

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

VERTEX ENERGY, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 24-90507 (CML)
)
) (Joint Administration Requested)
) (Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE
TO OPERATE THEIR CASH MANAGEMENT SYSTEM AND
MAINTAIN EXISTING BANK ACCOUNTS, (B) CONTINUE TO PERFORM
INTERCOMPANY TRANSACTIONS, AND (C) MAINTAIN EXISTING BUSINESS
FORMS AND BOOKS AND RECORDS, AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 12:30 p.m. (prevailing Central Time) on September 25, 2024.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on September 25, 2024, at 12:30 p.m. (prevailing Central Time) in Courtroom 401, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Lopez's conference room number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez's homepage. The meeting code is "JudgeLopez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Lopez's homepage. Select the case name, complete the required fields, and click "Submit" to complete your appearance.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.veritaglobal.net/vertex>. The location of Debtor Vertex Energy, Inc.'s corporate headquarters and the Debtors' service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.



The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state as follows in support of this motion (this “Motion”):²

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto (respectively, the “Interim Order” and “Final Order”): (i) authorizing the Debtors to, (a) operate their Cash Management System (as defined herein), as described herein and as illustrated on **Exhibit A** attached hereto, and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto, (b) continue intercompany transactions and funding consistent with the Debtors’ historical practices, subject to the terms described herein, and (c) maintain existing business forms and books and records; and (ii) granting related relief. The Debtors request that the Court schedule a final hearing within approximately twenty-one (21) days after the commencement of these chapter 11 cases to consider entry of the Final Order.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Order of Reference to Bankruptcy Judges*, dated May 24, 2012, from the United States District Court for the Southern District of Texas. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent to the Court’s entry of a final order in connection with this Motion.

3. Venue is proper pursuant to 28 U.S.C. § 1408.

² A description of the Debtors, their businesses, and the facts and circumstances supporting this Motion and the Debtors’ chapter 11 cases are set forth in greater detail in the *Declaration of R. Seth Bullock, Chief Restructuring Officer of Vertex Energy, Inc., in Support of the Debtors’ Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed contemporaneously herewith and incorporated by reference herein. Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration.

4. The bases for the relief requested herein are sections 105(a), 345, 363, and 503 of title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532 (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rules 1075-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”), and the *Procedures for Complex Cases in the Southern District of Texas* (the “Complex Case Procedures”).

Background

5. On the date hereof (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have filed a motion requesting joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their businesses and managing their properties 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 and no official committees have been appointed or designated.

The Cash Management System

I. Overview.

6. The Debtors maintain an integrated cash management system in the ordinary course of business to facilitate the efficient operation of their business (the “Cash Management System”). The Cash Management System includes eight (8) bank accounts (collectively, the “Bank Accounts”), all held with Bank of America (“BoA” or the “Cash Management Bank”).

7. The Debtors use the Cash Management System to collect, transfer, and disburse funds generated from their operations and to facilitate cash monitoring, forecasting, and reporting. The Cash Management System allows the Debtors to control funds, ensure cash availability for the Debtors’ operating entities, and reduce administrative costs by facilitating the movement of

funds among multiple entities. Vertex's treasury department, primarily located in Texas, is responsible for daily oversight over the Cash Management System and implements cash management controls for entering, processing, and releasing funds.

8. Given the economic and operational scale of the Debtors' businesses, any disruption to the Cash Management System would have an immediate adverse effect on the Debtors' businesses and operations to the detriment of their estates and numerous stakeholders. To minimize the disruption caused by these chapter 11 cases and to maximize the value of the Debtors' estates, the Debtors request authority to continue utilizing their existing Cash Management System during the pendency of these chapter 11 cases, subject to the terms described herein.

II. The Bank Accounts.

9. As of the Petition Date, the Cash Management System is comprised of eight (8) Bank Accounts, each of which is identified on **Exhibit B** attached hereto. All eight (8) Bank Accounts are held with BoA.

10. The Bank Accounts are described further in the following table:

Bank Accounts	Account Description
<u>VEO Receivables Account</u> Vertex Energy Operating, LLC (x5567)	The VEO Receivables Account is held at BoA and is used for the collection of cash receipts for Vertex Refining LA, LLC, Vertex Refining Texas LLC, Vertex Recovery, L.P., Vertex Recovery Management, LLC, Cedar Marine Terminals, LP, Crossroad Carriers, L.P., and H&H Oil, L.P. The VEO Receivables Account is also used for intercompany transfers between Vertex Energy Operating, LLC, Vertex Energy, Inc., and Vertex Refining Myrtle Grove LLC.
<u>VEO Receivables/Disbursement Account</u> Vertex Energy Operating, LLC (x9202)	The VEO Receivables/Disbursement Account is held at BoA and is used for the collection of cash receipts and daily disbursement of funds to satisfy the Debtors' vendor payment obligations for Vertex Refining LA, LLC, Vertex Refining Texas LLC, Vertex Recovery, L.P., Vertex Recovery Management, LLC, Cedar Marine Terminals, LP, Crossroad Carriers, L.P., and H&H Oil L.P. The VEO Receivables/Disbursement Account also funds payroll

Bank Accounts	Account Description
	obligations for Vertex Refining LA, LLC, Vertex Refining Texas LLC, Vertex Recovery, L.P., Vertex Recovery Management LLC, Cedar Marine Terminals, LP, Crossroad Carriers, L.P., H&H Oil L.P., and Vertex Marine Fuel Services LLC. The VEO Receivables/Disbursement Account is also used for intercompany transfers between Vertex Energy Operating, LLC, and Vertex Energy, Inc.
<u>VEI Receivables/Disbursement Account</u> Vertex Energy, Inc. (x0278)	The VEI Receivables/Disbursement Account is held at BoA and is used for the collection of cash receipts and disbursement of the Debtors' monthly vendor payment obligations for UMO (as defined below) at H&H Oil L.P.
<u>Vertex Refining Receivables/Disbursement Account</u> Vertex Refining Alabama LLC (x9998)	The Vertex Refining Receivables/Disbursement Account is held at BoA and is used for the collection of cash receipts, the daily disbursement of funds to satisfy the Debtors' vendor payment obligations, and the collection of cash receipts and disbursement of payment obligations under the Intermediation Facility. ³ The Vertex Refining Receivables/Disbursement Account is also used to fund payroll obligations of the Debtors' employees at Vertex Refining Alabama LLC and Vertex Renewables Alabama LLC.
<u>VMFS Receivables/Disbursement Account</u> Vertex Marine Fuel Services LLC (x2654)	The VMFS Receivables/Disbursement Account is held at BoA and is used for the collection of cash receipts and the daily disbursement of funds to satisfy the Debtors' vendor payment obligations at Vertex Marine Fuel Services LLC.
<u>VRMG Receivables/Disbursement Account</u> Vertex Refining Myrtle Grove LLC (x3705)	The VRMG Receivables/Disbursement Account is held at BoA and is used for the collection of cash receipts and the weekly disbursement of funds to satisfy certain of the Debtors' vendor and payment obligations. The VRMG Receivables/Disbursement Account is also used to fund payroll obligations of the Debtors' employees at Vertex Refining Myrtle Grove LLC.

³ The intermediation obligations are described in the Debtors' *Emergency Motion for Entry of Interim ad Final Orders (I) Authorizing Continuation of the Intermediation Contracts, as Amended, (II) Authorizing the Debtors to Enter Into and Perform Postpetition Intermediation Transactions and Postpetition Hedging Transactions, (III) Providing Superpriority Administrative Expense Status and Liens in Respect of Postpetition Intermediation Transactions and Postpetition Hedging Transactions, (IV) Granting Adequate Protection to the Intermediation Provider, (V) Providing Superpriority Administrative Expense Status in Respect of Purchaser Support Agreements, (VI) Modifying the Automatic Stay, (VII) Setting a Final Hearing, and (VIII) Granting Related Relief* (the "Intermediation Motion"), filed contemporaneously herewith.

Bank Accounts	Account Description
<u>VRD Receivables/Disbursement Account</u> Vertex Renewables Alabama LLC (x7527)	The VRD Receivables/Disbursements Account is held at BoA and is used for the collection of cash receipts and the disbursement of funds to satisfy the Debtors' vendor payment obligations at Vertex Renewables Alabama LLC.
<u>Adequate Assurance Account</u> Crystal Energy LLC (x3424)	Vertex maintains the Adequate Assurance Account at BoA. While the Adequate Assurance Account currently holds no funds and is inactive, the Debtors propose to fund this account in accordance with the adequate assurance procedures described in the Utilities Motion. ⁴

III. Ordinary Course Cash Flows.

11. The Debtors have two main sources of revenue: (a) the Debtors' conventional refining operations, which entail the collection and refining of crude oil and oil feedstock to generate marketable end products; and (b) used motor oil ("UMO") operations and certain recycling and scrap services. Substantially all of the Debtors' cash on hand is comprised of proceeds from these sources of revenue as well as historically funded-debt borrowings.

12. A detailed diagram of the general cash management system across the Debtors' corporate structure is attached as **Exhibit A**.

13. ***Refinery Sales.*** Three Debtors are responsible for the Debtors' conventional refining sales: Vertex Refining Alabama LLC ("Vertex Refining"), Vertex Marine Fuel Services LLC ("VMFS"), and Vertex Refining Texas LLC ("VRT"). Vertex Refining is party to the Prepetition Intermediation Facility (as defined in the Intermediation Motion) and is the owner and operator of the primary asset supporting the Company's conventional refining operations, the Mobile, Alabama, refinery. The sale of end products under the Prepetition Intermediation Facility

⁴ The adequate assurance procedures are described in the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests, and (IV) Granting Related Relief* (the "Utilities Motion"), filed contemporaneously herewith.

(as defined in the Intermediation Motion) provides most of the Debtors' revenue. As described in the Intermediation Motion, such end products are sold to Macquarie (as defined in the Intermediation Motion) throughout each month on pre-negotiated terms. In connection to refining operations, VMFS generates revenue through the purchase and sale of diesel and marine fuel from Vertex Refining to third parties. Finally, VRT maintains a toll-based processing agreement with Monument Chemical Port Arthur, LLC, to re-refine feedstock streams into various end products, which are sold directly to end-customers or sent to processing facilities for further refinement.

14. ***UMO Operations.*** The Company collects, recycles, and recovers UMO and other used materials from a variety of companies that range from independently owned businesses to global enterprises. Debtor H&H Oil, L.P. operates a large fleet of collection vehicles that routinely visit various oil generators, such as oil change service stations, automotive repair shops, manufacturing facilities, petroleum refineries, and petrochemical manufacturers to perform various collection services, including purchasing used motor oil, oil filters, antifreeze, oily absorbents, and other industrial oils. Once collected or aggregated, the Debtors manage the storage, sale, and ultimate delivery of the UMO and related products to customers, who, in turn, use the material as a feedstock or as replacement fuel for industrial burners. Most of the UMO and related products that the Debtors collect or aggregate is not immediately sold. Collected products are either stored at Debtor Cedar Marine Terminals, LP, a storage facility on the Houston ship channel, or are transported to Debtor Vertex Refining LA LLC, the Debtors' re-refining facility based in Marrero, Louisiana, where the UMO that Vertex collects undergoes a process that turns the UMO into a vacuum gas that can be used to make various other products. Transportation and logistical services are either provided by Debtor Crossroad Carriers LP ("Crossroad Carriers"),

a common carrier that provides transportation and logistical services for liquid petroleum products, as well as other hazardous materials and product streams, or by third parties.

15. In connection with the Debtors' UMO collection and re-refining activities, the Debtors also manage several processing facilities across the Gulf Coast states that provide recycling and scrap services to various companies in both the land and marine industries. The Debtors' North Texas facility, held by Debtor Vertex Recovery, L.P., primarily collects, receives, and processes physical UMO co-products, such as oil filters and absorbents. Debtor Vertex Recovery Management, LLC, on the other hand, manages the collection and processing of ferrous and non-ferrous scrap metal through the Debtors' Louisiana facilities. Once collected, these products are crushed and compacted at a high pressure to remove any UMO, which is then pre-processed on site before being transferred by rail or truck for further processing at the Marrero re-refining facility or one of the Company's other refining and processing facilities. The compacted steel then goes through a proprietary thermal desorption unit that removes any remaining oil from the metals. After the purification process is complete, the purified steel is sold and shipped to local steel mills as a premium feedstock for the metal products they produce. Finally, Debtor Vertex Recovery, L.P. owns and operates a UMO recovery services division that provides solutions for the proper recovery and management of hydrocarbon streams to large regional and national customers throughout the United States and Canada. The Company provides these recovery services through a fleet of custom engineered vacuum trucks equipped to handle a wide variety of recovery efforts.

16. ***Cash Aggregation Activity.*** The Debtors have historically funded operations by aggregating cash at various debtor entities, namely Vertex Refining and Vertex Energy Operating, LLC ("VEO"). As described in detail below, excess cash available at certain

revenue-generating Debtors is manually transferred to other Debtor entities as-needed to fulfill obligations and continue operations. For example, manual transfers are made from VEO to VRMG as needed to fund ordinary course operational needs. The Debtors request authority to operate their Cash Management System and necessary cash aggregation activities in a manner largely consistent with historical practice, subject to the terms herein.

IV. Credit Card Programs.

17. As part of the Cash Management System, the Debtors maintain three credit card programs to cover travel and supply expenses of Vertex's employees: (a) one administered by American Express ("AMEX" and such program, the "AMEX Program"); (b) one administered by BoA (such program, the "Visa Program" and together with the AMEX Program, the "Purchasing Card Programs"); and (c) one issued by WEX Inc. (together with its subsidiaries, "WEX Bank") to pay in-transit fuel costs incurred by employees in connection with travel between multiple work sites and field offices (the "Fuel Card Program" and together with the Purchasing Card Programs, the "Credit Card Programs").

18. There are currently 116 active cards under the Purchasing Card Programs, which the Debtors fund to the Purchasing Card Programs directly and approximately 129 employees with WEX fuel cards (the "Fuel Cards"). Expenses incurred on account of the Fuel Cards are billed directly to the Debtors and do not pass through the applicable employees' personal financial accounts. The Fuel Cards do not have a credit limit, but the Debtors must maintain a \$75,000 deposit with the WEX Bank. On average, the Debtors historically have spent approximately \$250,000 per month on account of the Fuel Card Program.

19. The Debtors' combined monthly spend under the Credit Card Program is approximately \$540,000, comprised of approximately \$270,000 of monthly spend under the

AMEX Credit Card Program, approximately \$20,000 of monthly spend under the Visa Credit Card Program, and approximately \$250,000 under the Fuel Card Program.

20. The Debtors' inability to maintain the Credit Card Programs would impose a hardship on the continued operation of the Debtors' businesses. The Credit Card Programs are integral to the Debtors' cash management and accounting functions and are essential to the continued operation of the Debtors' businesses. As of the Petition Date, the Debtors estimate that there are no amounts owed to AMEX on account of the 112 active cards that are paid to AMEX directly, approximately \$15,000 is owed to BoA on account of the four active cards that are paid to BoA directly, and approximately \$25,000 is owed to WEX Bank on account of the 129 active cards that are paid to WEX Bank directly. The Debtors seek authority to continue to pay amounts incurred by employees on account of the Credit Card Programs and to continue these programs in the ordinary course of business on a postpetition basis.

V. The Debtors' Intercompany Transactions.

21. In the ordinary course of business, the Debtors engage in routine business relationships with each other (the "Intercompany Transactions"), which result in intercompany receivables and payables (the "Intercompany Claims"). Vertex's treasury department settles certain of the Intercompany Claims on a regular basis in the Debtors' accounting system (the "Intercompany System"). Certain Intercompany Claims are settled in cash, while others are reflected as journal entry receivables and payables, as applicable.

22. Certain Debtors, including VEI and Vertex Refining, have their own dedicated accounting systems and bank accounts (the "Individual Entities"). The Debtors settle the Intercompany Claims of the Individual Entities on a regular basis. To facilitate this, the Debtors track all fund transfers through the Cash Management System and can ascertain, trace, and account

for all Intercompany Transactions for all six Individual Entities with independent books and records.

23. Certain other Debtors do not have their own accounting systems and bank accounts (the “Aggregated Entities”); rather, their activity is recorded in the accounting system of VEI. VEO makes payments from the VEO Receivables/Disbursement Account on behalf of the Aggregated Entities. For example, VEO has historically collected cash receipts from Debtors Vertex Refining LA, LLC, VRT, Vertex Recovery, L.P., Vertex Recovery Management, LLC, Cedar Marine Terminal LP, Crossroads Carriers, and H&H Oil, L.P..

24. For Intercompany Transactions between the Aggregated Entities, certain transactions, such as payroll, are accounted for by entity. During these chapter 11 cases, the Debtors will manually track all cash transactions for Aggregated Entities under VEO so that each Intercompany Transaction involving the Aggregated Entities is recorded and accounted for.

25. At any given time, there may be Intercompany Claims owed by one Debtor to another Debtor. As shown in Exhibit A, Intercompany Transactions consist of one Debtor:

- receiving customer receipts on behalf of another Debtor;
- making payroll payments on behalf of another Debtor;
- making vendor payments on behalf of another Debtor;
- settling cost allocations between Debtors; and
- redistributing funds between accounts as necessary to meet enterprise-wide cash needs.

26. As described above, the Debtors manually aggregate cash at certain Debtor entities for administrative convenience. As a result of these cash aggregation activities, certain intercompany balances will arise and be repaid in the ordinary course of business. These intercompany balances are tracked on the books and records of VEI, Vertex Refining, VMFS,

VRMG, and Vertex Renewables Alabama LLC. Specifically, the Aggregated Entities' revenue is collected at VEO. Further, historically, VEO and Vertex Refining periodically shift funds between one another to compensate for shortfalls in liquidity.

27. Debtor Vertex Recovery Management, LLC is the parent entity of Vertex Recovery Management LA, LLC, a joint venture with Stewart Holdings, LLC (the "Joint Venture"). Vertex Recovery Management, LLC does not have a bank account directly associated with the entity and, historically, funds were sent to the Joint Venture from the VEO Receivables/Disbursement Account. VEO funded the Joint Venture with approximately \$1 million in payments per month based on cash needs for inventory purchases. As of August 2024, VEO has stopped any distributions to the Joint Venture and no further distributions to the Joint Venture are anticipated during the pendency of these chapter 11 cases.

28. The Intercompany Transactions are an essential component of the Debtors' complex operations and are crucial to the Debtors' ability to process payroll, make payments to third-party vendors, and provide enterprise-wide management. For the avoidance of doubt, the Debtors are not requesting authority to conduct any Intercompany Transactions, in cash or otherwise, between a Debtor and the Joint Venture.

29. The Debtors will be able to closely monitor and record the Intercompany Transactions under the Intercompany System to ensure that no Debtor, stakeholder, or creditor is prejudiced as a result of continuation of ordinary course Intercompany Transactions. The Debtors will continue to track and settle postpetition intercompany transfers consistent with historical practice in their system, as well as continue the newly implemented recording procedures so that each Intercompany Transaction involving the Aggregated Entities is recorded and accounted for.

30. The Debtors would be unduly burdened both financially and logistically if the Debtors were required to halt Intercompany Transactions. If the Intercompany Transactions were to be discontinued, the Cash Management System would be materially disrupted, causing significant repercussions to the Debtors' operations, as well as the Debtors' creditors and stakeholders. Moreover, the Debtors rely on the Intercompany Transactions to continue the smooth operation of their business, including the ability to pay employee wages and benefits and satisfy external obligations to vendors and other counter parties. Without the ability to continue those transactions, the Debtors' business would be significantly damaged. The Debtors seek the authority—and, to the extent applicable, relief from the automatic stay—to continue the Intercompany Transactions in the ordinary course of business consistent with past practice.

VI. Compliance with the U.S. Trustee Guidelines and the Bankruptcy Code.

A. U.S. Trustee Authorized Depositories.

31. The *Region 7 Guidelines for Debtors-in-Possession* (the “U.S. Trustee Guidelines”) generally require chapter 11 debtors to, among other things, deposit all estate funds into an account with an authorized depository that agrees to comply with the requirements of the Office of the United States Trustee for the Southern District of Texas (the “U.S. Trustee”). BoA, where the Debtors maintain their Bank Accounts, is an authorized depository under the U.S. Trustee Guidelines.

B. Business Forms and Books and Records.

32. As part of the Cash Management System, the Debtors use a variety of preprinted business forms (including checks, letterhead, correspondence forms, invoices, and other business forms) in the ordinary course of business (collectively, the “Business Forms”). The Debtors also maintain books and records to document their financial results and a wide array of operating information (collectively, the “Books and Records”). To avoid a significant disruption to their

business operations and to minimize administrative expense to their estates, the Debtors request authorization to continue using all of the Business Forms and Books and Records in a manner consistent with prepetition practice, without reference to the Debtors' status as chapter 11 debtors in possession.

VII. Bank Fees.

33. The Debtors incur periodic service charges and other fees in connection with maintaining the Bank Accounts (the "Bank Fees"). The Bank Fees primarily consist of general account services, balance related services, depository services, account reconciliation services, image services, wire transfer fees, information services, remote deposit services, and miscellaneous fees from the Cash Management Bank. The Debtors incur approximately \$20,000 per month, in the aggregate, in Bank Fees. As of the Petition Date, the Debtors estimate that they owe the Cash Management Bank approximately \$20,000 on account of unpaid Bank Fees.

Basis for Relief

I. The Court Should Approve the Debtors' Continued Use of the Cash Management System and Payment of the Bank Fees.

34. The U.S. Trustee Guidelines require debtors in possession to, among other things:

- (a) close all existing bank accounts and open new debtor-in-possession bank accounts;
- (b) establish one debtor-in-possession account for all estate monies required for payment of taxes including payroll taxes; (c) physically set aside all monies required by law to be withheld from employees or collected from others for taxes; (d) open a new set of books and records as of the commencement date of the case; (e) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor, including checks that bear the designation "debtor in possession" and reference the bankruptcy case number and type of account on such checks; and (f) make all

disbursements of estate funds by check with a notation representing the reason for the disbursement. *See U.S. Trustee Guidelines*. These guidelines are intended to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent inadvertent payment of prepetition claims. Considering, however, the breadth and complexity of the Debtors' businesses and financial affairs and the sheer volume of collections, disbursements, and movement of funds through the Cash Management System on a daily basis, enforcement of these provisions of the U.S. Trustee Guidelines during these chapter 11 cases would severely disrupt, if not cripple, the Debtors' operations. The Debtors request that the Court allow them to operate each of the Bank Accounts that comprise the Cash Management System as each was maintained in the ordinary course of business before the Petition Date and as described herein.

35. Continuation of the Cash Management System, including the Credit Card Programs, is permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes the debtor in possession to "use property of the estate in the ordinary course of business without notice or a hearing." Bankruptcy courts treat requests for authority to continue utilizing existing cash management systems as a relatively "simple matter." *See In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). Courts have also recognized that an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash." *In re Columbia Gas Sys. Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff'd in part and rev'd in part*, 997 F.2d 1039 (3d Cir. 1993). As a result, courts have concluded that the requirement to maintain all accounts separately "would be a huge administrative burden and economically inefficient." *Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49

F.3d 1111, 1114 (5th Cir. 1995) (noting that the debtor's cash management system allowed it "to administer more efficiently and effectively its financial operations and assets").

36. Here, requiring the Debtors to adopt a new, segmented cash management system during these chapter 11 cases would be expensive, burdensome, and unnecessarily disruptive to the Debtors' operations. Importantly, the Cash Management System provides the Debtors with the ability to, among other things, quickly assess the location and amount of funds, which, in turn, allows management to track and control such funds, ensure cash availability and reduce administrative costs through a centralized method of coordinating the collection and movement of funds. In light of the size and complexity of the Debtors' operations, any disruption of the Cash Management System could have a severe adverse effect on the Debtors' restructuring efforts, the cost of which would ultimately be borne by the Debtors' creditors and other stakeholders. By contrast, maintaining the current Cash Management System (including the Credit Card Programs) will facilitate the Debtors' smooth transition into chapter 11 by, among other things, minimizing delays in paying postpetition debts and eliminating administrative inefficiencies. Finally, maintaining the current Cash Management System will allow the Debtors' treasury and accounting employees to focus on their daily responsibilities as opposed to the non-accretive task of reconstructing the Cash Management System.

37. Parties in interest will not be harmed by the Debtors' maintenance of the Cash Management System, including maintenance of the Bank Accounts and the Intercompany Transactions, because the Debtors have implemented appropriate mechanisms to ensure that Debtor entities will not make unauthorized payments on account of prepetition obligations. In light of such protective measures, and consent of the relevant parties, maintaining the Cash Management System is in the best interests of their estates and creditors.

38. The Debtors further request that the Court authorize and direct the Cash Management Bank to receive, process, honor, and pay, to the extent funds are available in each applicable Bank Account, any and all checks, electronic fund transfer, credit card, ACH payments and other instructions, and drafts payable through, or drawn or directed on, such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto, irrespective of whether such checks, drafts, electronic fund transfers, credit card, or ACH payments are dated prior or subsequent to the Petition Date. The Debtors also request that, to the extent the Cash Management Bank honors a prepetition check or other item drawn on any account that is the subject of this Motion, either at the direction of the Debtors or in a good-faith belief that the Court has authorized such prepetition check or item to be honored, such Cash Management Bank will not be deemed to be liable to the Debtors or to their estates on account of such prepetition check or other item honored postpetition. Such relief is reasonable and appropriate because the Cash Management Bank is not in a position to independently verify or audit whether the Debtors may pay a particular item in accordance with a Court order or otherwise. Considering the breadth and complexity of their operations, the Debtors need to conduct transactions by debit, electronic fund, ACH payments, and other similar methods. If the Debtors are denied the opportunity to conduct transactions by debit, electronic fund, ACH payments, or other methods used in the ordinary course of business, the Debtors likely would have difficulty performing on their contracts and the Debtors' business operations would be disrupted unnecessarily, burdening the Debtors and their creditors with additional costs.

39. Finally, the Debtors request that the Court authorize the Debtors to continue to pay the Bank Fees, including any prepetition Bank Fees. In light of the material benefit of maintaining the Cash Management System in order to avoid unnecessary disruption and costly delay, especially

as compared to the relatively modest amount of the Bank Fees, such relief is warranted under the circumstances.

40. Courts in this district have regularly allowed debtors in large chapter 11 cases to maintain their existing cash management systems, and such relief generally is non-controversial. *See, e.g., In re Digital Media Sols., Inc.*, No. 24-90468 (ARP) (Bankr. S.D. Tex. Sept. 13, 2024) (authorizing the debtors to maintain use of their cash management system on an interim basis); *In re SmileDirectClub, Inc.*, No. 23-90786 (CML) (Bankr. S.D. Tex. Nov. 4, 2023) (authorizing the debtors to maintain use of their prepetition cash management system on a final basis); *In re Genesis Care Pty Ltd.*, No. 23-90614 (DRJ) (Bankr. S.D. Tex. July 27, 2023) (same); *In re Benefytt Techs., Inc.*, No. 23-90566 (CML) (Bankr. S.D. Tex. July 12, 2023) (same); *In re Envision Healthcare Corporation*, No. 23-90342 (CML) (Bankr. S.D. Tex. June 27, 2023) (same).

II. The Debtors Should Be Granted Authority to Use Existing Business Forms and Books and Records.

41. To avoid disruption of the Cash Management System and unnecessary expense, the Debtors request that they be authorized to continue to use their Business Forms and Books and Records, substantially in the form existing immediately before the Petition Date, without reference to their status as debtors in possession. Given the limited nature of the preprinted Business Forms, parties in interest will not be prejudiced if the Debtors are authorized to continue to use their Business Forms substantially in the forms existing immediately before the Petition Date. Parties doing business with the Debtors undoubtedly will be aware of their status as debtors in possession and, thus, changing forms such as letterhead would be an unnecessary additional expense and unduly burdensome.

42. The Debtors should be permitted to maintain their existing Books and Records rather than open a new set as required under the U.S. Trustee Guidelines. The Debtors use a

sophisticated recordkeeping system that enables them to consolidate their Books and Records for financial reporting purposes while maintaining separate records on an entity-by-entity basis to track the operations and results of individual entities across their corporate structure. Continued use of the Debtors' current Books and Records will maximize efficiency and decrease administrative burden while maintaining the precise entity-by-entity reporting contemplated by the U.S. Trustee.

III. Payment of Bank Fees and Prepetition Obligations Related to the Bank Accounts Will Facilitate a Smooth Transition into Chapter 11.

43. The Debtors request authority to pay prepetition Bank Fees and to satisfy such obligations as they arise during these chapter 11 cases because such payments are ordinary course. *See* 11 U.S.C. § 363(c) (“If the business of the debtor is authorized to be operated under section . . . 1108 . . . and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.”). This motion seeks authority to pay any postpetition Bank Fees and to satisfy such obligations out of an abundance of caution to the extent that payment of these obligations is not considered ordinary course.

44. Subject to court approval, Section 363(b) of the Bankruptcy Code permits a debtor to pay prepetition obligations where a sound business purpose exists for doing so. *See In re Ionosphere Clubs*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (noting that section 363(b) of the Bankruptcy Code provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). Under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern

value.”” See *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)).

45. Under section 105(a) of the Bankruptcy Code, “the Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code.” 11 U.S.C. § 105(a); see also *In re CoServ*, 273 B.R. at 497 (finding that sections 105 and 1107 of the Bankruptcy Code provide the authority for a debtor in possession to pay pre-petition claims); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may seriously damage a debtor’s business). The above-referenced sections of the Bankruptcy Code have been interpreted to authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor’s estate, as is the case here. See, e.g., *In re CoServ*, 273 B.R. at 497 (“[I]t is only logical that the bankruptcy court be able to use [s]ection 105(a) of the [Bankruptcy] Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.”).

46. The Debtors request authority to pay prepetition Bank Fees as they become due in the ordinary course. Authority to make such payments is necessary to the Debtors’ operations, which are predicated on an uninterrupted flow of funds between Bank Accounts. If the Debtors do not pay their Bank Fees, their crucial relationships with the Cash Management Bank may be materially damaged. The Debtors’ management and advisors may also be forced to spend time and resources on unnecessary disputes with the Cash Management Bank at this critical juncture. Any interference or delay in any of these programs is unnecessary and unduly burdensome.

IV. The Court Should Authorize the Debtors to Engage in Postpetition Intercompany Transactions and Grant Administrative Expense Status to Certain Postpetition Intercompany Transactions.

47. Allowing the Debtors to engage in postpetition Intercompany Transactions is in the best interests of the Debtors’ estates and their creditors, and the Debtors seek authority to enter

into such Intercompany Transactions in the ordinary course of business, as further described above. The Debtors will continue to maintain records of Intercompany Transactions, including records of all current intercompany cash payments among Individual Entities and Aggregated Entities. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls would be disrupted to the detriment of the Debtors and their estates. In addition, a number of critical services currently provided to Debtor entities on an intercompany basis would be interrupted. As described above, the Debtors rely on Intercompany Transactions to provide working capital for operational needs across its corporate structure. This arrangement results in a number of efficiencies and cost savings, and if the arrangement is not allowed to continue, the Debtors, their stakeholders, and creditors will be materially affected. Continued performance of the Intercompany Transactions is in the best interest of the Debtors' estates and their creditors. The Debtors request the authority to continue conducting the Intercompany Transactions in the ordinary course of business without need for further Court order.

48. The Debtors request, pursuant to section 503(b)(1) of the Bankruptcy Code, that all postpetition payments, in each case on account of an Intercompany Transaction, be accorded administrative expense status.⁵ This relief will ensure that each Debtor entity receiving payments will continue to bear ultimate repayment responsibility for such ordinary course transactions, thereby reducing the risk that these transactions would jeopardize the recoveries available to each Debtor's respective creditors.

⁵ Notwithstanding the administrative expense status requested for the Intercompany Transactions, all Debtors reserve their rights to dispute any Intercompany Transaction (or payment made on account of an Intercompany Transaction) on any ground, including the methodology for calculation of such transaction or payment, and to claw back or avoid such transactions and/or payments.

Emergency Consideration

49. Pursuant to Bankruptcy Local Rule 9013-1(i), the Debtors request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one (21) days after the commencement of a chapter 11 case “to the extent that relief is necessary to avoid immediate and irreparable harm.” An immediate and orderly transition into chapter 11 is critical to the viability of their operations and any delay in granting the relief requested could hinder the Debtors’ operations and cause irreparable harm. Failure to receive the requested relief in this Motion during the first twenty-one (21) days of these chapter 11 cases would severely disrupt the Debtors’ operations at this critical juncture. The Debtors have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 and request that the Court approve the relief requested in this Motion on an emergency basis.

Processing of Checks and Electronic Fund Transfers Should Be Authorized

50. The Debtors have sufficient funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations, and the anticipated access to debtor-in-possession financing and the consensual use of cash collateral. In addition, under the Debtors’ existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to any authorized payment in respect of the relief requested herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

51. The Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the fourteen (14)-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

52. Nothing contained herein or any actions taken pursuant to the relief requested or granted (including any payment made in accordance with any such order) is intended as or shall be construed as: (a) an admission as to the amount of, basis for, priority of, or validity of, any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any

particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

53. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the Consenting Term Loan Lenders; (d) the agent under the Debtors' Term Loan Facility, and counsel thereto; (e) the agent under the Debtors' DIP Facility, and counsel thereto; (f) counsel to Macquarie; (g) the United States Attorney's Office for the Southern District of Texas; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the state attorneys general for states in which the Debtors conduct business; (k) the Cash Management Bank; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, no other or further notice need be given.

[Remainder of page intentionally left blank]

The Debtors request that the Court enter the Interim Order and the Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
September 24, 2024

/s/ Jason G. Cohen

BRACEWELL LLP

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*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Jason G. Cohen

Jason G. Cohen

Certificate of Service

I certify that on September 24, 2024, 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 Southern District of Texas.

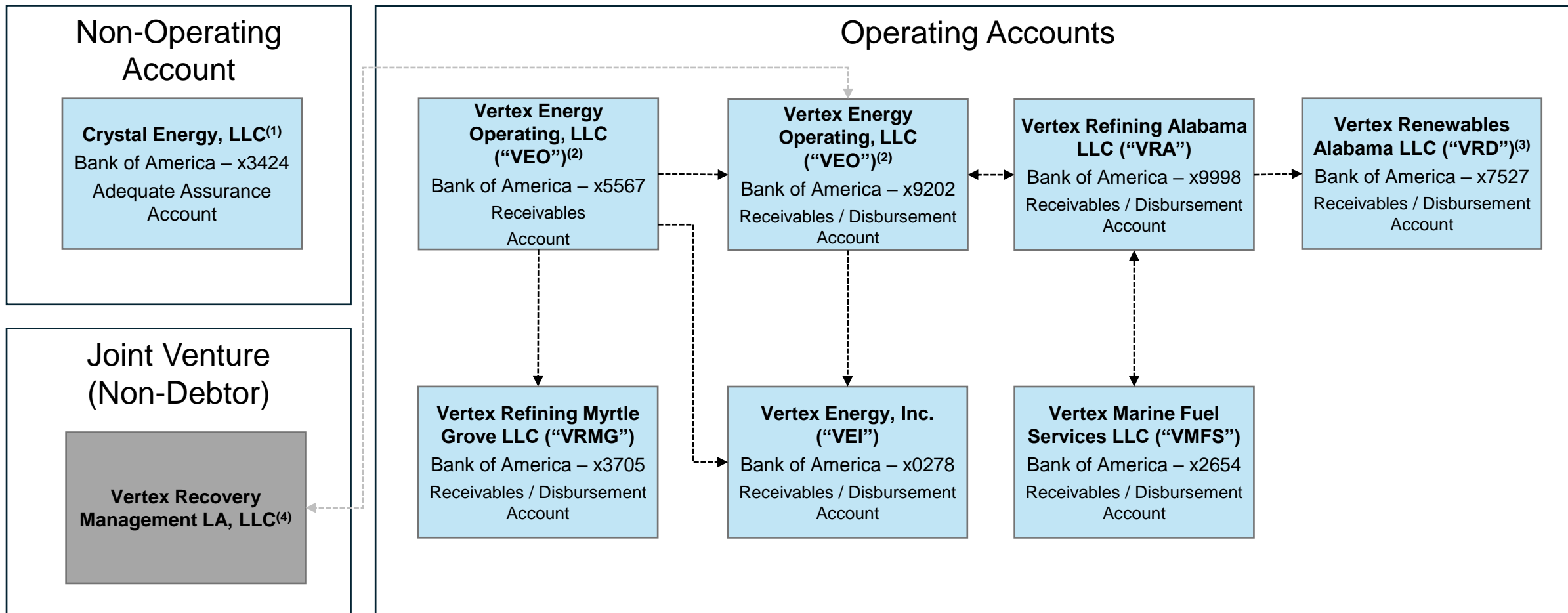
/s/ Jason G. Cohen

Jason G. Cohen

EXHIBIT A

Cash Management System Schematic

Schematic of Cash Management System



Notes:

- (1) Crystal Energy, LLC is currently inactive. The Company ceased its operations in December 2023.
- (2) The Vertex Energy Operating, LLC accounts x5567 and x9202 are used to manage cash receipts and disbursements associated with the following debtor entities: Vertex Refining LA, LLC, Vertex Refining Texas LLC, Vertex Recovery, L.P., Vertex Recovery Management, LLC, Cedar Marine Terminals, LP, and Crossroad Carriers, L.P. Receipts for H&H Oil, L.P. are primarily managed through Vertex Energy Operating, LLC account x5567.
- (3) The Vertex Renewables Alabama LLC operation is currently in the process of being wound down.
- (4) The bank account for the Non-Debtor joint venture is not controlled by Vertex. Pursuant to the *Second Amendment to Amended and Restated Limited Liability Company Agreement of Vertex Recovery Management LA, LLC*, dated August 30, 2024, Vertex is not required to make any further contributions into the joint venture.
- (5) This reflects a historical intercompany relationship between Vertex Energy Operating, LLC and Vertex Recovery Management LA, LLC for illustrative purposes only.

Legend

Debtor Account

Non-Debtor Account

-----> Intercompany Cash Flows
> Historical Intercompany Relationship⁽⁵⁾

EXHIBIT B

Bank Accounts

Bank Accounts

Debtor	Bank Name	Last 4 Digits of Account No.	Account Type	Estimated Amount as of Petition Date
Vertex Energy Operating LLC	Bank of America	x5567	Receivables Account	\$1,529,432
Vertex Energy Operating LLC	Bank of America	x9202	Receivables / Disbursement Account	\$1,110,227
Vertex Refining Alabama LLC	Bank of America	x9998	Receivables / Disbursement Account	\$796,371
Vertex Marine Fuel Services LLC	Bank of America	x2654	Receivables / Disbursement Account	\$647,877
Vertex Refining Myrtle Grove LLC	Bank of America	x3705	Receivables / Disbursement Account	\$44,675
Vertex Energy Inc.	Bank of America	x0278	Receivables / Disbursement Account	\$289,353
Vertex Renewables Alabama LLC	Bank of America	x7527	Receivables / Disbursement Account	\$166,687
Crystal Energy LLC	Bank of America	x3424	Adequate Assurance ¹	\$493

¹ An adequate assurance deposit is to be funded into the proposed Adequate Assurance Account no later than fifteen (15) business days after the order approving the Debtors' *Emergency Motion for Entry of an Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests, and (IV) Granting Related Relief*, is entered.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

VERTEX ENERGY, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 24-90507 (CML)
)
) (Joint Administration Requested)
)
) **Re: Docket No. __**

INTERIM ORDER

**(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE
TO OPERATE THEIR CASH MANAGEMENT SYSTEM AND
MAINTAIN EXISTING BANK ACCOUNTS, (B) CONTINUE TO PERFORM
INTERCOMPANY TRANSACTIONS, AND (C) MAINTAIN EXISTING BUSINESS
FORMS AND BOOKS AND RECORDS, AND (II) GRANTING RELATED RELIEF**

Upon the emergency motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”):

(i) authorizing the Debtors to (a) continue to operate their cash management system and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto and (b) continue to perform intercompany transactions and funding consistent with historical practice, as modified as set forth herein, and (c) maintain existing business forms and books and records; and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/vertex>. The location of Debtor Vertex Energy, Inc.’s corporate headquarters and the Debtors’ service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.

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

to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2024, at __: __ .m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on _____, 2024. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

2. Subject to the limitations of this Interim Order, the Debtors are authorized to:

(a) continue using the Cash Management System as described in the Motion in the ordinary course of business and honor any prepetition obligations related to the use thereof; (b) designate, maintain, close, and continue to use on an interim basis any or all of their existing Bank Accounts, including, but not limited to, the Bank Accounts identified on Exhibit B attached to the Motion, in the names and with the account numbers existing immediately before the Petition Date; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, electronic fund transfers, ACH transfers, and other debits or electronic means; (d) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts; (e) open new debtor-in-possession

Bank Accounts (subject to paragraph 16 herein); and (f) pay any Bank Fees, irrespective of whether such fees arose prior to the Petition Date, and perform their obligations under the documents and arrangements governing the Bank Accounts; *provided* that in the case of each of (a) through (f), such action is taken in the ordinary course of business and consistent with prepetition practices; *provided, further*, however that the Debtors shall give notice of the opening or closing of any Bank Account to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases.

3. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines, the Debtors shall have until November 8, 2024, without prejudice to seek an additional extension or waiver, to come into compliance with section 345(b) of the Bankruptcy Code; *provided* that nothing herein shall prevent the Debtors or the U. S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of the period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

4. The Debtors are authorized to maintain the Credit Card Programs and pay prepetition and postpetition amounts incurred on account of the Credit Card Programs pursuant to the terms of the Credit Card Programs.

5. The Debtors are authorized to continue using, in their present form, the Business Forms (including purchase cards), as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, and maintain and continue using, in their present form, the Books and Records; *provided* that once the Debtors have exhausted their existing stock of Business Forms, they shall ensure that any new Business Forms are clearly labeled "Debtor in Possession" as soon as it is reasonably practicable to do so. To the extent the Debtors

print any new checks or use any electronic Business Forms, they will include the designation “Debtor in Possession” and the corresponding bankruptcy number on all such checks within ten (10) days.

6. Except as otherwise provided in this Interim Order and only to the extent funds are available in each applicable Bank Account, the Cash Management Bank at which the Bank Accounts are maintained is authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business, and to receive, process, honor, and pay any and all checks, drafts, electronic fund transfers, and ACH transfers issued, whether before or after the Petition Date, including any transfers drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be. For the avoidance of doubt, the Cash Management Bank and other payroll check processors are authorized to receive, process, honor, and pay, to the extent funds are available in each applicable Bank Account, any and all payroll checks that were issued prior to and remain outstanding as of the Petition Date.

7. Those certain prepetition deposit, cash management, and treasury services agreements existing between the Debtors and the Cash Management Bank shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Bank and, subject to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements, shall remain in full force and effect absent further order of the Court (including, for the avoidance of doubt, any rights of the Cash Management Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the extent permitted under the applicable deposit agreement) unless the Debtors and such Cash Management Bank agree

otherwise, and any other legal rights and remedies afforded to the Cash Management Bank under applicable law shall be preserved, subject to applicable bankruptcy law.

8. The Cash Management Bank is authorized to charge, and the Debtors are authorized to pay, honor, or allow any Bank Fees or charges associated with the Bank Accounts, and charge back returned items to the Bank Accounts in the ordinary course, including any prepetition amounts. Any postpetition fees, costs, charges, and expenses, including Bank Fees, or charge-backs or any other reimbursement or payment obligations that are not paid are hereby accorded priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code.

9. The Cash Management Bank is authorized to debit the Bank Accounts in the ordinary course of business without the need for any further order of this Court for: (a) all checks drawn on the Bank Accounts which are cashed at the Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to or after the Petition Date; (b) all checks or other items deposited in one of the Bank Accounts with the Cash Management Bank prior to or after the Petition Date which have been dishonored or returned unpaid for any reason, including returned items that result from wire transfers, ACH transactions, or other electronic transfers of any kind, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to or after the Petition Date; (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business; and (d) any postpetition amounts due and owing to the Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business.

10. As soon as practicable after entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on the Cash Management Bank.

11. The Debtors are authorized to: (a) pay undisputed prepetition amounts outstanding as of the Petition Date, if any, owed in the ordinary course to the Cash Management Bank as service charges for the maintenance of the Cash Management System; and (b) reimburse the Cash Management Bank for any claims arising before or after the Petition Date in connection with customer checks deposited with the Cash Management Bank that have been dishonored or returned as a result of insufficient funds in the Bank Accounts in the ordinary course of business, to the same extent the Debtors were responsible for such items prior to the Petition Date.

12. The Debtors are authorized to enter into, engage in, and satisfy any payments in connection with the Intercompany Transactions and to take any actions related thereto, in each case on the same terms as, and materially consistent with, the Debtors' operation of the businesses in the ordinary course during the prepetition period, as further described in the Motion.

13. The Debtors are authorized to set off mutual postpetition obligations relating to intercompany receivables and payables through the Cash Management System in the ordinary course of business consistent with prepetition practices, as further described in the Motion. The Debtors shall continue to maintain accurate, current, and detailed records with respect to all transfers of cash so that all transactions, including Intercompany Transactions, may be readily ascertained, traced, and recorded properly on applicable intercompany accounts.

14. Pursuant to section 503(b)(1) of the Bankruptcy Code, all postpetition payments on account of any Intercompany Transaction, including any interest and fees related thereto, shall in each case be accorded administrative expense status, except to the extent such Intercompany Transactions are on account of antecedent debts (including with respect to "netting" or setoffs),

and the priority of any claims on account of such Intercompany Transactions shall be subject to the DIP Order (as defined below) and the priorities set forth therein.

15. Except as otherwise set forth herein, the Debtors and the Cash Management Bank may, without further order of the Court, agree and implement changes to the policies and procedures related to the Cash Management System in the ordinary course of business.

16. The Debtors are authorized to open new bank accounts so long as any such new account is with the Debtors' existing Cash Management Bank or with a bank that (a) is insured with the FDIC or the Federal Savings and Loan Insurance Corporation, (b) is designated as an authorized depository by the U.S. Trustee, and (c) agrees to be bound by the terms of this Interim Order (such bank, if not the Cash Management Bank, a "Qualifying Bank"); *provided* that all accounts opened by any of the Debtors on or after the Petition Date at any bank shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been listed on Exhibit B attached to the Motion.

17. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors after the date hereof, and in accordance with the terms hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Qualified Bank. The Debtors shall provide notice of the opening of a new bank account in accordance with the terms of this Interim Order.

18. Notwithstanding any other provision of this Interim Order, should the Cash Management Bank or any Qualifying Bank honor a prepetition check or other item drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtors to honor such prepetition check or item, including the Debtors' failure to stop payment on any such check or item, (b) in a good faith belief that the Court has authorized such prepetition check or item to be

honored, or (c) as the result of an innocent mistake made despite implementation of customary item handling procedures, the Cash Management Bank or Qualifying Bank shall not be deemed to be nor shall be liable to the Debtors or their estates or otherwise be in violation of this Interim Order. Without limiting the foregoing, the Cash Management Bank or Qualifying Bank may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Cash Management Bank or Qualifying Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

19. Nothing contained herein shall prevent the Debtors from closing any Bank Accounts as they may deem necessary and appropriate, to the extent consistent with any orders of this Court relating thereto, any relevant bank is authorized to honor the Debtors' requests to close such Bank Accounts.

20. Notwithstanding entry of this Interim Order, nothing herein shall create, or is intended to (a) create, any rights in favor of or enhance the status of any claim held by any party or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

21. Notwithstanding anything to the contrary set forth herein, any payment made hereunder, and any authorization contained herein, shall be subject to the requirements imposed under any interim or final orders authorizing the Debtors' use of cash collateral and/or postpetition debtor-in-possession financing (any such order, a "DIP Order") and any approved budget in connection therewith. To the extent there is any inconsistency between the terms of any DIP Order (including any approved budget in connection therewith) and any approval or action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

22. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

23. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, priority of, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens; (i) to alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date or that arises after the Petition Date; (j) create, any rights in favor of or enhance the status of any claim held by any party; or (k) impact or prejudice the ability of any party to challenge, avoid, unwind, recharacterize, or assert any other claim or cause of action with respect to any Intercompany Transactions.

24. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

25. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

26. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

27. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

28. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

29. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Houston, Texas

Dated: _____, 2024

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

VERTEX ENERGY, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 24-90507 (CML)
)
) (Joint Administration Requested)
)
) **Re: Docket No. __**

FINAL ORDER

**(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE
TO OPERATE THEIR CASH MANAGEMENT SYSTEM AND
MAINTAIN EXISTING BANK ACCOUNTS, (B) CONTINUE TO PERFORM
INTERCOMPANY TRANSACTIONS, AND (C) MAINTAIN EXISTING BUSINESS
FORMS AND BOOKS AND RECORDS, AND (II) GRANTING RELATED RELIEF**

Upon the emergency motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”):

(i) authorizing the Debtors to (a) continue to operate their cash management system and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto and (b) continue to perform intercompany transactions and funding consistent with historical practice, as modified as set forth herein, (c) maintain existing business forms and books and records; and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that it may enter a final order consistent with Article III of the United States

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/vertex>. The location of Debtor Vertex Energy, Inc.’s corporate headquarters and the Debtors’ service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.

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

Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Subject to the limitations of this Final Order, the Debtors are authorized to:

(a) continue using the Cash Management System as described in the Motion in the ordinary course of business and honor any prepetition obligations related to the use thereof; (b) designate, maintain, close, and continue to use on a final basis any or all of their existing Bank Accounts, including, but not limited to, the Bank Accounts identified on Exhibit B attached to the Motion, in the names and with the account numbers existing immediately before the Petition Date; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, electronic fund transfers, ACH transfers, and other debits or electronic means; (d) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts; (e) open new debtor-in-possession Bank Accounts (subject to paragraph 16 herein); and (f) pay any Bank Fees, irrespective of whether such fees arose prior to the Petition Date, and perform their obligations under the documents and arrangements governing the Bank Accounts; *provided* that in the case of each of (a) through (f), such action is taken in the ordinary course of business and consistent with prepetition practices;

provided, further, however that the Debtors shall give notice of the opening or closing of any Bank Account to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases.

2. The Debtors are authorized to maintain the Credit Card Programs and pay prepetition and postpetition amounts incurred on account of the Credit Card Programs pursuant to the terms of the Credit Card Programs.

3. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines, the Debtors shall have until November 8, 2024, without prejudice to seek an additional extension or waiver, to come into compliance with section 345(b) of the Bankruptcy Code; *provided* that nothing herein shall prevent the Debtors or the U. S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of the period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

4. The Debtors are authorized to continue using, in their present form, the Business Forms (including purchase cards), as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, and maintain and continue using, in their present form, the Books and Records; *provided* that once the Debtors have exhausted their existing stock of Business Forms, they shall ensure that any new Business Forms are clearly labeled "Debtor in Possession" as soon as it is reasonably practicable to do so. To the extent the Debtors print any new checks or use any electronic Business Forms, they will include the designation "Debtor in Possession" and the corresponding bankruptcy number on all such checks within ten days.

5. Except as otherwise provided in this Final Order and only to the extent funds are available in each applicable Bank Account, the Cash Management Bank at which the Bank Accounts are maintained is authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business, and to receive, process, honor, and pay any and all checks, drafts, electronic fund transfers, and ACH transfers issued, whether before or after the Petition Date, including any transfers drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be. For the avoidance of doubt, the Cash Management Bank and other payroll check processors are authorized to receive, process, honor, and pay, to the extent funds are available in each applicable Bank Account, any and all payroll checks that were issued prior to and remain outstanding as of the Petition Date.

6. Those certain prepetition deposit, cash management, and treasury services agreements existing between the Debtors and the Cash Management Bank shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Bank and, subject to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements, shall remain in full force and effect absent further order of the Court (including, for the avoidance of doubt, any rights of the Cash Management Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the extent permitted under the applicable deposit agreement) unless the Debtors and such Cash Management Bank agree

otherwise, and any other legal rights and remedies afforded to the Cash Management Bank under applicable law shall be preserved, subject to applicable bankruptcy law.

7. The Cash Management Bank is authorized to charge, and the Debtors are authorized to pay, honor, or allow any Bank Fees or charges associated with the Bank Accounts, and charge back returned items to the Bank Accounts in the ordinary course, including any prepetition amounts. Any postpetition fees, costs, charges, and expenses, including Bank Fees, or charge-backs or any other reimbursement or payment obligations that are not paid are hereby accorded priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code.

8. The Cash Management Bank is authorized to debit the Bank Accounts in the ordinary course of business without the need for any further order of this Court for: (a) all checks drawn on the Bank Accounts which are cashed at the Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to or after the Petition Date; (b) all checks or other items deposited in one of the Bank Accounts with the Cash Management Bank prior to or after the Petition Date which have been dishonored or returned unpaid for any reason, including returned items that result from wire transfers, ACH transactions, or other electronic transfers of any kind, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to or after the Petition Date; (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business; and (d) any postpetition amounts due and owing to the

Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business.

9. As soon as practicable after entry of this Final Order, the Debtors shall serve a copy of this Final Order on the Cash Management Bank.

10. The Debtors are authorized to: (a) pay undisputed prepetition amounts outstanding as of the Petition Date, if any, owed in the ordinary course to the Cash Management Bank as service charges for the maintenance of the Cash Management System; and (b) reimburse the Cash Management Bank for any claims arising before or after the Petition Date in connection with customer checks deposited with the Cash Management Bank that have been dishonored or returned as a result of insufficient funds in the Bank Accounts in the ordinary course of business, to the same extent the Debtors were responsible for such items prior to the Petition Date.

11. The Debtors are authorized to enter into, engage in, and satisfy any payments in connection with the Intercompany Transactions and to take any actions related thereto, in each case on the same terms as, and materially consistent with, the Debtors' operation of the businesses in the ordinary course during the prepetition period, as further described in the Motion.

12. The Debtors are authorized to set off mutual postpetition obligations relating to intercompany receivables and payables through the Cash Management System in the ordinary course of business consistent with prepetition practices, as further described in the Motion. The Debtors shall continue to maintain accurate, current, and detailed records with respect to all transfers of cash so that all transactions, including Intercompany Transactions, may be readily ascertained, traced, and recorded properly on applicable intercompany accounts.

13. Pursuant to section 503(b)(1) of the Bankruptcy Code, all postpetition payments on account of any Intercompany Transaction, including any interest and fees related thereto, shall in

each case be accorded administrative expense status, except to the extent such Intercompany Transactions are on account of antecedent debts (including with respect to “netting” or setoffs), and the priority of any claims on account of such Intercompany Transactions shall be subject to the DIP Order (as defined below) and the priorities set forth therein.

14. Except as otherwise set forth herein, the Debtors and the Cash Management Bank may, without further order of the Court, agree and implement changes to the policies and procedures related to the Cash Management System in the ordinary course of business.

15. The Debtors are authorized to open new bank accounts so long as any such new account is with the Debtors’ existing Cash Management Bank or with a bank that (i) is insured with the FDIC or the Federal Savings and Loan Insurance Corporation, (ii) is designated as an authorized depository by the U.S. Trustee, and (iii) agrees to be bound by the terms of this Final Order (such bank, if not the Cash Management Bank, a “Qualifying Bank”); *provided* that all accounts opened by any of the Debtors on or after the Petition Date at any bank shall, for purposes of this Final Order, be deemed a Bank Account as if it had been listed on Exhibit B attached to the Motion.

16. The relief granted in this Final Order is extended to any new bank account opened by the Debtors after the date hereof, and in accordance with the terms hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Qualifying Bank. The Debtors shall provide notice of the opening of a new bank account in accordance with the terms of this Final Order.

17. Notwithstanding any other provision of this Final Order, should the Cash Management Bank or any Qualifying Bank honor a prepetition check or other item drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors to honor such

prepetition check or item, including the Debtors' failure to stop payment on any such check or item, (b) in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of customary item handling procedures, the Cash Management Bank or Qualifying Bank shall not be deemed to be nor shall be liable to the Debtors or their estates or otherwise be in violation of this Final Order. Without limiting the foregoing, the Cash Management Bank or Qualifying Bank may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Cash Management Bank or Qualifying Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

18. Nothing contained herein shall prevent the Debtors from closing any Bank Accounts as they may deem necessary and appropriate, to the extent consistent with any orders of this Court relating thereto, any relevant bank is authorized to honor the Debtors' requests to close such Bank Accounts.

19. Notwithstanding entry of this Final Order, nothing herein shall create, or is intended to (a) create any rights in favor of or enhance the status of any claim held by any party or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

30. Notwithstanding anything to the contrary set forth herein, any payment made hereunder, and any authorization contained herein, shall be subject to the requirements imposed under any interim or final orders authorizing the Debtors' use of cash collateral and/or postpetition debtor-in-possession financing (any such order, a "DIP Order") and any approved budget in connection therewith. To the extent there is any inconsistency between the terms of any DIP Order

(including any approved budget in connection therewith) and any approval or action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

31. All time periods set forth in this Final Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

32. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens; (i) to alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date or that arises after the Petition Date; (j) create, any rights in favor of or enhance the status of any claim held by any party; or (k) impact or prejudice the ability of any party to challenge, avoid, unwind,

recharacterize, or assert any other claim or cause of action with respect to any Intercompany Transactions.

33. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

34. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

35. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

36. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

37. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Houston, Texas

Dated: _____, 2024

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE