, whether or not such right has been earned by performance.” 11 U.S.C. § 547. The Uniform Commercial Code defines “account” similarly as “a right to payment of a monetary obligation, whether or not earned by performance.” *See, e.g.*, N.J. Rev. Stat. § 12A:9-102(a)(2); 6 Del. C. § 9-102(a)(2). Courts, too, focus on the right to receive payment when describing or defining accounts receivable. *See, e.g., In re Southern Pac. Janitorial Group, Inc.*, 586 B.R. 769,

¹⁸ For example, the Debtors determined that the Journal Entry Allocations attributable to the Norwood Facility should have been eliminated as of December 28, 2023, when the Norwood Transaction closed.

770 (Bankr. C.D. Cal. 2018) (“The account receivable, i.e. the right to receive funds, is property of the Estate.”); *In re Blast Energy Servs., Inc.*, 396 B.R. 676, 705 (Bankr. S.D. Tex. 2008) (“[A]n account receivable denotes a right to payment because that payment is *owed* Texas common law defines accounts receivable as ‘contractual obligations owing to a person on an open account.’” (emphasis in original)).

43. The Journal Entry Allocations do not denote a right to payment owed to MCC-Norwood by any party, nor are there any contractual agreements establishing a right to payment by MCC-Norwood on account of the Journal Entry Allocations. The Journal Entry Allocations were not cash-settled in the ordinary course of the Debtors’ business, nor were they cash-settled in connection with the Post-Closure Review.¹⁹ Indeed, the Journal Entry Allocations *could not have been* cash-settled—for the period over which the Journal Entry Allocations attributable to the Norwood Facility accrued, and on the date of the completion of Post-Closure Review, MCC-Norwood did not have a bank account and was thus incapable of cash-settling. This was not a coincidence. The Debtors established their Cash Management System in this manner and implemented the Journal Entry Allocations to enable the Debtors to internally track and report data regarding the Facilities, including the Norwood Facility.

44. The Debtors certainly knew how to document intercompany transactions representing *bona fide* rights to payment and obligations to pay, and they did so where intended. As described herein and in the Cash Management Motion, the Intercompany Agreement Transactions are extensively documented, arm’s-length transactions among the Debtors and their affiliates. In stark contrast, the Journal Entry Allocations are undocumented beyond book entry

¹⁹ Notably, Journal Entry Allocations exist with regard to **numerous** of the Facilities, including Facilities operated by Debtors and affiliates that hold bank accounts. Nevertheless, none of the Journal Entry Allocations are, or ever have been, cash-settled.

accounting data reflected on the general ledger accounts of the Debtors’ and their affiliates. The Journal Entry Allocations have no terms, no conditions, and they cannot be breached or enforced.

45. Though not binding authority on the Court, the Financial Accounting Standards Board’s (the “FASB”) Statement of Financial Accounting Concepts No. 8 (“Concept Statement No. 8”) is instructive. In Concept Statement No. 8, the FASB defines an asset as “a present right of an entity to an economic benefit.” Concept Statement No. 8 ¶¶ E17–E19. “Generally, in a business entity, that economic benefit eventually results in potential net cash inflows to the entity.” *Id.*

46. The Journal Entry Allocations lack this essential characteristic. The Journal Entry Allocations never represented a present right to an economic benefit and never resulted in cash inflows to MCC-Norwood, including in connection with the Post-Closure Review. The Journal Entry Allocations accrued over a period of nearly 10 years for the Norwood Facility. When the Norwood Facility shutdown in the summer of 2023, the Journal Entry Allocations did not result in net cash inflows. When MCC-Norwood consummated the Norwood Transaction that winter, the Journal Entry Allocations did not result in net cash inflows. And when the Journal Entry Allocations were resolved through the Post-Closure Review, they did not result in net cash inflows.

47. The Journal Entry Allocations are simply not assets.²⁰ The Journal Entry Allocations, therefore, are irrelevant to the determination of a proper venue for MCC-Norwood’s

²⁰ Even if MCC-Norwood attempted to treat the Journal Entry Allocations as debt or another right to payment, such treatment would be substantially vulnerable to recharacterization. *See In re Autostyle Plastics, Inc.*, 269 F.3d 726, 749–750 (6th Cir. 2001) (describing the seminal recharacterization multi-factor test). Even a cursory application of the *AutoStyle* factors shows that the Journal Entry Allocations lack any hallmark of *bona fide* debt: (1) there are no instruments evidencing them; (2) they have no maturity date or schedule of payments; (3) they do not bear interest; (4) there is no requirement to repay them, much less a source for such repayments; (5) the interests among the Debtors and their affiliates are aligned; (6) there is no security for the Journal Entry Allocations; and (7) they were not used to acquire capital assets. *See id.* at 749–750. Moreover, the Debtors’ intent with regard to Journal Entry Allocations is clear—they are not intended to be debt, or even cash-settled.

Chapter 11 Case. For the reasons set forth above, MCC-Norwood’s principal assets are the Norwood Accounts.

II. There Is No Cause to Dismiss MCC-Norwood’s Chapter 11 Case Pursuant to Section 1112(b) of the Bankruptcy Code.

48. The U.S. Trustee also seeks dismissal of MCC-Norwood’s Chapter 11 Case as a bad faith filing, arguing that MCC-Norwood is a “shell company” with “no need for bankruptcy relief” and that “would receive no benefit from plan confirmation.” UST Mot. ¶¶ 22–23. The U.S. Trustee further asserts that MCC-Norwood is not in financial distress and that its Chapter 11 Case does not serve a valid reorganizational purpose, as required under the Third Circuit’s opinion in *In re LTL Mgmt., LLC*. None of these assertions carries water, and the UST Motion should be denied as to dismissal on bad faith grounds.

49. MCC-Norwood is not LTL Management, LLC—a “bad company” formed through a divisional merger for the sole purpose of filing a chapter 11 case to resolve mass tort liabilities. *See In re LTL Mgmt., LLC*, 64 F.4th 84, 97 (3d Cir. 2023). MCC-Norwood does not have a “funding agreement” obligating a blue chip, non-debtor parent corporation to “pay it cash up to . . . \$61.5 billion.” *Id.* at 106. MCC-Norwood is a twelve-year-old entity and an obligor on the entirety of the Debtors’ prepetition funded indebtedness, totaling almost \$6 billion as of the Petition Date, which is currently in default, and MCC-Norwood has assets far below its liabilities and no cash flows (*i.e.*, insolvent). MCC-Norwood is clearly in financial distress. *See In re AIG Fin. Prods. Corp.*, 651 B.R. 463, 471 (Bankr. D. Del. 2023) (finding that a debtor with “minimal remaining assets” facing “a debt burden of more than \$38 billion” was in financial distress).

See In re SubMicron Sys. Corp., 432 F.3d 448, 456–57 (3d Cir. 2006) (“[T]he determinative inquiry in classifying advances as debt or equity is the intent of the parties as it existed at the time of the transaction.”).

50. MCC-Norwood’s Chapter 11 Case serves a valid reorganizational purpose. The Debtors would be unable to accomplish the holistic balance sheet reorganization described in the Plan without subjecting claims against MCC-Norwood to the bankruptcy process. Any other result risks the absurd outcome that the remaining fifty-five Debtors are permitted to reorganize and obtain the benefit of the discharge, while the Debtors’ creditors maintain (and grow, through the continued accrual of interest) their claims against MCC-Norwood. *See* *AIG*, 651 B.R. at 472–73 (discounting allegation that debtor was “in wind-down mode or years” and “effectively [had] no business to rehabilitate” and finding a valid reorganizational purpose to “preserv[e] value . . . by stopping accrual of interest”).

51. Dismissal of MCC-Norwood’s Chapter 11 Case is not warranted. MCC-Norwood has real creditors that are owed real debts, and its Chapter 11 Case serves the legitimate purpose of resolving those debts as part of the Debtors’ holistic balance sheet reorganization. The U.S. Trustee’s request to dismiss MCC-Norwood’s Chapter 11 Case should be denied.

III. Transfer of the Chapter 11 Cases to the District of Delaware Is Not Warranted or Appropriate.

52. Contrary to U.S. Trustee’s arguments, MCC-Norwood has an independent, good faith basis for its petition,²¹ and dismissal or transfer of these cases out of the Bankruptcy Court for the District of New Jersey would neither be “in the interests of justice” nor for “convenience of the parties.” 28 U.S.C. § 1412.

²¹ As of the Petition Date, MCC-Norwood was a guarantor of all of the Debtors’ Funded Indebtedness and has been a guarantor of such Funded Indebtedness since the initial incurrence of such debt. The Funded Indebtedness consists of (a) ABL Credit Agreement, (b) Cash Flow Credit Agreement, (c) Secured Notes Indenture, (d) 2029 Unsecured Notes Indenture, and (e) 2027 Unsecured Notes Indenture (each as defined in the Plan). The 2027 Unsecured Notes Indenture is dated as of July 1, 2019. The ABL Credit Agreement, the Cash Flow Credit Agreement, the Secured Notes Indenture, and the 2029 Unsecured Notes Indenture are dated as of October 29, 2021.

53. The U.S. Trustee fails to meet its burden as the only movant requesting that, even where venue is proper, the Court exercise its discretion to transfer the chapter 11 cases. For the reasons set forth herein, these chapter 11 cases should not be transferred under any applicable law or rule, including section 1412 of title 28 of the U.S. Code or Bankruptcy Rule 1014(a)(1).

54. Section 1412 of title 28 of the United State Code provides that:

A district court may transfer a case or proceeding under title 11 to a district court for another district, in the interest of justice or for the convenience of the parties.

28 U.S.C. § 1412. The movant bears the burden of proof that transfer is warranted, which must be satisfied by a preponderance of the evidence. *In re Buffets Holdings, Inc.*, 397 B.R. 725, 727 (Bankr. D. Del. 2008) (citing *Jumara v. State Farm Ins. Co.*, 55 F.3d 873, 879 (3d Cir.1995)); *In re Hechinger Inv. Co. of Del.*, 296 B.R. 323, 325 (Bankr. D. Del. 2003). There is a presumption in favor of maintaining the debtor's choice of forum. *See In re Alcorn Corp.*, 2012 WL 2974889, at *2 (Bankr. E.D. Pa. July 20, 2012); *In re Rehoboth Hospitality, LP*, 2011 WL 5024267, at *3 (Bankr. D. Del. Oct.19, 2011). The decision whether to transfer venue ultimately lies within the Court's sound discretion. *Id.* (citing *Hechinger*, 296 B.R. at 325). The Debtors submit that not only has the U.S. Trustee failed to establish a basis for discretionary transfer of venue under either prong, but both the interest of justice and convenience of parties in fact favor remaining in the Bankruptcy Court for the District of New Jersey.

A. The Interest of Justice Favors New Jersey—Not Delaware.

55. When evaluating the “interest of justice” prong, courts apply a “broad and flexible standard” that “considers whether transfer of venue will promote the efficient administration of the estate, judicial economy, timeliness, and fairness.” *In re Enron Corp.*, 274 B.R. 327, 343

(Bankr. S.D.N.Y. 2002).²² These factors favor respecting the Debtors’ choice of venue. Here, no efficiencies in the administration of the Debtors’ bankruptcy cases would be gained by removing these cases from New Jersey. In fact, transferring these cases to Delaware would impose significant costs on the Debtors’ estates and delay the ongoing administration of these chapter 11 cases, placing the Debtors’ compliance with the milestones under the Restructuring Support Agreement and DIP Documents at significant risk.

56. Further, transferring these cases to Delaware would not promote judicial economy. This Court has, among other things, entered an order scheduling the Combined Hearing for March 17, 2026, and setting various near-term dates and deadlines related thereto.²³ Despite any transfer of these chapter 11 cases, the “law of the case” doctrine would require the transferee court to recognize this Court’s orders. *See In re LTL Mgmt., LLC*, 636 B.R. 610, 618 (Bankr. D.N.J., 2022) (explaining that under the “law of the case” doctrine, a court order from the transferor court must be recognized by the N.J. court and that “[t]ransferee courts—although they are endowed with various statutory and inherent authorities to make decisions in a case—are without power to modify or vacate a transferor judge’s order without adequate justification”); *see also Hayman Cash Register Co. v. Sarokin*, 669 F.2d 162 (3d Cir. 1982) (enforcing the law of the case doctrine where venue was improper in transferor court). Accordingly, the transferee court would be required ***either*** to (a) familiarize itself with the Debtors’ large, complex chapter 11 cases in sufficient time

²² Courts generally utilize these factors when evaluating whether to transfer venue pursuant to section 1412 of title 28 and Bankruptcy Rule 1014(a) in the interests of justice. 28 U.S.C. § 1412; Fed. R. Bankr. P. 1014(a)(1), (2).

²³ *See generally* Order (I) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing, (II) Conditionally Approving the Disclosure Statement as Containing Adequate Information, (III) Approving Related Dates, Deadlines, Notices, and Procedures, (IV) Approving the Solicitation Procedures and Related Dates, Deadlines, and Notices, (V) Conditionally Waiving the Requirement that (A) The U.S. Trustee Convene a Meeting of Creditors and (B) The Debtors File Schedules of Assets and Liabilities, Statements of Financial Affairs, and Rule 2015.3 Financial Reports, and (VI) Granting Related Relief [Docket No. 14] (the “Scheduling Order”).

to comply with this Court’s Scheduling Order or (b) pause these chapter 11 cases for proceedings to determine whether, and to what extent, unusual circumstances exist justifying revisiting the Scheduling Order. In either scenario, transferring these chapter 11 cases to the District of Delaware would not promote judicial economy.

57. With respect to fairness, the Debtors, in an exercise of their business judgment, determined that the District of New Jersey was the most appropriate venue. As courts have recognized, a debtor’s determination regarding the optimal venue for a bankruptcy case is entirely consistent with the proper exercise of the debtor’s obligations and fiduciary duties. *See Patriot Coal Corp.*, 482 B.R. 718, 742 (Bankr. S.D.N.Y. 2012) (“No party has alleged, and there is no evidence in the record, that the Debtors acted in bad faith in filing their chapter 11 cases in New York. Indeed, it could be argued that doing so was entirely consistent with, or even required by, the Debtors’ fiduciary duties.”); *see also United States v. Cinemark USA, Inc.*, 66 F. Supp. 2d 881, 889 (N.D. Ohio 1999) (“[U]nlike defendant forum shopping, plaintiff forum shopping is not an evil to be avoided, but rather is an inherent part of our federal court network. A plaintiff may have available numerous places of equal convenience to bring his or her suit and has every right to file in the forum that is most geographically convenient or that has the most favorable law.”) (internal quotation marks omitted). Venue in New Jersey serves the interests of justice and this Court should, therefore, leave the Debtors’ decision undisturbed.

58. The U.S. Trustee cites *Patriot Coal* and argues that “the concerns raised in that decision apply equally here.” UST Mot. ¶ 25. The U.S. Trustee points out one distinction between MCC-Norwood and the problematic debtors in *Patriot Coal*—MCC-Norwood was not formed on the eve of the Debtors’ filing as a “venue-predicate affiliate” for the sole purpose of technical

compliance with the Venue Statute. *See Patriot Coal*, 482 B.R. at 741–42, 743. There are, however, additional, important distinctions justifying a different outcome here.

59. Unlike the newly-formed affiliates in *Patriot Coal*, the Norwood Accounts were formed for legitimate business purposes in response to urgent needs in the run-up to the filing of these chapter 11 cases. Before the Petition Date, substantially all of the Debtors’ cash was held in deposit accounts subject to perfected liens (through deposit account control agreements or possession by the bank holding the lien) in favor of the Debtors’ prepetition secured lenders and was therefore cash collateral. The Debtors needed to ensure they had sufficient access to cash *outside* such controlled accounts to facilitate adequate assurance deposits and continuous utility services and to enable immediate use of proceeds of the DIP Facility to make authorized payments to the Debtors’ vendors and suppliers. Ensuring such access required locating a bank that was both outside the Debtors’ existing bank group and capable of opening accounts on a compressed timeline. ConnectOne Bank fit both of these crucial criteria and the Debtors chose to open the Norwood Accounts with ConnectOne Bank. Thus, the concerns expressed in *Patriot Coal* regarding “form over substance” are inapplicable to MCC-Norwood’s Chapter 11 Case. *See In re AmeriFirst Fin. Inc.*, 2023 WL 7029873, at *5 (Bankr. D. Del. Oct. 25, 2023) (distinguishing *Patriot Coal* and finding that debtors did not manufacture venue where parent debtor was formed for a legitimate business purpose two months before the petition date).

60. For these reasons, none of the “interest of justice” factors support transferring the venue of these chapter 11 cases. The Debtors rightfully selected New Jersey as their venue—a choice that is entitled to great deference. *In re Caesars Entm’t Op. Co., Inc.*, No. 15-10047 (KG), 2015 WL 495259, at *7 (Bankr. D. Del. Feb. 2, 2015) (Gross, J.) (collecting cases). The Court should therefore decline to transfer these chapter 11 cases.

B. Convenience of the Parties Favors the Debtors' Venue Choice of the District of New Jersey.

61. Venue in the District of New Jersey is also appropriate because it is the more convenient forum—and certainly not a less convenient forum—for the parties than Delaware (or any other conceivable alternative). “Transferring venue of a bankruptcy case is not to be taken lightly.” *Enron*, 274 B.R. at 342; *In re LaGuardia Associates, L.P.*, 316 B.R. 832, 837 (Bankr. E.D. Pa. 2004). “Where venue is proper, the Debtor’s choice of venue should be given great weight.” *LaGuardia Assocs.*, 316 B.R. at 837 (noting that “[c]ertain courts have gone even further, opining that the balance must “strongly” favor transfer, or that the evidence must demonstrate clear and proper justification.” (internal citations omitted) (first citing *Uslar*, 131 B.R. 22, 23 (Bankr.E.D.Pa.1991) then citing *In re Holiday Towers, Inc.*, 18 B.R. 183, 187 (Bankr. S.D. Ohio 1982))). “Where a transfer would merely shift the inconvenience from one party to the other, or where after balancing all the factors, the equities leaned but slightly in favor of the movant, the [debtor’s] choice of forum should not be disturbed.” *Enron*, 274 B.R. at 342–43 (citation omitted). When evaluating the “convenience of the parties,” courts consider many factors, including: (a) proximity of creditors of every kind to the court; (b) the proximity of the debtor to the court; (c) the proximity of witnesses necessary for the administration of the estate; (d) the location of the debtor’s assets; and (e) the economic administration of the estate. *See In re Innovative Commc’ns Co.*, 358 B.R. 120, 126 (Bankr. D. Del. 2006).²⁴

62. Under these factors, the convenience of the parties weighs heavily in favor of the Debtors’ choice of the District of New Jersey, as there is no more convenient forum (and certainly no forum that would justify disturbing the Debtors’ forum selection).

²⁴ A sixth factor—the necessity for ancillary administration if liquidation should result—is inapplicable in this matter.

i. *The Economic Administration of the Debtors’ Chapter 11 Cases Favors New Jersey.*

63. Of the various convenience factors that courts analyze, the economic administration of the estate is the most important. *In re Commonwealth Oil Refining*, 596 F.2d 1239, 1247 (5th Cir. 1979); *In re Suzanne de Lyon, Inc.*, 125 B.R. 863, 869 (Bankr. S.D.N.Y. 1991). In this case, the District of New Jersey has multiple advantages over Delaware.

64. This Court’s current practice is to conduct most hearings virtually via teleconference. Accordingly, geographical concerns regarding ease of travel are significantly diminished and the Debtors’ estates are spared the not insignificant expense of arranging for regular travel to-and-from the Court. Nevertheless, for any in-person hearing, New Jersey is an easily-accessible location for other stakeholders and advisors located in all parts of the country. New Jersey is serviced by a large international airport, and several other airports nearby in New York City, providing numerous travel options for the Debtors’ stakeholders and their respective advisors. *See Enron Corp.*, 274 B.R. at 339 (explaining that, for similar reasons, New York “is convenient with respect to both the diversity of locations served and the frequency of service provided”); *see id.* at 345 (“The Debtors’ multifaceted business enterprises affect parties throughout the nation and the world. New York’s accessibility for all creditors (and stockholders) weighs in favor of a New York venue.”). For individuals traveling from other locations, New Jersey provides more flight options, including more direct flights, and decreased travel time when compared to a trip to Wilmington. *See, e.g., In re Bruno’s, Inc.*, 227 B.R. 311, 330 (Bankr. N.D. Ala. 1998) (declining transfer to Delaware where “witnesses would be inconvenienced by travel to Delaware without access to direct airplane flights, change in time zone, and in some cases having to stay one or more nights away from their homes, family, and jobs.”).

ii. Proximity of the Debtors to the Court Favors New Jersey.

65. Bankruptcy courts also prefer venues where “[m]ost of the entities and individuals expected to be responsible for the financial restructuring and development of a plan of reorganization in [the] case are located . . . or have ready access.” *Enron*, 274 B.R. at 349. Key among this group are “Debtors’ legal and financial advisors.” *Id.* Here, each of the Debtors’ advisors has a significant presence in New York and can reach the Court by car, rather than requiring a flight. As the Court noted at the first day hearing, the Delaware Bankruptcy Court is “62 miles to the south,”²⁵ and requires train or very lengthy car travel for individuals located in New York. For the Debtors’ advisors (including proposed co-counsel, Kirkland & Ellis LLP) located in Chicago, there are numerous direct flights to major airports near the Court. By contrast, there are no direct flights between Chicago and Wilmington, and any flight to New York, Philadelphia, or Washington, D.C. would require a lengthy car or train ride thereafter.

iii. Proximity of the Creditors to the Court Favors New Jersey.

66. New Jersey is likewise a more convenient forum for the Debtors’ creditors. As shown in the list of the Debtors’ 30 largest unsecured creditors, 24 of the Debtors’ largest unsecured creditors are located outside of New York, New Jersey, and Delaware, 5 are located in New York and New Jersey, and only 1 is located in Delaware. Moreover, four of the six members of the Minority Holdout Group are located in New York, the remaining two members are located in Dallas, and none are located in Delaware. Minority Holdout Group 2019 Statement, Ex. A. At worst, this factor is neutral, but as discussed above, New Jersey is more readily accessible by plane, and by car from New York, than Delaware. Accordingly, this factor weighs in favor of New Jersey.

²⁵ Tr. of First Day Hearing Held Jan. 30, 2026, at 30:6–7.

iv. Proximity to Witnesses Necessary for the Administration of the Estate Is Not Relevant and, Even if It Were, It Would Favor New Jersey.

67. Although courts will assess the proximity of witnesses when evaluating the convenience of multiple forums, such an inquiry is relevant only to the extent that the witnesses may be actually unavailable for the trial in one of the forums. *In re DHP Holdings II Corp.*, 435 B.R. 264, 274 (Bankr. D. Del. 2010) (citing *Jumara*, 55 F.3d at 879); see also *Enron Corp.*, 724 B.R. at 347 (declining to transfer to forum where witnesses with substantial knowledge are located). No party-in-interest has alleged that any material witnesses are available in Delaware that would not be available in New Jersey.

68. Even if the proximity of witnesses were a relevant consideration, this factor also favors New Jersey. The officers are not located in Delaware, and the majority of the advisors are located in New York and Chicago, respectively. Thus, key witnesses necessary for the administration of the estate likewise are generally located in those places, both of which have more readily accessible travel options to New Jersey than to Delaware.²⁶ For the convenience of parties and the Debtors' entitlement to deference in its selection, these chapter 11 cases should remain in the District of New Jersey.

Conclusion

69. In sum, the Debtors' decision to file in New Jersey is sound, legally and practically. The Minority Holdout Group's true aim, to take every available action to disrupt these chapter 11 cases, cannot overcome the simple fact that the Debtors have proper venue and there is no interest in justice or convenience served by transferring it. MCC-Norwood's principal assets are, and have been, located in New Jersey and it is therefore an appropriate venue for MCC-Norwood and its

²⁶ Notably, each deposition that the Minority Holdout Group has noticed is being taken in New York, in the offices of counsel to the Debtors or counsel to the Minority Holdout Group.

Debtor-affiliates. This is ample justification to leave the Debtors' choice of venue undisturbed. Moreover, the Movants have failed to raise any colorable reason to add turmoil to these chapter 11 cases by transferring them, much less to a court 60 miles to the south. The Motions should be denied, and the Debtors' chapter 11 cases should be permitted to proceed in New Jersey.

Dated: February 19, 2026

/s/ Michael D. Sirota

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