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COUNSEL FOR CLAUDIA Z. SPRINGER,
CHAPTER 11 TRUSTEE OF KENTUCKY OWL, LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re	§	Chapter 11
	§	
Kentucky Owl, LLC,[1]	§	Case No.: 24-80147-swe11
	§	
Debtor.	§	
	§	
	§	
	§	
	§	

KENTUCKY OWL TRUSTEE'S MOTION PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 FOR AN ORDER APPROVING COMPROMISE AND SETTLEMENT AGREEMENT <u>BETWEEN THE KENTUCKY OWL TRUSTEE AND THE SPIRITS GROUP, LLC</u>

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at https://ecf.txnb.uscourts.gov/ no

[1] The Debtor in this Chapter 11 Case, along with the last four digits of its federal identification number, is Kentucky Owl, LLC (3826). The Debtor's address is Kentucky Owl, LLC, Attn: Claudia Z. Springer, Chapter 11 Trustee, c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606.

more than twenty-four (24) days after the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk and filed on the docket no more than twenty-four (24) days after the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

Claudia Z. Springer (the "Kentucky Owl Trustee"), as chapter 11 trustee of Kentucky Owl, LLC (the "Debtor"), hereby files this *Motion Pursuant to Federal Rule of Bankruptcy Procedure 9019 for an Order Approving Compromise and Settlement Agreement Between the Trustee and The Spirits Group, LLC* (this "Motion") and respectfully represents:

RELIEF REQUESTED

1. Pursuant to 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq* (the "Bankruptcy Code"), and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Kentucky Owl Trustee requests approval of that certain Settlement Agreement between the Kentucky Owl Trustee and The Spirits Group, LLC (the "TSG," and, together with the Kentucky Owl Trustee, the "Parties," and each a "Party"), substantially in the form annexed hereto as **Exhibit A** (the "Settlement Agreement"). The Settlement Agreement provides for a comprehensive settlement of all claims asserted by TSG against the Debtor and allows for the Debtor to have direct access to certain of its inventory.

2. A proposed form of order approving the relief requested herein is attached hereto as **Exhibit B** (the "Proposed Order").

JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the Northern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered

by the United States District Court for the Northern District of Texas. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The legal predicates for the relief requested in this Motion are section 105(a) of the Bankruptcy Code and rule 9019 of the Bankruptcy Rules.

6. The Kentucky Owl Trustee confirms her consent to the entry of a final order by the Court in connection with the Motion in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

BACKGROUND

General Background:

7. On November 27, 2024, the Debtor and its affiliate Stoli Group (USA), LLC ("Stoli") each filed voluntary petitions for relief under Chapter 11.

8. On December 3, 2024, the Bankruptcy Court entered the *Order (I) Authorizing the Debtors to Serve a Consolidated List of Creditors; (II) Authorizing the Debtors to Redact Certain Personal Identification Information; (III) Approving the Form and Manner of Notifying Creditors of the Commencement of the Debtors' Chapter 11 Cases and Bar Dates; and (IV) Granting Related Relief* [Stoli Docket No. 48] (the "Bar Date Order"), which established February 25, 2025 (the "Pre-Petition Bar Date") as the deadline for filing claims against the Debtor which arose before the Petition Date;

9. On February 5, 2026, the Court entered an order authorizing and directing the Office of the United States Trustee (the "U.S. Trustee") to appoint a chapter 11 trustee for the Debtor [Stoli Docket No. 1123].

10. On February 19, 2026, the U.S. Trustee appointed the Kentucky Owl Trustee [Stoli Docket No. 1145]. On March 4, 2026, the Court entered an order approving the appointment of Claudia Z. Springer as the Kentucky Owl Trustee [Stoli Docket No. 1172].

11. On March 31, 2026, the Court entered the *Order Granting Emergency Motion for Entry of an Order (I) Approving Certain Modifications to Joint Case Administration Procedures and (II) Granting Related Relief* [Stoli Docket No. 1252], which established certain case administration procedures as to the Debtor's chapter 11 case, including ordering that the Debtor's case no longer be jointly administered with the Stoli case.

TSG's Claims Against the Debtor:

12. The Parties entered into that certain Bulk Sales Agreement, dated as of January 12, 2022 (the "Sales Agreement"), wherein TSG agreed to sell bourbon barrels to the Debtor (the "Purchased Barrels"), and upon the receipt of payment for the Purchased Barrels, title and risk of loss for the Purchased Barrels would transfer from TSG to the Debtor. After the Debtor paid TSG for the Purchased Barrels, the Parties agreed to store the Purchased Barrels at the rickhouses of Green River Distilling Company, LLC ("GRD").

13. While the Purchased Barrels have been stored at GRD, TSG has been paying the storage costs and other ancillary expenses associated with the Purchased Barrels while awaiting Kentucky Owl's negotiation of a separate warehouse agreement with GRD, and as of the date of this Agreement, has paid or owes GRD an aggregate amount of **$54,204.98**

attributable to the Purchased Barrels (collectively, the "Storage Expenses"), which constitutes $33,065.83 in Storage Expenses incurred prior to the Petition Date (the "Pre-Petition Expenses"), and $21,139.15 in Storage Expenses incurred on or after the Petition Date (the "Post-Petition Expenses").

14. TSG did not file a claim against the Debtor for the Pre-Petition Expenses prior to the Pre-Petition Bar Date in accordance with the Bar Date Order and the Debtor did not schedule any claim in the Bankruptcy Case related to the Pre-Petition Expenses.

THE SETTLEMENT AGREEMENT[2]

15. Since her appointment, the Kentucky Owl Trustee's professionals have engaged in discussions and negotiations regarding the Storage Expenses. These discussions have culminated in the Settlement Agreement, which provides for a resolution of the Storage Expenses and related matters. The material terms of the Settlement Agreement are as follows:

a) **Allowed Administrative Expense Claim**. On the Effective Date, the Post-Petition Storage Expenses totaling $21,139.15 shall constitute an allowed administrative expense claim against the Debtor's bankruptcy estate pursuant to section 503(a), 503(b)(1)(A), and 507(a)(2) (the "Allowed Administrative Expense"). The Kentucky Owl Trustee shall pay TSG the Allowed Administrative Expense, pursuant to wire transfer instructions provided by TSG, within three (3) business days of entry of the Proposed Order by the Court (the "Reimbursement Payment").

b) **Assumption of Agreements. Conversion of the Purchased Barrels Warehouse Receipts**. Upon receipt of the Reimbursement Payment, TSG will remit the Reimbursement Payment to GRD within three (3) business days of receipt, and shall cooperate with both the Trustee and GRD to amend and convert the warehouse receipts of the Purchased Barrels to reflect the Debtor's ownership

2. Capitalized terms used in this section but not otherwise defined shall have the meaning ascribed to them in the Settlement Agreement. In the event of a conflict between the summary contained in this section and terms of the Settlement Agreement, the Settlement Agreement shall govern.

fully vested therein, with title to the Purchased Barrels being delivered free and clear of any claim, interest, or lien by TSG or GRD.

c) **Reservation of Rights for Fifth Third**. Nothing in the Settlement Agreement shall amend, modify, or alter the claims, interests, and liens Fifth Third Bank, National Association ("Fifth Third Bank") shall have on the Purchased Barrels. Upon payment by TSG to GRD and the amending of the Purchased Barrel's warehouse receipts, the Parties agree that TSG shall have no further responsibility or obligation to the Kentucky Owl Trustee for the Purchased Barrels.

d) **Releases.** The Settlement Agreement provides for a general mutual release by the Parties for any and all claims arising they may hold against each Party related to the Sales Agreement and/or the storage of the Purchased Barrels, except for the obligations and rights under the Settlement Agreement.

BASIS FOR RELIEF

The Settlement Agreement Meets the Legal Standard Established Under Bankruptcy Rule 9019 and is in the Best Interests of the Debtor and Its Estate.

16. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). "Compromises are 'a normal part of the process of reorganization,'" *Protective Comm. for Indep. S'holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414, 424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties' interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, *9-*14 (4th Cir. 1994). "One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves." *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

17. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D.

Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate "when the settlement is fair and equitable and the best interests of the estate." *Official Committee of Unsecured Creditors v. Moeller (In re Age Refining, Inc.),* 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing "the terms of the compromise with the likely rewards of litigation." *In re Age Refining, Inc*., 801 F.3d at 540 (*citing In re Jackson Brewing Co*., 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *See In re Age Refining, Inc.,* 801 F.3d at 540; *In re Cajun Elec. Power Coop*., 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co*., 624 F.2d at 607; *In re Mirant Corp*., 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore, "[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement." *Id*. These "other factors" include consideration of (i) "the best interest of creditors, with proper deference to their reasonable views;" and (ii) "the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion." *In re Cajun Elec. Power Coop*., 119 F.3d at 356; *see also In re Age Refining, Inc*., 801 F.3d at 540.

18. "In evaluating a Rule 9019 settlement, a bankruptcy court does not 'conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.'" *In re Age Refining*, 801 F.3d at 541. "Rather, the bankruptcy court must apprise

[itself] of the relevant facts and law so that [it] can make an informed and intelligent decision." *Id.*; *see also TMT Trailer Ferry*, 390 U.S. at 425 (noting that a court should "compare the terms of the compromise with the likely rewards of litigation"); *In re Cajun Elec. Power Coop*., 119 F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 ("it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision . . . "); *In re Mirant Corp.*, 348 B.R. at 741, n.36 ("For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range."); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather "[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.").

19. All of these factors weigh in favor of approval of the Settlement Agreement.

20. In the Kentucky Owl Trustee's business judgment, the resolution embodied in the Settlement Agreement is fair and equitable and in the best interest of the Debtor, its estate, and creditors, and should be approved. The Settlement Agreement resolves the Storage Expenses after arms-length and good faith negotiations between the Parties. Importantly, TSG will remit the Reimbursement Payment – which was incurred for undisputed post-petition storage expenses relating to the Debtor's barrels that benefited the Debtor and its estate by

preserving the value of the Debtor's assets – to GRD, and shall cooperate with both the Trustee and GRD to amend and convert the warehouse receipts of the Purchased Barrels to reflect the Debtor's ownership fully vested therein, with title to the Purchased Barrels being delivered free and clear of any claim, interest, or lien by TSG or GRD, and will waive any pre-petition claim. Litigation of this dispute would cost far more than the cost of this settlement and would thus extinguish any benefits to the Debtor's estate, and would not make any sense given the validity of the post-petition claim and TSG's agreement to waive any pre-petition claim. This settlement will facilitate the Kentucky Owl Trustee's marketing of the Purchased Barrels for potential sale and any potential sale transaction.

21. Based on the foregoing, the Kentucky Owl Trustee respectfully requests that the Court authorize her to enter into, and perform under, the Settlement Agreement as such action is a reasonable exercise of the Trustee's business judgment and is supported by valid business reasons.

<u>RESERVATION OF RIGHTS</u>

22. Nothing in the Settlement Agreement, Proposed Order, or this Motion shall constitute a waiver of any and all claims for reimbursement or contribution of the Storage Expenses that the Debtor's estate may have against the Stoli estate. Any and all such claims are fully preserved.

<u>NOTICE</u>

23. Notice of this Motion has been provided to (i) the U.S. Trustee; (ii) counsel to Fifth Third Bank; (iii) counsel to the Creditors' Committee; (iv) counsel to The

Bardstown Bourbon Company, LLC; (v) counsel to TSG; (vi) GRD; and (vii) all parties in interest who have formally appeared and requested notice in the Debtor's chapter 11 case.

24. The Kentucky Owl Trustee respectfully submit that no further notice of this Motion is required. The pleadings in the Debtor's case and supporting papers are available on the Kentucky Owl Trustee s website at https://cases.stretto.com/KentuckyOwl or on the Bankruptcy Court's website at https://ecf.txnb.uscourts.gov/

NO PREVIOUS REQUEST

25. No previous request for the relief sought herein has been made by the Kentucky Owl Trustee to this or any other court.

WHEREFORE, the Kentucky Owl Trustee respectfully requests entry of the Proposed Order and granting such other relief as the Court deems appropriate under the circumstances.

Dated: May 29, 2026

Respectfully submitted,

FERGUSON BRASWELL FRASER KUBASTA PC

By: /s/ *Rachael L. Smiley*
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-and-

HUGHES HUBBARD & REED LLP

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Counsel for Claudia Z. Springer,
Chapter 11 Trustee of Kentucky Owl, LLC

CERTIFICATE OF SERVICE

I certify that on May 29, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas upon all parties entitled to receive such notice.

/s/ *Rachael L. Smiley*
Rachel L. Smiley

EXHIBIT A

Settlement Agreement

AGREEMENT AND RELEASE

This AGREEMENT AND RELEASE (the "**Agreement**") is entered into as of May 26, 2026, by and between (i) THE SPIRITS GROUP, LLC, a Kentucky limited liability company ("**TSG**") and (ii) Kentucky Owl, LLC, ("Kentucky Owl") a Delaware limited liability company, with an address of c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606, acting by and through Claudia Z. Springer, solely in her capacity as duly appointed Chapter 11 Trustee of Client's bankruptcy estate (the "**Trustee**") in *In re Kentucky Owl, LLC*, Case No. 24-80147-swe11, pending in the United States Bankruptcy Court for the Northern District of Texas (such case, the "**Bankruptcy Case**", and such court, the "**Bankruptcy Court**"). TSG and Kentucky Owl (acting through the Trustee) are each referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, TSG and Kentucky Owl entered into that certain Bulk Sales Agreement, dated as of January 12, 2022 (the "**Sales Agreement**"), wherein TSG agreed to sell bourbon barrels to Kentucky Owl (the "**Purchased Barrels**"), and upon the receipt of payment for the Purchased Barrels, title and risk of loss for the Purchased Barrels would transfer from TSG to Kentucky Owl;

WHEREAS, after Kentucky Owl paid TSG for the Purchased Barrels, the Parties agreed to store the Purchased Barrels at the rickhouses of Green River Distilling Company, LLC, a Kentucky limited liability company ("**GRD**");

WHEREAS, as of the date hereof, no warehouse agreement is in place or effective between Kentucky Owl and GRD;

WHEREAS, while equitable title for the Purchased Barrels passed from TSG to Kentucky Owl upon payment, the warehouse receipts evidencing ownership of the Purchased Barrels were not amended to reflect the change in ownership;

WHEREAS, on November 27, 2024 (the "**Petition Date**"), Kentucky Owl filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**"), thereby commencing the above-referenced bankruptcy case; and thereafter, the Bankruptcy Court entered an order authorizing and directing the appointment of the Trustee as Chapter 11 trustee of Client's bankruptcy estate, with authority to operate Client's business and manage property of the estate;

WHEREAS, on December 3, 2024, the Bankruptcy Court entered the *Order (I) Authorizing the Debtors to Serve a Consolidated List of Creditors; (II) Authorizing the Debtors to Redact Certain Personal Identification Information; (III) Approving the Form and Manner of Notifying Creditors of the Commencement of the Debtors' Chapter 11 Cases and Bar Dates; and (IV) Granting Related Relief* [Stoli Docket No. 48] (the "**Bar Date Order**"), which established February 25, 2025 (the "**Pre-Petition Bar Date**") as the deadline for filing claims against Kentucky Owl which arose before the Petition Date;

WHEREAS, while the Purchased Barrels have been stored at GRD, TSG has been paying the storage costs and other ancillary expenses associated with the Purchased Barrels while awaiting Kentucky Owl's negotiation of a separate warehouse agreement with GRD, and as of the date of this Agreement, has paid or owes GRD an aggregate amount of **$54,204.98** attributable to the Purchased Barrels (collectively, the "**Storage Expenses**"), which constitutes $33,065.83 in Storage Expenses incurred prior to the Petition Date (the "**Pre-Petition Expenses**") and $21,139.15 in Storage Expenses incurred on or after the Petition Date (the "**Post-Petition Expenses**");

WHEREAS, TSG did not file a claim against Kentucky Owl for the Pre-Petition Expenses prior to the Pre-Petition Bar Date in accordance with the Bar Date Order and Kentucky Owl did not schedule any claim in the Bankruptcy Case related to the Pre-Petition Expenses; and

WHEREAS, the Parties have now agreed to fully and finally settle the Storage Expenses and related matters in accordance with the terms herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby fully acknowledged, the Parties agree as follows:

1. **Reimbursement of the Storage Expenses**. On the date (the "**Effective Date**") of entry of an order of the Bankruptcy Court approving this Agreement (the "**Approval Order**"), the Post-Petition Storage Expenses shall constitute an allowed administrative claim against the Kentucky Owl bankruptcy estate pursuant to section 503(a), 503(b)(1)(A), and 507(a)(2) of title 11 of the United States Code (the "**Allowed Administrative Expense**"). The Trustee shall pay TSG the Allowed Administrative Expense, pursuant to wire transfer instructions provided by TSG, within three (3) business days of entry of the Approval Order by the Bankruptcy Court (the "**Reimbursement Payment**").

2. **Conversion of the Purchased Barrels Warehouse Receipts**. Upon receipt of the Reimbursement Payment, TSG will remit the Reimbursement Payment to GRD within three (3) business days of receipt, and shall cooperate with both Kentucky Owl and GRD to amend and convert the warehouse receipts of the Purchased Barrels to reflect Kentucky Owl's ownership fully vested therein, with title to the Purchased Barrels being delivered free and clear of any claim, interest, or lien by TSG or GRD thereon. Nothing herein shall amend, modify, or alter the claims, interests, and liens Fifth Third Bank, National Association ("**Fifth Third Bank**") shall have on the Purchased Barrels. Upon payment by TSG to GRD and the amending of the Purchased Barrel's warehouse receipts, the Parties agree that TSG shall have no further responsibility or obligation to Kentucky Owl for the Purchased Barrels. For avoidance of doubt, upon payment of the Reimbursement Payment, Kentucky Owl will have full title and right to the Purchased Barrels, subject to the claims, interests, and liens of Fifth Third Bank, and shall be responsible for any and all costs and expenses incurred related thereto, including, but not limited to, storage, insurance, and ad valorem taxes for the current tax year levied on the Purchased Barrels.

3. **Release**. On the Effective Date, TSG and the Trustee, solely on behalf of Kentucky Owl, each on behalf of themselves and their respective members, managers, officers, employees, agents, professionals, and representatives hereby fully, finally, and irrevocably releases the other

Party and their respective members, managers, officers, employees, agents, professionals, and representatives, jointly and severally, of and from any and all claims, actions, liabilities, obligations, damages, and expenses of every kind and description, whether known or unknown, existing in law or in equity, contingent or accrued, liquidated or unliquidated, which now exist or which may hereafter exist or arise out of or relate to any facts, events, circumstances, or transactions related to the This release includes, without limitation, TSG's waiver and release of any and all claim or right to recovery for the Pre-Petition Storage Expenses.

4. **Further Assurances.** The Parties shall respectively take all actions and execute and deliver any and all documents as may be reasonably necessary so as to implement and effect the terms of this Agreement and to effect the transactions provided for herein. The Trustee shall promptly seek the Approval Order.

5. **Entire Agreement**. This is the entire agreement between the Parties hereto, and such agreement shall be binding on each Party's respective successors and assigns.

6. **Severability.** In the event that any one or more of the provisions contained in this Agreement, or the application thereof, shall be held invalid, illegal, or unenforceable, the validity and enforceability of such provision or provisions in any other circumstance shall not be affected or impaired thereby, and the remaining provisions contained in this Agreement shall remain of full force and effect and be construed and interpreted as if such invalid, illegal, or unenforceable provision or provisions were never included. The provisions of this Agreement shall be severable.

7. **Governing Law; Venue; Jurisdiction**. This Agreement shall be governed by the laws of the Commonwealth of Kentucky in its interpretation and enforcement and any dispute arising out of this Agreement shall be resolved in the Bankruptcy Court and the appellate courts having jurisdiction of appeals in such court or, if none of the foregoing courts has subject matter jurisdiction, then the United States District Court for the Northern District of Texas and the appellate courts having jurisdiction of appeals in such court.

8. **Counterparts**. This Agreement may be signed by the Parties in counterparts, each of which shall be deemed an original.

9. **Amendments.** This Agreement may not be amended, supplemented or otherwise modified except by written instrument signed by all of the Parties hereto.

10. **Successors and Assigns**. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successor and permitted assigns of the Parties.

11. **No Waiver.** The failure of any Party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in way affect the validity of this Agreement or any part thereof or any right thereafter to enforce each and every provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other breach.

IN WITNESS WHEREOF, the parties have made and entered into this Agreement as of the date first set forth above written.

THE SPIRITS GROUP, LLC

DocuSigned by:
Monica Wolf
E744E6BF7D72479...

By: ____________________________
Monica Wolf, Managing Partner

KENTUCKY OWL, LLC

DocuSigned by:
Claudia Springer
0C929369295A402...

By: ____________________________

Name: Claudia Z. Springer

Title: Solely in her capacity as Chapter 11 Trustee of Kentucky Owl, LLC

EXHIBIT B

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re	§	Chapter 11
	§	
Kentucky Owl, LLC,[1]	§	Case No.: 24-80147-swe11
	§	
Debtor.	§	
	§	
	§	
	§	
	§	

ORDER APPROVING COMPROMISE AND SETTLEMENT AGREEMENT
BETWEEN THE KENTUCKY OWL TRUSTEE AND THE SPIRITS GROUP, LLC

[1] The Debtor in this Chapter 11 Case, along with the last four digits of its federal identification number, is Kentucky Owl, LLC (3826). The Debtor's address is Kentucky Owl, LLC, Attn: Claudia Z. Springer, Chapter 11 Trustee, c/o Novo Advisors LLC, 200 W. Madison Street, Suite 1000, Chicago, Illinois 60606.

Upon the motion, dated May 29, 2026, (the "Motion"),[2] of Claudia Z. Springer (the "Kentucky Owl Trustee"), as chapter 11 trustee of Kentucky Owl, LLC (the "Debtor"), for an order pursuant to 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq* (the "Bankruptcy Code"), and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order authorizing and approving the Settlement Agreement between the Trustee and The Spirits Group, LLC Leonardo S.p.a. (the "TSG," and, together with the Kentucky Owl Trustee, the "Parties," and each a "Party"), substantially in the form annexed to the Motion as **Exhibit A** (the "Settlement Agreement"), and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein.

2. The Kentucky Owl Trustee is authorized, but not directed, to enter into the Settlement Agreement and to perform all obligations set forth therein.

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

3. The Settlement Agreement, and the transactions contemplated therein, represent a valid exercise of the Kentucky Owl Trustee's business judgment and are hereby approved in their entirety.

4. The Kentucky Owl Trustee is authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Settlement Agreement.

5. TSG shall have an allowed administrative expense claim in the amount of $21,139.15 (the "Allowed Administrative Expense") against the Debtor's bankruptcy estate pursuant to section 503(a), 503(b)(1)(A), and 507(a)(2) of the Bankruptcy Code.

6. The Kentucky Owl Trustee is authorized to pay the Allowed Administrative Expense Claim as provided under the Settlement Agreement.

7. Nothing in this Order, the Settlement Agreement, or the Motion shall constitute a waiver of any and all claims for reimbursement or contribution for the Storage Expenses that the Debtor's estate may have against the Stoli estate. Any and all such claims are hereby fully preserved.

8. The Kentucky Owl Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

END OF ORDER

Order submitted by:

Rachael L. Smiley (State Bar. No. 24066158)
Megan F. Clontz (State Bar. No. 24069703)
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