



IT IS ORDERED as set forth below:

Date: September 8, 2025

**Sage M. Sigler
U.S. Bankruptcy Court Judge**

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:

WELLMADE FLOOR COVERINGS
INTERNATIONAL, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-58764

(Jointly Administered)

Re: Docket No. 107

**ORDER (I) AUTHORIZING THE RETENTION AND
EMPLOYMENT OF HILCO CORPORATE FINANCE, LLC
AS INVESTMENT BANKER TO THE DEBTORS
AND DEBTORS IN POSSESSION PURSUANT TO 11 U.S.C. §§ 327(a)
AND 328(a), EFFECTIVE AS OF THE PETITION DATE;
(II) MODIFYING TIME-KEEPING REQUIREMENTS; AND
(III) GRANTING RELATED RELIEF, SUBJECT TO OBJECTION**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Wellmade Industries MFR. N.A LLC (1058) and Wellmade Floor Coverings International, Inc. (8425). The mailing address for the Debtors for purposes of these chapter 11 cases is: 1 Wellmade Drive, Cartersville, GA 30121.

This matter is before the Court on the *Application of the Debtors and Debtors in Possession for Entry of an Order (i) Authorizing the Retention and Employment of Hilco Corporate Finance, LLC as Investment Banker to the Debtors and Debtors in Possession Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Effective as of the Petition Date; (ii) Modifying Time-Keeping Requirements; and (iii) Granting Related Relief* (the “Application”).² No hearing is necessary on the Application absent the filing of a timely objection to it. Pursuant to a certificate of service filed with the Application and in accordance with the Complex Case Procedures, the Application has been served on (a) the Office of the United States Trustee for the Northern District of Georgia; (b) the Debtors’ thirty (30) largest unsecured creditors; (c) counsel to the Debtors’ prepetition lender; (d) counsel to the Debtors’ postpetition secured lender; (e) the Internal Revenue Service; (f) the Office of the United States Attorney for the Northern District of Georgia; (g) all parties that have filed a notice of appearance and request for service of papers pursuant to Rule 2002 of the Bankruptcy Rules; (h) the U.S. Department of Justice; and (i) the offices of the attorneys general for the states in which the Debtors operate. No further service of the Application is necessary.

The Application and accompanying *Declaration of Teri Stratton, Senior Managing Director and National Practice Leader for Restructuring and Special Situations at HCF* (the “Stratton Declaration”) demonstrate preliminarily that (a) Hilco Corporate Finance, LLC (“HCF”) does not hold or represent an interest adverse to the Debtors’ estates and (b) HCF is a “disinterested person” as defined in section 101(14) of the Bankruptcy Code.

Accordingly, it is HEREBY ORDERED THAT:

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

1. Pursuant to 11 U.S.C. § 327 and Federal Rule of Bankruptcy Procedure 2014, the Application is GRANTED subject to objection as provided for herein and the terms of the Engagement Letter are approved in all respects except as limited or modified herein.

2. Pursuant to sections 327(a) and 328 of the Bankruptcy Code, Rules 2014 and 2016 of the Bankruptcy Rules, the Local Bankruptcy Rules, and the Complex Case Procedures, the Debtors are authorized to retain and employ HCF as their investment banker in these Chapter 11 Cases, effective as of the Petition Date, pursuant to the terms and subject to the conditions set forth in the Engagement Letter attached to the Application as **Exhibit B**, as modified by this Order.

3. Except to the extent set forth herein, the Engagement Letter (together with all annexes thereto), including without limitation the Fee and Expense Structure, are approved pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, and the Debtors are authorized to perform their payment, reimbursement, contribution, and indemnification obligations and their non-monetary obligations in accordance with the terms and conditions of, and at the times specified in, the Engagement Letter. The payment of all fees and reimbursement of all expenses pursuant to the Engagement Letter shall be free and clear of all liens, claims, and encumbrances. Subject to Paragraph 4 of this Order, all compensation and reimbursement of expenses payable under the Engagement Letter shall be subject to review only pursuant to the standards set forth in section 328(a) of the Bankruptcy Code and shall not be subject to any other standard of review including, but not limited to, that set forth in section 330 of the Bankruptcy Code.

4. HCF shall file a final fee application for allowance of compensation and reimbursement of expenses pursuant to and in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rules, Local Bankruptcy Rules, and Complex Case Procedures as may then be applicable, and any other applicable orders and procedures of this

Court; *provided, however*, that HCF shall be compensated and reimbursed pursuant to section 328(a) of the Bankruptcy Code and that HCF's fees and expenses shall not be evaluated under the standard set forth in section 330 of the Bankruptcy Code, except that, notwithstanding any provisions to the contrary in this Order, the Application or any of its attachments, the U.S. Trustee shall retain all rights and be entitled to object to HCF's request(s) for fees and reimbursement of expenses under the standards provided in sections 330 and 331 of the Bankruptcy Code; *provided* that reasonableness for this purpose shall include, among other things, an evaluation by comparing the fees payable in these Chapter 11 Cases to the fees paid to other investment banking firms for comparable services in other chapter 11 cases and outside of chapter 11 cases, and shall not be evaluated primarily on the basis of time committed or the length of these Chapter 11 Cases.

5. In the event that, during the pendency of these Chapter 11 Cases, HCF requests reimbursement for any attorneys' fees and/or expenses, the invoices and supporting time records from such attorneys shall be included in HCF's own fee applications (which invoices and supporting time records may be redacted for confidential and/or privileged information) and such invoices and time records shall be subject to approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code, without regard to whether such attorney has been retained under section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code. Notwithstanding the foregoing, HCF shall only be reimbursed for any legal fees incurred in connection with these cases to the extent permitted under applicable law and the decisions of the Court.

6. Notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, Local Bankruptcy Rules, the Complex Case Procedures, any order of this Court, or any guidelines established by the U.S. Trustee regarding submission and approval of fee applications,

HCF and its professionals shall be excused from: (i) the requirement to maintain or provide detailed time records for services rendered postpetition; (ii) providing or conforming to any schedule of hourly rates; and (iii) keeping time records on a project category basis. HCF professionals shall be required to only maintain summary time records in half-hour increments describing each professional's tasks on a daily basis, including reasonably detailed descriptions of those services and the individuals who provided those services and shall not be required to keep time records on a "project category" basis. HCF's non-investment banking professionals and personnel in administrative departments shall not be required to maintain any time records

7. The indemnification, contribution, and reimbursement provisions included in Annex 2 to the Engagement Letter are approved, subject to the following modifications, applicable during the pendency of these chapter 11 cases:

- (a) subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and to provide contribution and reimbursement to, and shall indemnify, and provide contribution and reimbursement to, the Indemnified Persons (as defined in the Engagement Letter) in accordance with the Engagement Letter for any claim arising from, related to, or in connection with the services provided for in the Engagement Letter;
- (b) notwithstanding subparagraph (a) above or any provisions of the Engagement Letter to the contrary, the Debtors shall have no obligation to indemnify an Indemnified Person or provide contribution or reimbursement to an Indemnified Person (i) for any claim or expense that is judicially determined (the determination having become final) to have arisen from such Indemnified Person's bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct, (ii) for a contractual dispute in which the Debtors allege the breach of HCF's contractual obligations if the Court determines that indemnification, contribution, or reimbursement would not be permissible, or (iii) for any claim or expense that is settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by the Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which such Indemnified Person should not receive indemnity, contribution or reimbursement under the terms of the Engagement Letter, as modified by this Order; and
- (c) if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in the Debtors' cases (that order having become a final order no longer subject to appeal),

and (ii) the entry of an order closing these Chapter 11 Cases, HCF believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Letter, as modified by this Order, including without limitation the advancement of defense costs, HCF must file an application therefore in the Court, and the Debtors may not pay any such amounts to HCF before the entry of an order by the Court approving such payment. This subparagraph (c) is intended only to specify the period during which the Court shall have jurisdiction over any request by HCF for indemnification, contribution or reimbursement and is not a provision limiting the duration of the Debtors' obligation to indemnify. All parties-in-interest shall retain the right to object to any demand by HCF or an Indemnified Person for indemnification, contribution, or reimbursement.

8. None of the fees payable to HCF under the Engagement Letter shall constitute a "bonus" or fee enhancement under applicable law.

9. The relief granted herein, including, without limitation, approval pursuant to section 328(a) of the Bankruptcy Code of the Fee and Expense Structure and the Indemnification Provisions (as modified and restated in this Order), shall be binding upon any chapter 11 trustee appointed in these Chapter 11 Cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these Chapter 11 Cases to cases under chapter 7.

10. To the extent the Debtors wish to expand the scope of HCF's services beyond those services set forth in the Engagement Letter or this Order, the Debtors shall be required to seek further approval from this Court. The Debtors shall file notice of any proposed additional services (the "Proposed Additional Services") and any underlying engagement letter with respect to such Proposed Additional Services with the Court and serve such notice on the U.S. Trustee, the Debtors' thirty (30) largest unsecured creditors, the Debtors' prepetition lender, the Debtors' postpetition secured lender, proposed counsel for the Committee, and any party requesting notice under Rule 2002 of the Bankruptcy Rules. If no such party files an objection within fourteen (14) days of the Debtors filing such notice, the Proposed Additional Services and any underlying

engagement letter with respect to such Proposed Additional Services may be approved by the Court by further order without further notice or hearing.

11. To the extent that there may be any inconsistency between the terms of the Application, the Stratton Declaration, the Engagement Letter, and this Order, the terms of this Order shall govern.

12. Any party in interest shall have twenty-one (21) days from the service of this Order to file an objection to the Application and/or the relief provided in this Order.

13. If an objection is timely filed, counsel for the Debtors will set the Application and all such objections for hearing pursuant to the Court's Open Calendar Procedures.

14. If no objection to this Order is timely filed, this Order shall be a final Order approving the Application.

15. The Debtors and HCF are authorized and empowered to take all actions necessary to effectuate the relief granted by this Order.

16. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

17. Proposed counsel for the Debtors, through Kurtzman Carson Consultants, LLC d/b/a Verita Global ("Verita") shall, within three (3) days of the entry of this Order, cause a copy of this Order to be served by first class mail, postage prepaid, on all parties served with the Motion, and Verita shall file promptly thereafter a certificate of service confirming such service

END OF ORDER

Prepared and presented by:

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/s/ John D. Elrod

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