

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re

Diamond Comic Distributors, Inc., *et al.*,

Debtors.¹

Case No. 25-10308 (DER)

Chapter 11

(Jointly Administered)

**DEBTORS' MOTION (A) FOR ENTRY OF ORDER APPROVING EIGHTH
STIPULATION BETWEEN DEBTORS AND JPMORGAN CHASE BANK, N.A.,
AMENDING DIP CREDIT AGREEMENT AND (B) FOR APPROVAL OF ORDER
(I) CONVERTING CASES FROM CHAPTER 11 TO CHAPTER 7 OF THE
BANKRUPTCY CODE AS OF CONVERSION DATE, (II) APPROVING CERTAIN
CONVERSION PROCEDURES (III) SETTING BAR DATE FOR FILING FINAL
CHAPTER 11 FEE APPLICATIONS AND ESTABLISHING A HEARING
THEREON, AND (IV) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and through their undersigned counsel, hereby move (this “Motion”) as follows:

INTRODUCTION

As the Court is aware, these have been challenging cases. Among other things, these cases have involved a sale process with a back-and-forth designation of winning bidders that included Alliance Entertainment, LLC (“AENT”) as the successful bidder at auction, and Universal Distribution, LLC (“Universal”) and Sparkle Pop, LLC (“Sparkle Pop”) as back-up bidders. A key result of this back-and-forth sale process, which included a disputed termination by AENT of its asset purchase agreement, was that Universal and Sparkle Pop, as the ultimate purchasers of the Debtors’ assets, and notwithstanding the terms of their respective asset purchase agreements,

¹ The Debtors in these chapter 11 cases along with the last four digits of the Debtors’ federal tax identification numbers are: Diamond Comic Distributors, Inc. (3450); Comic Holdings, Inc. (7457); Comic Exporters, Inc. (7458); and Diamond Select Toys & Collectibles, LLC (6585). The Debtors’ mailing address is: 10150 York Road, Suite 300, Hunt Valley, Maryland 21030.

demanded substantial reductions in their respective purchase prices in order to proceed. These amended transactions were ultimately approved by the Court.

Throughout this process, the Debtors have worked cooperatively with their lender, JPMorgan Chase Bank, N.A. (the “DIP Lender”), and their Unsecured Creditors’ Committee in maximizing value for the estate. In this regard, the DIP Lender and the Debtors have entered into certain amendments and extensions to the Debtors’ DIP Credit Agreement, which provided continued financing and liquidity to the Debtors’ estates as they have sought to monetize their assets for the benefit of their creditors.

The most recent amendment to the Debtors’ debtor-in-possession financing agreement extended the Maturity Date under the DIP Credit Agreement to November 14, 2025. Since that date, the Debtors have held discussions with the DIP Lender regarding potential additional financing and a further amendment to the Debtors’ debtor-in-possession financing agreement. In the course of those discussions, the DIP Lender advised that it was unwilling to finance further administration of these cases in Chapter 11. As a result, the Debtors informed the Court at a hearing on December 8, 2025 that they soon would be filing a motion to convert these cases to chapter 7; obviously, the Debtors cannot continue to administer their cases without funding.

Subsequent to the December 8, 2025 hearing, and in order to facilitate an orderly transition to Chapter 7, the Debtors engaged in additional discussions with the DIP Lender about limited, additional transition funding. As a result of those discussions, the Debtors and DIP Lender have agreed on a short term and limited extension of the DIP Facility—which will facilitate an orderly transition of these case to proceedings under chapter 7.

RELIEF REQUESTED

1. Based on the foregoing, the Debtors seek entry of an order, substantially in the form of the proposed order attached hereto as **Exhibit A** (the “Proposed Order”) granting two forms of relief. *First*, the Proposed Order approves the Eighth Stipulation Between the Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement. This stipulation (the “Eighth Stipulation”) is an exhibit to the Proposed Order. *Second*, the Proposed Order provides for the conversion of these cases to chapter 7 effective as of 11:59 p.m. on the fifth (5th) business day after entry of the Proposed Order (the “Conversion Date”). The Proposed Order also provides for the establishment of the following procedures in connection with the conversion of these chapter 11 cases to chapter 7 (the “Conversion Procedures”):

- (a) **Books and Records.** As soon as reasonably practicable, but in no event more than fourteen (14) days after the appointment of the chapter 7 trustee, the Debtors shall turn over or provide access to the chapter 7 trustee the books and records of the Debtors in the Debtors’ possession and control, as required by Bankruptcy Rule 1019. For purposes hereof, the Debtors may provide copies (including electronic copies) of such books and records to the chapter 7 trustee, or instructions for locating and accessing such books and records, and may retain copies of such books and records to the extent necessary to complete the reports required herein.
- (b) **Schedule of Unpaid Debts.** Within thirty (30) days of the Conversion Date, the Debtors shall file a schedule of unpaid debts incurred after commencement of the Debtors’ chapter 11 cases, including the name and address of each creditor, as required by Bankruptcy Rule 1019(5) (as modified herein).
- (c) **Final Report.** Within thirty (30) days after the Conversion Date, the Debtors shall file and transmit to the chapter 7 trustee a final report and account in accordance with Bankruptcy Rule 1019(5).
- (d) **Claims.** Within fourteen (14) days of the Conversion Date, Omni (as defined below) shall (i) forward to the Clerk of this Court an electronic version of all imaged claims; (ii) upload the consolidated creditor mailing list into CM/ECF and file the consolidated matrix in each jointly administered case in lieu of a separate matrix for each Debtor; and (iii) docket a final claims register in the Debtors’ chapter 11 cases.

- (e) **Professional Fees.** Professionals shall submit Final Fee Applications in accordance with the Bankruptcy Code, Bankruptcy Rules, the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Maryland, and orders of this Court by no later than thirty (30) days after the Conversion Date (the “Final Fee Application Deadline”). Objections, if any, to the Final Fee Applications shall be filed and served by no later than fourteen (14) days after the Final Fee Application Deadline. A hearing to consider all timely filed Final Fee Applications should be held, if needed, on a date convenient to the Court that is at least sixty-five (65) days after the Conversion Date.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334, and *Standing Order 2012-05* from the United States District Court for the District of Maryland. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue of these cases and the Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief sought herein are sections 105(a), 331, 364 and 1112 of title 11 of the United States Code (the “Bankruptcy Code”), as supplemented by rules 1017, 1019, 2002, 2016 and 9013 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

BACKGROUND

A. The Debtors’ Chapter 11 Cases

4. On January 14, 2025 (the “Petition Date”), each Debtor commenced a case under chapter 11 of the Bankruptcy Code. The Debtors are maintaining their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. On January 29, 2025, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors (the “Committee”).

5. A description of the Debtors' business as of the Petition Date and the reasons for commencing these cases are set forth in the *Declaration of Robert Gorin in Support of Chapter 11 Petitions and First Day Relief* [D.I. 20] (the "First Day Declaration").

6. As explained in the First Day Declaration, the Debtors were a leading distributor of comics, graphic novels, toys, games and other pop culture related merchandise to retailers across the world. As of the Petition Date, the Debtors operated out of five warehouses, comprising over one million square feet of distribution space, to distribute products to thousands of customers. The primary objective in these chapter 11 cases was to conduct a value-maximizing sale process of all or substantially all the Debtors' assets for the benefits of the Debtors' estates and their creditors.

C. The Final DIP Order

7. On the Petition Date, the Debtors filed the *Debtors' Motion for Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured Financing and the Use of Cash Collateral; (II) Granting Adequate Protection; (III) Granting Liens and Superpriority Administrative Expense Claims; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [D.I. 19] (the "DIP Motion").

8. A final order granting the DIP Motion was entered on February 19, 2025 [D.I. 163] (the "Final DIP Order") pursuant to which, among other things, the Debtors were granted authority to obtain senior secured postpetition financing pursuant to the terms and conditions of the Final DIP Order and that certain senior secured Debtor-in-Possession Credit Agreement, dated as of January 16, 2025 (as amended from time to time, the "DIP Credit Agreement"). Attached as Exhibit B to the Final DIP Order was the Budget (as defined therein, and as subsequently amended from time to time, the "Budget").

9. In accordance with the Final DIP Order, the Lender has valid, enforceable, attached

and binding, fully perfected priming, first priority senior security interests and liens (the “DIP Liens”) upon the assets comprising the DIP Collateral subject only to any Permitted Priority Liens and the Carve-Out (each as defined in the Final DIP Order). *See* Final DIP Order, at ¶¶ 13, 14, & 15. The Court also ordered that the rights, remedies, powers, privileges, liens and priorities of the DIP Lender provided for in the Final Order, the DIP Loan Documents, or otherwise shall be valid and enforceable upon conversion of these chapter 11 cases to chapter 7 of the Bankruptcy Code until all the DIP Debt has been indefeasibly paid in full. *See* Final DIP Order at ¶¶ 5, 11(a), 15, 22, 23, 33, 36, 44. All Challenge Rights under the Final DIP Order have expired and are now extinguished.

10. The Debtors and DIP Lender have agreed to several amendments to the DIP Credit Agreement throughout these chapter 11 cases, including amendments to extend the Maturity Date (as defined in the DIP Credit Agreement). *See* D.I. 243, 345, 409, 470, 569, 788 & 982 .The most recent amendment extended the Maturity Date to November 14, 2025. *See Order Approving Seventh Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement* [D.I. 982] (the “Seventh Stipulation”). In conjunction with the Seventh Stipulation, \$300,000 was placed into escrow to provide for payment following determination and allowance of the post-Petition Date, pre-May 15, 2025, alleged claims of certain consignment vendors.

C. The Sale Process

11. With the assistance of a Court-approved investment banker, the Debtors conducted an extensive postpetition marketing process that yielded multiple qualified bids for the Debtors’ various assets and resulted in a competitive auction on March 24 and 25, 2025. At the conclusion of the auction, AENT was determined to have submitted the highest and best bid for the Debtors’ assets with total consideration to the Debtors’ estates of approximately \$85.37 million.

12. Following the auction, AENT submitted a revised form of its asset purchase agreement to the Debtors that was materially inconsistent with its auction bid. Despite further negotiations between the Debtors and AENT regarding the revised asset purchase agreement, AENT refused to make the necessary changes to conform its revised asset purchase agreement with its auction bid.

13. As a result of their unsuccessful discussions with AENT, the Debtors informed AENT that the Debtors intended to seek Court approval to sell their assets to Universal and Sparkle Pop, as back-up bidders. In response, AENT agreed to conform its asset purchase agreement with its auction bid. By this time, however, the Debtors had considerable concerns as to whether AENT would close on the transactions contemplated by AENT's auction bid. On April 7, 2025, the Court held a full day, contested evidentiary hearing on the Debtors' proposed sale to the back-up bidders. AENT opposed the sale, argued that its bid was the highest and best offer for the Debtors' assets, and filed an adversary proceeding against the Debtors seeking to enforce its alleged rights and claims in connection with these matters. Following the hearing, the Debtors, in consultation with the DIP Lender and the Committee, in their capacity as sale consultation parties, agreed, subject to certain conditions, to sell their assets to AENT, which represented that it would close on the purchase almost immediately.

14. The Court accordingly entered, on April 11, 2025, the AENT Sale Order, which among other things approved the sale of all or substantially all the Debtors' assets to AENT. *See Order (I) Approving Asset Purchase Agreement Among Diamond Comic Distributors, Inc., Diamond Select Toys & Collectibles, LLC and Alliance Entertainment, LLC; (II) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and*

Other Interests; (III) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief [D.I. 335].

15. After the Court entered the AENT Sale Order, AENT advised the Debtors that it was terminating its asset purchase agreement. This led to the commencement of litigation by AENT, which sought among other things the return of its deposit from the Debtors and the recovery on various disputed claims asserted by AENT. ***The Debtors and the other defendants in this litigation have vigorously contested AENT's claims, and believe that key factual allegations asserted by AENT are false.*** The Debtors have asserted substantial counterclaims against AENT, including claims for breach of contract and the recovery of significant monetary damages. These counterclaims, along with AENT's complaint, are pending before the Court.

16. Separate from the above-described litigation, AENT's asserted termination of its asset purchase agreement forced the Debtors to pivot again, and to enter into revised asset purchase agreements with Universal and Sparkle Pop, as the back-up bidders.

17. To that end, on April 29, 2025, the Debtors filed an emergency motion for Court approval of the sale of substantially all the Debtors' assets to Universal and Sparkle Pop. Notwithstanding the terms of their prior backup bids, Universal and Sparkle Pop would not proceed without substantial reductions to their proposed purchase price for the Debtors' assets. As a result, the Debtors' estates received significantly less consideration as compared to the consideration provided for in AENT's asset purchase agreement.

18. The Court approved the Debtors' proposed sales to Universal and Sparkle Pop pursuant to Orders entered on May 1, 2025 [D.I. 407 & 408] (together, the "Sale Orders"). The Universal and Sparkle Pop sales closed in mid-May, 2025. *See* D.I. 499 and 500. Substantially all of the net sale proceeds from the sales were used to reduce the Debtors' outstanding DIP

Obligations (as defined in the Final DIP Order), as required by the Final DIP Order and the Sale Orders. Pursuant to the Sale Orders, “effective upon the Closing Date, all Challenge Rights under the Final DIP Order shall be deemed to have been waived and terminated. Neither the Debtors, the Committee, nor any other individual, entity or party shall be entitled to bring or maintain a Challenge against the Prepetition Lender, the DIP lender or otherwise, and the Debtors’ stipulations in the Final DIP Order shall be deemed binding and enforceable against the Debtors, the Committee, and all other creditors and parties in interest.” See Sale Orders, ¶ 39.

D. Post-Sale Progress and Events Leading to Conversion

19. Sale of Diamond UK. On July 23, 2025, the Debtors filed a motion to approve the sale, by Debtors Comic Exporters, Inc. and Comic Holdings Inc., of their ownership interest in non-debtor affiliate Diamond UK to Diamond Distributors UK, Ltd. (the “Purchaser”) [D.I. 638] (the “Diamond UK Sale Motion”). On August 18, 2025, the Court entered an Order authorizing the Diamond UK Sale Motion. *See* D.I. 748.

20. Olive Branch Lease. Separately, the Debtors negotiated and entered into a stipulation for the assumption and assignment of their lease, as amended, for a warehouse located in Olive Branch, Mississippi. This stipulation allowed the Debtors to obtain a return, to the DIP Lender, of a \$1.0 million letter of credit that had served as security for the Debtors’ obligations under the lease. Because the letter of credit had been “cash collateralized” by the DIP Lender under the DIP Credit Agreement, the return of the letter of credit materially reduced the amount due to the DIP Lender. On October 23, 2025, the Court approved the stipulation and the assumption and assignment of the lease to Sparkle Pop [D.I. 981].

21. Consignment Disputes. On June 25, 2025, the Debtors filed a motion for approval of (i) procedures for the sale or other disposition of the Debtors’ consigned inventory and (ii) the

ultimate sale(s) or other disposition of the consigned inventory free and clear of all liens, claims, interests and encumbrances [D.I. 531] (the “Consignment Sale Motion”). On August 25, 2025, the Court entered an Order staying the Consignment Sale Motion until the Debtors obtained judgments against the relevant consignment vendors in adversary proceedings. *See* D.I. 781.

22. In response to this Order, and with the support of the DIP Lender, the Debtors filed over thirty complaints against various consignment vendors. Since filing these complaints, the Debtors have engaged in significant settlement negotiations with certain defendant consignment vendors and have participated in a mediation process, presided over by the Honorable Thomas J. Catliota (ret.), regarding, among other things, the issues raised by the adversary proceedings and by motions to compel assumption or rejection filed by the Ad Hoc Committee of Consignors and The Consignment Group in these cases. *See Order Assigning Matters to the Bankruptcy Dispute Resolution Program and Appointing Resolution Advocate* [D.I. 960]. While the Debtors and consignment parties continue to make meaningful progress regarding a resolution of the consignment issues, a global resolution has not yet been reached between the parties.

23. The Debtors’ post-sale closing efforts have enabled the Debtors to recover additional value for the Debtors’ estates and to continue their efforts to monetize assets for the benefit of their creditors. At this point in time, the Debtors’ remaining assets are comprised of claims and causes of action, as well as a disputed interest in the inventory subject to the Consignment Sale Motion. These litigations are ongoing and contested, and further time, effort and expense will be required to bring them to conclusion. The Debtors and DIP Lender have each determined that, at this point in time, and without ongoing funding for the Chapter 11, these litigations can most efficiently be pursued in Chapter 7. In order to facilitate an orderly transition

to that Chapter 7 proceeding, the DIP Lender, through the Eighth Stipulation, has agreed to provide funding to the Debtors so that certain of these transition expenses can be paid.

BASIS FOR RELIEF REQUESTED

24. As noted above, this Motion seeks two forms of relief: (i) approval of the Eighth Stipulation and (ii) conversion of these cases to chapter 7 as of the Conversion Date (i.e., 11:59 p.m. on the fifth (5th) business day after entry of the Proposed Order).

A. Approval of Eighth Stipulation

25. Court approval of the Eighth Stipulation is in the best interests of the Debtors' estates. As explained above, the back-and-forth sale process of substantially all of the Debtor's assets resulted in less sale proceeds than initially contemplated. This has left certain administrative claims unpaid. The DIP Lender has agreed to provide additional funding to the Debtors in accordance with the attached Approved Budget—to allow them to satisfy certain of these administrative claims prior to the conversion of the Debtors' cases to chapter 7, which will facilitate an orderly transition of these proceedings to Chapter 7.

26. Courts grant debtors considerable deference in exercising their sound business judgment in obtaining debtor-in-possession credit. *See, e.g., In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (“[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender.”); *In re Barbara K. Enters., Inc.*, No. 08-11474, 2008 WL 2439649, at *14 (Bankr. S.D.N.Y. June 16, 2008) (“[Courts generally] defer to a debtor’s own business judgment so long as a request for financing does not ‘leverage the bankruptcy process’ and unfairly cede control of the reorganization to one party in interest”) (internal citation omitted); *In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (“[C]ases consistently reflect that the court’s discretion under section 364 [of the Bankruptcy Code] is to be utilized on

grounds that permit [a debtor's] reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest").

27. Courts emphasize that the business judgment rule is not an onerous standard. Courts require only that the debtors "show that a sound business purpose justifies such actions." *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (citations omitted).

28. This Court has already found that the Debtors' entry into the DIP Credit Agreement was a sound exercise of the Debtors' business judgment. See Final DIP Order ¶ H ("Based on the Motion, the First Day Declaration, and the record presented to the Court at the Interim and Final Hearings, the terms of the DIP Credit Agreement, the DIP Order and the DIP Loan Documents are fair and reasonable, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration."); see also *id.* at ¶ L. This Court has further found that the Debtors have met the conditions necessary under section 364(d)(1) of the Bankruptcy Code to obtain postpetition financing on a senior secured and superpriority basis. See *id.* at ¶¶ F & K(ii).

29. Under the circumstances of these cases, approval of additional postpetition financing, through the Eighth Stipulation, is clearly in the best interests of the Debtors, in that it will allow the Debtors to facilitate an orderly transition and to further reduce certain unpaid administrative expenses prior to the conversion of these cases to chapter 7.

B. Conversion of Debtors' Chapter 11 Cases to Chapter 7 of the Bankruptcy Code

30. Section 1112(a) of the Bankruptcy Code governs the conversion of chapter 11 cases to cases under chapter 7 of the Bankruptcy Code. Specifically, section 1112(a) provides that:

- (a) The debtor may convert a case under this chapter to a case under chapter 7 of this title unless—

- (1) the debtor is not a debtor in possession;
- (2) the case originally was commenced as an involuntary case under this chapter; or
- (3) the case was converted to a case under this chapter other than on the debtor's request.

11 U.S.C. § 1112(a). Because subdivisions (1), (2) and (3) of section 1112(a) of the Bankruptcy Code are inapplicable here, the Debtors may convert these cases to cases under chapter 7 of the Bankruptcy Code as a matter of right. *See In re Dieckhaus Stationers of King of Prussia Inc.*, 73 B.R. 969, 971 (Bankr. E.D. Pa. 1987) (“[Section 1112(a)] by its terms gives the debtor an absolute right to convert, unless the case is governed by one of the enumerated exceptions.”); *In re Schuler*, 119 B.R. 191, 192 (Bankr. W.D. Mo. 1990) (same).

31. In the present case, conversion of these chapter 11 cases to cases under chapter 7, effective as of the proposed Conversion Date, is in the best interests of the Debtors' estates and creditors. As described above, there is no longer funding or sufficient liquidity to support the continuation of these cases in Chapter 11. The monetization of the pending litigation will need to take place in Chapter 7. Subject to this Court's approval, the DIP Lender is willing to provide a short extension and the further liquidity provided in the Approved Budget, so as to facilitate an orderly transition to Chapter 7. The conversion of these cases to chapter 7 and the appointment of a chapter 7 trustee is necessary and warranted. In order to facilitate the orderly transition to Chapter 7, the Debtors propose that the conversion become effective on the proposed Conversion Date—11:59 p.m. on the fifth (5th) business day after entry of the Proposed Order.

B. The Conversion Procedures and Other Related Relief Should Be Approved

32. The Debtors respectfully request that, in connection with the conversion of these chapter 11 cases, the Debtors' claims and noticing agent, Omni Agent Solutions, LLC (“Omni”), shall be relieved of any further obligations to provide services as claims and noticing agent. To

this end, the Debtors respectfully request that any Order approving this Motion also provide for the termination of Omni's services as claims and noticing agent in these chapter 11 cases.

33. The Debtors also believe that the Conversion Procedures are appropriate under the facts of these cases, consistent with the requirements of the Bankruptcy Rules, and should be approved. The Conversion Procedures include, among other things, a request to extend the deadline under Bankruptcy Rule 1019(e)(1)(A) for the filing of a schedule of any unpaid post-petition, pre-conversion debts from fourteen (14) days after the Conversion Date to thirty (30) days after the Conversion Date.

34. The Court has authority to grant the requested extension under Bankruptcy Rule 9006(b), which permits the Court to extend the deadline "for cause shown." *See* Fed. R. Bankr. P. 9006(b). Following conversion, the Debtors expect additional time may be necessary to complete the Debtors' post-conversion tasks given the size and complexity of these cases.

35. In addition to the above, the Debtors request that the Court stay all contested matters pending in these chapter 11 cases and all related adversary proceedings pending the qualification of a permanent trustee under section 702 of the Bankruptcy Code. Pursuant to section 105(a) of the Bankruptcy Code, "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a); see also *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936) ("[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigations"). Here, a temporary stay of all contested matters and adversary proceedings is necessary and appropriate to allow for the appointment of a chapter 7 trustee on a permanent basis and provide the trustee with an opportunity to familiarize him or herself with the disputes in these cases. Furthermore, the imposition of a temporary stay would

not prejudice the parties to the contested matters or defendants to the adversary proceedings. The adversary proceedings are in their early stages with discovery either not yet underway or having just started. A brief pause at this stage of the litigation would not prejudice the defendants.

NOTICE

36. Notice of this Motion will be given to the following parties, or, in lieu thereof, to their counsel: (i) the Office of the United States Trustee for the District of Maryland; (ii) the Committee; (iii) counsel to JPMorgan Chase Bank, N.A.; (iv) the United States Attorney for the District of Maryland; (v) the offices of the attorneys general for the states in which the Debtors operate; (vi) the Internal Revenue Service; (vii) the United States Attorney general; (viii) the civil process clerk for the United States Attorney for the District of Maryland; (ix) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (x) all creditors. In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary.

[Remainder of page left intentionally blank]

WHEREFORE, the Debtors respectfully request that this Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief sought herein and granting such other and further relief as may be just and proper.

Dated: December 12, 2025

SAUL EWING LLP

By: /s/ Jordan D. Rosenfeld

Jordan D. Rosenfeld (MD Bar No. 13694)
1001 Fleet Street, 9th Floor
Baltimore, MD 21202
Telephone: (410) 332-8600
Email: jordan.rosenfeld@saul.com

-and-

Jeffrey C. Hampton (admitted *pro hac vice*)
Adam H. Isenberg (admitted *pro hac vice*)
Turner N. Falk (admitted *pro hac vice*)
1735 Market Street, Suite 3400
Philadelphia, PA 19103
Telephone: (215) 972-7777
Email: jeffrey.hampton@saul.com
adam.isenberg@saul.com
turner.falk@saul.com

-and-

Mark Minuti (admitted *pro hac vice*)
Paige N. Topper (admitted *pro hac vice*)
Nicholas Smargiassi (admitted *pro hac vice*)
1201 N. Market Street, Suite 2300
Wilmington, DE 19801
Telephone: (302) 421-6800
Email: mark.minuti@saul.com
paige.topper@saul.com
nicholas.smargiassi@saul.com

Counsel for Debtors and Debtors in Possession

EXHIBIT A

(Proposed Order)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re

Diamond Comic Distributors, Inc., *et al.*,

Debtors.¹

Case No. 25-10308 (DER)

Chapter 11

(Jointly Administered)

Re: D.I.

**ORDER (I) APPROVING EIGHTH STIPULATION BETWEEN DEBTORS AND
JPMORGAN CHASE BANK, N.A., AMENDING DIP CREDIT AGREEMENT,
(II) CONVERTING CASES FROM CHAPTER 11 TO CHAPTER 7 OF THE
BANKRUPTCY CODE AS OF CONVERSION DATE, (III) APPROVING
CERTAIN CONVERSION PROCEDURES (IV) SETTING BAR DATE FOR
FILING FINAL CHAPTER 11 FEE APPLICATIONS AND ESTABLISHING A
HEARING THEREON, AND (V) GRANTING RELATED RELIEF**

Upon the Debtors' motion (the "Motion")² for the entry of an order (a) approving Eighth Stipulation between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement

¹ The Debtors in these chapter 11 cases along with the last four digits of the Debtors' federal tax identification numbers are: Diamond Comic Distributors, Inc. (3450); Comic Holdings, Inc. (7457); Comic Exporters, Inc. (7458); and Diamond Select Toys & Collectibles, LLC (6585). The Debtors' mailing address is: 10150 York Road, Suite 300, Hunt Valley, Maryland 21030.

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

and (b) (i) converting cases from chapter 11 to chapter 7 of the Bankruptcy Code as of the Conversion Date, (ii) approving certain conversion procedures, (iii) setting bar date for filing final chapter 11 fee applications and establishing a hearing thereon, and (iv) granting related relief; and it appearing that the relief sought in the Motion and the entry of this Order is appropriate; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. § 1334; and it appearing that venue of these cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is reasonable and in the best interests of the Debtors, their estates, their creditors and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as provided herein.
2. The Eighth Stipulation, as attached hereby as Exhibit 1, is approved. Subject to the modifications provided for and authorized by this Order, the Eighth Stipulation and the DIP Credit Agreement Amendment, the Final DIP Order and DIP Credit Agreement remain in full force and effect in accordance with their terms. The Debtors and DIP Lender are authorized to enter into, perform, and consummate the transactions set forth in and contemplated under the Eighth Stipulation. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon its entry. The Debtors and DIP Lender are authorized to take all actions that are necessary and appropriate to effectuate the relief granted in this Order.

3. Effective as of 11:59 p.m. on the fifth (5th) business day after the entry of this Order (the “Conversion Date”), pursuant to section 1112(a) of the Bankruptcy Code, the Debtors’ chapter 11 cases shall be deemed to have been converted to cases under chapter 7 of the Bankruptcy Code.

4. The following Conversion Procedures are hereby approved:

- (a) **Books and Records.** As soon as reasonably practicable, but in no event more than fourteen (14) days after the appointment of the chapter 7 trustee, the Debtors shall turn over or provide access to the chapter 7 trustee the books and records of the Debtors in the Debtors’ possession and control, as required by Bankruptcy Rule 1019. For purposes hereof, the Debtors may provide copies (including electronic copies) of such books and records to the chapter 7 trustee, or instructions for locating and accessing such books and records, and may retain copies of such books and records to the extent necessary to complete the reports required herein.
- (b) **Schedule of Unpaid Debts.** Within thirty (30) days of the Conversion Date, the Debtors shall file a schedule of unpaid debts incurred after commencement of the Debtors’ Chapter 11 Cases, including the name and address of each creditor, as required by Bankruptcy Rule 1019 (as modified herein).
- (c) **Final Report.** Within thirty (30) days after the Conversion Date, the Debtors shall file and transmit to the chapter 7 trustee a final report and account in accordance with Bankruptcy Rule 1019.
- (d) **Claims.** Within fourteen (14) days of the Conversion Date, Omni shall (i) forward to the Clerk of this Court an electronic version of all imaged claims; (ii) upload the consolidated creditor mailing list into CM/ECF and file the consolidated matrix in each jointly administered case in lieu of a separate matrix for each Debtor; and (iii) docket a final claims register in the Debtors’ chapter 11 cases.
- (e) **Professional Fees.** Professionals shall submit Final Fee Applications in accordance with the Bankruptcy Code, Bankruptcy Rules, Local Bankruptcy Rules, and orders of this Court by no later than thirty (30) days after the Conversion Date (the “Final Fee Application Deadline”). Objections, if any, to the Final Fee Applications shall be filed and served by no later than fourteen (14) days after the Final Fee Application Deadline. A hearing to consider all timely filed Final Fee Applications, if needed, shall be held on [____], 2025 at [__]:[__] a.m. (ET).

5. Subject to its compliance with the foregoing, on the Conversion Date, Omni shall be relieved of its responsibilities as the Debtors' claims and noticing agent in these chapter 11 cases and will have no further obligations to the Court, the Debtors, the interim or permanent chapter 7 trustee (once appointed), or any party in interest with respect to the Debtors' chapter 11 cases or the chapter 7 cases.

6. Effective upon the date of this Order, pending the qualification of a permanent trustee under section 702 of the Bankruptcy Code, all contested matters and adversary proceedings in the Debtors' bankruptcy cases are stayed unless otherwise ordered by this Court.

7. Nothing in paragraphs 3-8 of this Order or the conversion of these chapter 11 cases to cases under chapter 7 of the Bankruptcy Code shall affect or modify the terms of the Final DIP Order, prejudice any person or entity's rights thereunder or relieve any person or entity of obligations thereunder. All rights, claims, remedies, defenses and obligations under and in connection with the Final DIP Order shall be reserved and preserved in their entirety.

8. The Court shall retain jurisdiction over disputes pertaining to this Order.

END OF ORDER

Exhibit 1

Eighth Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re

Diamond Comic Distributors, Inc., *et al.*,

Debtors.¹

Case No. 25-10308 (DER)

Chapter 11

(Jointly Administered)

**EIGHTH STIPULATION BETWEEN DEBTORS AND JPMORGAN CHASE
BANK, N.A., AMENDING DIP CREDIT AGREEMENT**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) and JPMorgan Chase Bank, N.A. (the “DIP Lender”, and together with the Debtors, the “Parties”), hereby stipulate and agree (this “Eighth Stipulation”) as follows:

WHEREAS, on January 14, 2025, the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Maryland (the “Bankruptcy Court”) and, since filing their petitions for relief, have continued to manage their businesses and assets as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, on February 19, 2025, the Bankruptcy Court entered its *Final Order (I) Authorizing the Debtors to Obtain Postpetition Senior Secured Financing and the Use of Cash Collateral; (II) Granting Adequate Protection; (III) Granting Liens and Superpriority Administrative Expense Claims; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief*[D.I. 163] (the “Final DIP Order”) pursuant to which, among other things, the Debtors were

¹ The Debtors in these chapter 11 cases along with the last four digits of the Debtors’ federal tax identification numbers are: Diamond Comic Distributors, Inc. (3450); Comic Holdings, Inc. (7457); Comic Exporters, Inc. (7458); and Diamond Select Toys & Collectibles, LLC (6585). The Debtors’ mailing address is: 10150 York Road, Suite 300, Hunt Valley, Maryland 21030.

granted authority to obtain senior secured postpetition financing pursuant to the terms and conditions of the Final DIP Order and that certain senior secured Debtor-in-Possession Credit Agreement, dated as of January 16, 2025 (as amended from time to time, the “DIP Credit Agreement”).

WHEREAS, on March 19, 2025, the Bankruptcy Court entered the Order Approving Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement, on April 17, 2025, the Bankruptcy Court entered the Order Approving Second Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement, on May 1, 2025, the Bankruptcy Court entered the Order Approving Third Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement, on May 30, 2025, the Bankruptcy Court entered the Order Approving Fourth Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement, on July 3, 2025, the Bankruptcy Court entered the Order Approving Fifth Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement, on August 27, 2025, the Bankruptcy Court entered the Order Approving Sixth Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement, and on October 23, 2025, the Bankruptcy Court entered the Order Approving Seventh Stipulation Between Debtors and JPMorgan Chase Bank, N.A., Amending DIP Credit Agreement.

WHEREAS, the Debtors have requested, among other things, a further extension of the Maturity Date under the DIP Credit Agreement and Final DIP Order and limited and specified additional funding to bridge the Debtors’ chapter 11 cases to conversion to cases under chapter 7 of the Bankruptcy Code.

WHEREAS, the DIP Lender is prepared to (i) consent to a short further extension of the Maturity Date to the date that the Debtors’ chapter 11 cases convert to cases under chapter 7 (the

“Conversion Date”), (ii) to provide limited and specified additional funding in accordance with the DIP Credit Agreement Amendment for payment of specified administrative expenses before the Conversion Date, and (iii) amend, among other things, the definitions of Maturity Date and Maximum DIP Facility Amount under the DIP Credit Agreement and Final DIP Order—all in accordance with and subject to the terms of the DIP Credit Agreement Amendment (as defined below) and the terms and conditions of this Eighth Stipulation and the approval of the Bankruptcy Court.

NOW, THEREFORE, subject to the approval of the Bankruptcy Court, the Parties hereby stipulate and agree as follows

1. The Parties shall enter into an amendment (the “DIP Credit Agreement Amendment”) to the DIP Credit Agreement in the form of Exhibit A attached hereto, providing for, among other things, amended definitions of Maturity Date and Maximum DIP Facility Amount under the DIP Credit Agreement and Final DIP Order. The Parties shall file the executed DIP Credit Agreement Amendment on the docket in these cases.

2. The DIP Credit Agreement Amendment and the Debtors’ related rights to borrow shall be deemed authorized and approved pursuant to section 364 of the Bankruptcy Code effective upon the Bankruptcy Court’s entry of the Stipulation Order.

3. Subject to the modifications provided for and authorized by the Stipulation Order, this Eighth Stipulation and the DIP Credit Agreement Amendment, the Final Order and DIP Credit Agreement remain in full force and effect in accordance with their terms, and the Debtors reaffirm and ratify all of such terms.

4. Each Party is duly authorized and empowered to execute this Eighth Stipulation.

5. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Eighth Stipulation or the Stipulation Order.

6. All of the recitals set forth above are incorporated by reference as if fully set forth herein. This Eighth Stipulation constitutes the complete express agreement of the Parties concerning the subject matter hereof.

7. Each Party has participated in and jointly consented to the drafting of this Eighth Stipulation and any claimed ambiguity shall not be construed for or against either Party on account of such drafting.

SAUL EWING LLP

Jordan D. Rosenfeld

Jordan D. Rosenfeld (MD Bar No. 13694)
1001 Fleet Street, 9th Floor
Baltimore, MD 21202
Telephone: (410) 332-8600
Email: jordan.rosenfeld@saul.com

-and-

Jeffrey C. Hampton (admitted *pro hac vice*)
Adam H. Isenberg (admitted *pro hac vice*)
Turner N. Falk (admitted *pro hac vice*)
1735 Market Street, Suite 3400
Philadelphia, PA 19103
Telephone: (215) 972-7777
Email: jeffrey.hampton@saul.com
adam.isenberg@saul.com
turner.falk@saul.com

-and-

Mark Minuti (admitted *pro hac vice*)
Paige N. Topper (admitted *pro hac vice*)
Nicholas Smargiassi (admitted *pro hac vice*)
1201 N. Market Street, Suite 2300
Wilmington, DE 19801
Telephone: (302) 421-6800
Email: mark.minuti@saul.com
paige.topper@saul.com
nicholas.smargiassi@saul.com

Counsel for Debtors and Debtors in Possession

TROUTMAN PEPPER LOCKE LLP

Jonathan W. Young

Toyja E. Kelley
Indira K. Sharma
Jonathan W. Young
401 9th Street, N.W., Suite 1000
Washington, D.C. 20004
Tel: (202) 274-2950
Email: Toyja.Kelley@troutman.com
Indira.Sharma@troutman.com
Jonathan.Young@troutman.com

-and-

David L. Ruediger
111 Huntington Avenue
Boston, MA 02199
Tel: (617) 239-0100
Email: David.Ruediger@troutman.com

Counsel for JPMorgan Chase Bank, N.A.

EXHIBIT A

Tenth Amendment to DIP Credit Agreement

TENTH AMENDMENT TO DEBTOR-IN-POSSESSION CREDIT AGREEMENT

This TENTH AMENDMENT TO DEBTOR-IN-POSSESSION CREDIT AGREEMENT, dated as of October 23, 2025 (this “Amendment”), is by and among debtor-in possession DIAMOND COMIC DISTRIBUTORS, INC., a Maryland corporation (“Diamond”) as the “Borrower” (in such capacity, the “Borrower”), the other Loan Parties from time to time party to the DIP Credit Agreement referenced below, Stephen A. Geppi (the “Individual Guarantor”), and JPMORGAN CHASE BANK, N.A., as the “DIP Lender” (in such capacity, the “DIP Lender”).

WHEREAS, reference is made to the Debtor-in-Possession Credit Agreement dated as of January 16, 2025 (as amended by that certain First Amendment to Debtor-in-Possession Credit Agreement, dated as of February 11, 2025, that certain Second Amendment to Debtor-in-Possession Credit Agreement dated as of February 25, 2025, that certain Third Amendment to Debtor-in-Possession Credit Agreement dated as of March 19, 2025, that certain Fourth Amendment to Debtor-in-Possession Credit Agreement, dated as of April 22, 2025, that certain Fifth Amendment to Debtor-in-Possession Credit Agreement dated as of April 30, 2025, that certain Sixth Amendment to Debtor-in-Possession Credit Agreement dated as of May 30, 2025, that certain Seventh Amendment to Debtor-in-Possession Credit Agreement dated as of June 30, 2025, that certain Eighth Amendment to Debtor-in-Possession Credit Agreement dated as of August 29, 2025, and that certain Ninth Amendment to Debtor-in-Possession Credit Agreement dated as of October 23, 2025, the “DIP Credit Agreement”) by and among the Borrower, the other Loan Parties that are parties to the DIP Credit Agreement, the Individual Guarantor and the DIP Lender;

WHEREAS, capitalized terms used herein without definition shall have the meanings ascribed to such terms in the DIP Credit Agreement, as amended by this Amendment, as applicable; and

WHEREAS, the parties to the DIP Credit Agreement desire to amend certain provisions of the DIP Credit Agreement, all as more fully set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the agreements contained herein, the parties hereby agree as follows:

1. Amendments to the DIP Credit Agreement. In reliance on the terms and conditions set forth in this Amendment, the DIP Lender hereby agrees with the Borrower, the other Loan Parties and the Individual Guarantor that the Definitions Schedule to the DIP Credit Agreement be, and it hereby is, amended as follows:

(a) Amendments to Definitions Schedule. The Definitions Schedule to the DIP Credit Agreement is hereby amended by amending and restating the defined terms “Maturity Date” and “Maximum DIP Facility Amount” to read as follows (with deleted text shown in the same manner as the following example: ~~deleted text~~ and with added text shown in the same manner as the following example: added text):

“Maturity Date” means, at the election of the DIP Lender, the earliest to occur of: (a) ~~the date on which the DIP Lender provides, via electronic or overnight mail, written notice to counsel for the Debtors and counsel for any Committee of the occurrence and continuance of an Event of Default; (b) the effective date of an Approved Plan; (c) the filing of any chapter 11 plan other than an Approved Plan by the Debtors or any party in interest; unless such plan contemplates the indefeasible payment in full in cash of the Aggregate Credit Obligations; (d) the date that the Bankruptcy Court orders (x)~~ the conversion of the Chapter 11 Cases

to Chapter 7 liquidations, or (b) ~~a dismissal of the Chapter 11 Cases; or (e) October 3, 2025 November 15, 2025 December 29, 2025.~~

“Maximum DIP Facility Amount” means \$6,500,000 ~~(a) during the period from (x) the date that the Bankruptcy Court in the Chapter 11 Cases shall have approved the amendments to the DIP Credit Agreement contemplated by this Amendment through (y) November 14, 2025 (the “Applicable Period”), \$5,850,000; provided that, the DIP Lender, in its sole and absolute discretion, may agree to permit the Maximum DIP Facility Amount at any time during the Applicable Period to be increased to an amount not to exceed \$6,435,000 (without any requirement for further approval of the Bankruptcy Court in the Chapter 11 Cases), and (b) at all times from and after November 14, 2025, \$0, the applicable amounts set forth below during the applicable periods set forth below:~~

Applicable Period	Maximum DIP Facility Amount
~~August 23, 2025 through the date of consummation of the sale of the shares of DCDUK~~	~~\$7,550,000~~
~~The date of consummation of the sale of the shares of DCDUK through August 30, 2025~~	~~\$6,150,000~~
~~August 31, 2025 through September 6, 2025~~	~~\$5,700,000~~
~~September 7, 2025 through September 27, 2025~~	~~\$5,850,000~~
~~September 28, 2025 through October 3, 2025~~	~~\$3,850,000~~
~~From and after October 4, 2025~~	~~\$0~~

2. Approved Budget; Variance Reports. The updated Approved Budget attached as **Exhibit A** to this Amendment is hereby approved by the DIP Lender and shall constitute the “Approved Budget” for purposes of the DIP Credit Agreement and the Financing Order as in effect on the date of this Amendment and shall remain in effect ~~through and including the Maturity Date. until such time as further updated Budgets have been delivered to, and approved by, the DIP Lender, as provided in the Reporting Schedule to the DIP Credit Agreement.~~ On or before the 3rd day following the Maturity Date ~~close of business on Tuesday of each week~~, the Debtors shall provide to the DIP Lender ~~(i) a variance report showing actual sources and uses of cash and the actual DIP beginning and ending balances for the period through and including the Maturity Date such week, as compared to the amounts shown for such period week in the Approved Budget, together with such related information as reasonably requested by the DIP Lender, and (ii) updated projections of sources and uses of cash and DIP beginning and ending balances for each of the following weeks through the Maturity Date.~~ The Debtors shall not be entitled to borrow or spend the amounts reflected in the Approved Budget or to make any other borrowings under the DIP Credit Agreement following the occurrence of the Maturity Date.

3. Continuing Lien on Residual Assets. Pursuant to the DIP Loan Documents and the Financing Order, at all times prior to and after the Maturity Date, the DIP Obligations shall continue to be secured by first priority liens on all assets of the Debtors and the other Loan Parties (other than those assets sold by the Debtors with the consent of the DIP Lender), including, without limitation, all of the Debtors’ rights and interests in and to any holdback or escrow amounts, incentive fee payments or other contingent consideration that may from time to time be due and owing to the Debtors arising out of or relating to the

Sale Transaction, the Debtors' interests in any funds deposited by any Persons pursuant to the Bidding Procedures, the Debtors' claims against any Persons arising out of or relating to the Bidding Procedures or the Sale Transaction, any and all Avoidance Actions, and all other rights, claims and interests of the Debtors in and to any other assets of the Debtors or the other Loan Parties. Any and all amounts collected by the Debtors shall continue to be remitted to the Lender and used to pay down the balance owing under the DIP Credit Agreement.

4. Representations and Warranties, Etc. The Loan Parties hereby confirm that after giving effect to this Amendment, the representations and warranties of the Loan Parties set forth in Article III of the DIP Credit Agreement are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation or warranty shall be true and correct in all respects) on and as of the date of this Amendment as if made on such date (except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date).

5. Ratification, Confirmation and Acknowledgment. The Borrower, the other Loan Parties, and the Individual Guarantor hereby ratify and confirm all terms and provisions of the DIP Credit Agreement and the other Loan Documents and agree that all such terms and provisions, as amended hereby, remain in full force and effect.

6. Certain Conditions to this Amendment. This Amendment shall become effective on the date on which each of the following conditions is satisfied:

(a) The DIP Lender shall have received (i) a counterpart of this Amendment signed on behalf of each party hereto or (ii) written evidence satisfactory to the DIP Lender (which may include telecopy or electronic mail transmission of a signed signature page to this Amendment) that each party hereto has signed a counterpart of this Amendment; and

(b) The Bankruptcy Court in the Chapter 11 Cases shall have approved the amendments to the DIP Credit Agreement contemplated by this Amendment, including the Approved Budget and the extension of the Maturity Date of the DIP Credit Facility set forth herein.

7. Covenant Regarding Use of Cash Collateral and Proceeds of Additional Loans under the DIP Credit Agreement. The Borrower and the other Loan Parties covenant and agree that they will use Cash Collateral, and the proceeds of all additional Loans funded under the DIP Credit Agreement, solely to fund those expenses identified in the Approved Budget in the amounts and during the weekly periods set forth in the Approved Budget. ~~On the date that the Prepetition Letter of Credit has been returned to the DIP Lender and the cancellation thereof has become effective (the "Prepetition Letter of Credit Cancellation Date"):~~ (a) ~~the DIP Lender shall release from the LC and Commercial Card Collateral Account and apply to the prepayment of the outstanding Loans owing under the DIP Credit Agreement (i) \$1,050,000 of cash securing the Prepetition Letter of Credit and (ii) \$50,000 of cash securing credit card exposure that has been terminated;~~ (b) ~~the Borrower shall borrow a Loan under the DIP Credit Agreement in the amount of \$300,000 to fund an escrow to be established by the Debtors for the benefit of certain consignment creditors that have agreed to participate in the global mediation to be held in the last week of October 2025 (the "Consignors Administrative Claim Escrow");~~ and (c) ~~the Borrower shall be permitted to borrow additional Loans under the DIP Credit Agreement from time to time after the funding of the Consignors Administrative Claim Escrow, and to use the proceeds of such additional Loans to fund the expenditures described in the Approved Budget in the amounts and during the weekly periods set forth in the Approved Budget; provided that, after giving effect to the borrowing of the Loan to fund the Consignors Administrative Claims Escrow and the borrowing of any and all additional Loans under the DIP Credit Agreement to fund expenditures described in the Approved Budget, the aggregate principal amount of all~~

~~Loans outstanding under the DIP Credit Agreement shall not exceed the Maximum DIP Facility Amount. In the event that any of the Loan Parties recover or collect additional assets and revenue beyond those reflected in the Approved Budget (the “Additional Recoveries”), those Additional Recoveries shall be subject to all of the rights, claims and liens provided in the DIP Credit Agreement, the Loan Documents and the Financing Order. Further disposition of those Additional Recoveries will be subject to the agreement of the Debtors and DIP Lender and, to the extent required, further order of the Bankruptcy Court.~~

~~8. Further Condition to the Funding of Additional Loans under the DIP Credit Agreement. Unless otherwise waived by the DIP Lender in its sole and absolute discretion, the DIP Lender shall have no obligation to fund the Loan to establish the Consignors Administrative Claim Escrow or any other additional Loans under the DIP Credit Agreement from and after the date of this Amendment (a) if the beneficiary of the Prepetition Letter of Credit shall draw upon the Prepetition Letter of Credit, (b) if the Prepetition Letter of Credit shall not have been returned to the DIP Lender for cancellation on or prior to October 24, 2025, or (c) unless each of Debtors, the Official Committee of Unsecured Creditors and their respective professionals (the “Professionals”) shall have acknowledged and agreed, and the Bankruptcy Court in the Chapter 11 Cases shall have found and declared that: (i) pursuant to Section 16(e) of the Financing Order, the DIP Lender has no further obligation to make Loans under the DIP Credit Agreement or otherwise advance funds to pay any Professional Fees (as such term is defined in the Financing Order) or to reimburse any fees, expenses or other amounts owing to the Professionals, or to fund the Carve Out Reserve Account (as defined in the Financing Order), whether pursuant to the Carve Out, the delivery of the Carve Out Notice or the occurrence of the Carve Out Effective Date (as such terms are defined in the Financing Order) or otherwise; and (ii) any obligation under Section 16(b) of the Financing Order to replenish the Carve Out Reserve Account following the delivery of the Carve Out Notice or the occurrence of the Carve Out Effective Date shall be an obligation of the Debtors and their estates only, and not an obligation of any kind whatsoever of the DIP Lender.~~

9. Miscellaneous.

(a) Except as otherwise expressly set forth herein, nothing herein shall be deemed to constitute an amendment, modification or waiver of any of the provisions of the DIP Credit Agreement or the other DIP Loan Documents, all of which remain in full force and effect as of the date hereof and are hereby ratified and confirmed.

(b) This Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all counterparts shall together constitute one instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or electronic mail shall be equally effective as delivery of a manually executed counterpart of this Amendment.

(c) This Amendment shall be governed by the laws of the State of New York and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(d) This Amendment constitutes a “DIP Loan Document” as such term is defined in the DIP Credit Agreement.

(e) The Borrower agrees to pay all reasonable and documented out-of-pocket expenses (including the reasonable legal fees and disbursements of Troutman Pepper Locke LLP, special US counsel to the DIP Lender), incurred by the DIP Lender in connection with this Amendment and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Ninth Amendment to Debtor-in-Possession Credit Agreement, which shall be deemed to be a sealed instrument as of the date first above written.

BORROWER:

DIAMOND COMIC DISTRIBUTORS, INC.

By: _____
Name:
Title:

OTHER LOAN PARTIES:

COMIC EXPORTERS, INC.

By: _____
Name:
Title:

COMIC HOLDINGS, INC.

By: _____
Name:
Title:

DIAMOND SELECT TOYS AND COLLECTIBLES, LLC

By: _____
Name:
Title:

ROSEBUD ENTERTAINMENT, LLC

By: _____
Name: _____
Title: _____

RENEGADE GAMES, LLC

By: _____
Name: _____
Title: _____

GAME CONSOLIDATORS, LLC

By: _____
Name: _____
Title: _____

INDIVIDUAL GUARANTOR:

Stephen A. Geppi, individually

DIP LENDER:

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

Exhibit A

Approved Budget

[See Attached]

Case Transition Budget	Amount
Claims Agent - Omni (Agent of the Court)	(36,508)
Claims Agent - Omni (Noticing of Conversion)	(10,000)
Employee Insurance Claims	(1,250)
KEIP/KERP	(193,250)
Professional Fees - Committee Catch Up	(30,000)
Professional Fees - Debtor Catch Up	(150,000)
Post Termination Carve Out	(225,000)
Sales Tax & Preparation Fees	(20,000)
Nov Storage Fees - Consignment	(128,286)
Total Expenses	(794,294)
Beginning Cash Balance	296,649
Use of Cash	(794,294)
Ending Cash Balance	(497,645)

**Sparkle Pop incentive Payment due 12/17/2025 - not factored into Adjusted Ending Balance