

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

In re

Smallhold, Inc.

Debtor.¹

Chapter 11

Case No. 24-10267 (CTG)

Re: D.I. 34

**INTERIM ORDER AUTHORIZING THE PAYMENT OF CERTAIN PREPETITION
SHIPPERS CLAIM[S] AND GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion”)² of the above-captioned debtor and debtor in possession (the “Debtor”) for entry of an interim order (this “Interim Order”) and final order pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004 and Local Rule 9013-1(m): (i) authorizing, but not directing, the Debtor to pay certain prepetition claims of shippers, (ii) authorizing banks and financial institutions to receive, process, honor, and pay all checks and electronic funds transfers related thereto, and (iii) granting related relief, all as more fully described in the Motion; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be provided under the circumstances; and it appearing that the relief requested by this Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

¹ The last four digits of the Debtor’s federal tax identification number are 8880. The Debtor’s mailing is 285 Nostrand Avenue #1066, Brooklyn, NY 11216.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.

1. Until such time as a final order is entered, the Debtor is authorized, but not directed, to pay as it deems in its business judgment to be necessary and appropriate up to \$150,000.00 in prepetition claims of Shippers.

2. If any entity accepts payment from the Debtor on account of a prepetition claim authorized under this Interim Order and thereafter does not continue to provide services to the Debtor on the Historical Trade Terms, then the Debtor is authorized, in its discretion and without further order of the Court, (i) to declare that any payments made on account of such prepetition claim be deemed to have been in payment of any then-outstanding (or subsequently accruing) undisputed postpetition claims of such party and (ii) to recover any payment made to such party on account of its prepetition claim to the extent such payment exceeded the undisputed postpetition claims of such party, without giving effect to any Released Rights and Interests; *provided, however*, that upon recovery of any such payments by the Debtor, the applicable portion of the prepetition claim shall be reinstated as a prepetition claim in the amount recovered by the Debtor, subject to the terms, releases and waivers set forth in the Claimant Letter.

3. The Banks are authorized and directed to receive, process, honor and pay any prepetition and postpetition check and fund transfers on account of prepetition claims of Shippers that had not been honored and paid as of the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtor shall be and hereby is authorized to issue new postpetition checks or effect new postpetition fund transfers on account of such claims to replace any prepetition checks or fund transfer requests that may be dishonored or rejected.

4. The Debtor is authorized to issue in its sole discretion new postpetition checks or effect new postpetition fund transfers to pay the prepetition claims of Shippers to replace any prepetition check or fund transfer requests that may be dishonored or rejected.

5. Nothing in the Motion or in this Interim Order is intended or should be construed as (a) an admission as to the validity or priority of any claim against the Debtor, (b) a waiver of the Debtor's rights to dispute any claim, including the validity or priority thereof, or (c) an approval or assumption of any agreement, contract or lease whether under section 365(a) of the Bankruptcy Code or otherwise. Likewise, any payment made pursuant to this Interim Order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtor's right to subsequently dispute such claim.

6. The Debtor is authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Interim Order.

7. Responses or objections to the Motion and entry of a final order with respect to the Motion must: (i) be made in writing; (ii) state with particularity the grounds therefor; (iii) conform to the Bankruptcy Rules and the Local Rules; and (iv) be served upon (a) proposed counsel to the Debtor, Pashman Stein Walder Hayden, P.C., 1007 North Orange Street, 4th Floor, Suite #183, Wilmington, Delaware, 19899-1347, Attn: Joseph C. Barsalona II (jbarsalona@pashmanstein.com), Amy M. Oden (aoden@pashmanstein.com), and Edward A. Cho-O'Leary (echo-oleary@pashmanstein.com), (b) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Joseph F. Cudia (Joseph.Cudia@usdoj.gov), and (c) the Subchapter V Trustee, Jami Nimeroff, Esq., Brown McGarry Nimeroff LLC, 919 Market Street, Suite 420, Wilmington, Delaware, 19801 (jnimeroff@bmnlawyers.com) (the "Notice Parties").

8. The deadline by which objections to the Motion and the final order must be filed and received by the Notice Parties is March 12, 2024 at 4:00 p.m. (prevailing Eastern Time). A final hearing, if required, on the Motion will be held on March 19, 2024 at 3:30 p.m. (prevailing Eastern Time). If no objections are filed to the Motion and entry of this Interim Order on a final basis, the Court may enter a final order without further notice or a hearing.

9. The requirements of Bankruptcy Rule 6003 are satisfied and the relief requested herein is necessary to avoid immediate and irreparable harm.

10. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon entry hereof.

11. This Court shall retain jurisdiction with respect to all matters related to the interpretation or implementation of this Interim Order.



Dated: February 28th, 2024
Wilmington, Delaware

CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE