

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

In re:	)	
	)	
	)	Chapter 11
WELLMADE FLOOR COVERINGS	)	
INTERNATIONAL, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 25-58764
	)	
Debtors.	)	(Joint Administration Requested)
	)	

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**EMERGENCY MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND  
FINAL ORDERS (I) AUTHORIZING THE MAINTENANCE OF BANK  
ACCOUNTS AND CONTINUED USE OF EXISTING BUSINESS FORMS AND  
CHECKS, (II) AUTHORIZING THE CONTINUED USE OF CASH  
MANAGEMENT SYSTEM, (III) WAIVING CERTAIN INVESTMENT AND  
DEPOSIT GUIDELINES, (IV) AUTHORIZING THE DEBTORS TO MAINTAIN  
CORPORATE CARD PROGRAM AND HONOR PREPETITION OBLIGATIONS  
RELATED THERETO, AND (V) GRANTING ADMINISTRATIVE EXPENSE  
STATUS TO POSTPETITION INTERCOMPANY CLAIMS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), submit this motion (the “Motion”) for entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the “Interim Order”), and a final order, substantially in the form attached hereto as **Exhibit B** (the “Final Order”, and together with the Interim Order, the “Proposed Orders”), pursuant to sections 105, 345, 363, 364, 507, 553, 1107, and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rules 9006-2, 9013-1, and 9013-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Georgia (the “Local Rules”), and the *Operating Guidelines & Reporting Requirements for Chapter*

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



*11 Debtors in Possession and Chapter 11 Trustees* (the “UST Guidelines”) promulgated by the Office of the United States Trustee for Region 21 (the “U.S. Trustee”), (i) authorizing, but not directing, the maintenance of bank accounts and continued use of existing business forms and checks; (ii) authorizing, but not directing, continued use of the cash management system; (iii) waiving certain investment and deposit requirements under the UST Guidelines; (iv) authorizing, but not directing, the Debtors to maintain their corporate card program and honor prepetition obligations related thereto; and (v) granting administrative expense status to postpetition intercompany claims. In support of the relief requested in this Motion, the Debtors rely upon and incorporate by reference the *Declaration of David Baker in Support of Chapter 11 Petitions and First Day Pleadings* (“First Day Declaration”) filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

#### **JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the Northern District of Georgia (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are sections 105, 345, 363, 364, 507, 553, 1107, and 1108 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, Local Rules 9006-2, 9013-1, and 9013-2, and Section K of the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the “Complex Case Procedures”).

## **BACKGROUND**

### **A. The Chapter 11 Cases**

3. On August 4, 2025 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court.

4. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. No official committee has been appointed in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), and no request has been made for the appointment of a trustee or an examiner.

6. Additional information regarding the Debtors’ businesses, capital structure, and the circumstances leading to the filing of these Chapter 11 Cases is set forth in the First Day Declaration.

### **B. The Cash Management System and Bank Accounts**

7. Prior to the Petition Date, the Debtors’ Cash Management System included approximately 14 bank accounts (the “Bank Accounts”, and the banks in which the Debtors maintain the Bank Accounts, the “Banks”) maintained at 7 Banks: (i) 2 Bank Accounts with Bank of America (“BOA”); (ii) 1 Bank Account with Umpqua Bank (“Umpqua”); (iii) 1 Bank Account with First Citizens Bank (“First Citizens”); (iv) 1 Bank Account with First Federal Bank (“First Federal”); (v) 4 Bank Accounts with Northwest Bank (“Northwest”); (vi) 1 Investment Account with JPMorgan Chase Bank, N.A. (“JPMorgan”); and (vii) 4 accounts with Synovus Bank (“Synovus”). A list of the Bank Accounts and the Bank at which each Bank Account is maintained is attached hereto as **Exhibit C**.

8. The Bank Accounts are summarized as follows:

Account Holder	Bank Name	Account No.	Description
Wellmade Floor Coverings International Inc.	Synovus	x8009	Collections Account. All revenue and receipts collected by the Debtors are deposited into this account and then transferred as needed into other Synovus accounts, as needed, for payment of the Debtors' operational and other expenses. All funds swept from the non-Synovus accounts will be deposited into this account.
Wellmade Floor Coverings International Inc.	Synovus	x4969	Disbursement Account. Funds are to be transferred in from the Collections Account and used to fund disbursements for, among other things, payments for contract counterparties and vendors and general operating costs (excluding payroll).
Wellmade Floor Coverings International Inc.	Synovus	x8564	Payroll Account. This accounts receives funds from the Collections Account to fund payroll on a bi-weekly basis.
Wellmade Floor Coverings International Inc.	Synovus	x5485	Holding Account. This account is used to hold funds in escrow for the payment of professional fees in connection with these cases. <sup>2</sup>
Wellmade Floor Coverings International Inc.	Northwest	x1614	Operating Account. All cash and check collections, deposits, reimbursements, or pre-payments for postage, and receipts from credit card sales are deposited into these accounts. Funds are pulled from this account to satisfy ordinary course and routine business expenses. Customer payments made via Shopify are deposited into this account and funds are used to fund the Emergency Savings Account. Funds from this account will be swept into the Synovus Collections account.
Wellmade Floor Coverings International Inc.	Northwest	x1688	Savings Account. Funds from this account will be swept into the Synovus Collections account.
Wellmade Floor Coverings International Inc.	Northwest	x1641	Payroll Account. This account was used to fund payroll on a bi-weekly basis. Funds from this accounts will be swept into the Synovus Collections account.
Wellmade Industries MFR. N.A LLC	Northwest	x1695	Operating Account. All cash and check collections, deposits, reimbursements, or pre-payments for postage, and receipts from credit card sales are deposited into these accounts. Funds are pulled from this account to satisfy ordinary course and routine business expenses. Funds from this account will be swept into the Synovus Collections account.
Wellmade Floor Coverings International Inc.	JPMorgan	x6541	Investment Account. This investment account is a JP Morgan Global Liquidity account for the US Government Money Market Fund Premier Share Class.

<sup>2</sup> The Debtors intend to file applications with the Court for the approval of employing and paying various professionals for the Debtors as required under the Bankruptcy Code.

Account Holder	Bank Name	Account No.	Description
Wellmade Floor Coverings International Inc.	First Citizens	X8751	Operating Account. Previously used as the main account for collections and disbursements. Funds from this account will be swept into the Synovus Collections account.
Wellmade Floor Coverings International Inc.	First Federal	x3005	Operating Account. This account is no longer used. Any funds in this account will be swept to the Synovus Collections account.
Wellmade Floor Coverings International Inc.	Umpqua	x7065	Operating Account. This account is no longer used. Any funds in this account will be swept to the Synovus Collections account.
Wellmade Industries MFR. N.A LLC	BOA	x1205	Operating Account. This account holds some previous receipts but is no longer actively used. Any funds in this account will be swept to the Synovus Collections account.
Wellmade Industries MFR. N.A LLC	BOA	x5831	Operating Account. This account holds some previous receipts but is no longer actively used. Any funds in this account will be swept to the Synovus Collections account.

9. The Debtors' Bank Accounts are part of a cash management system (the "Cash Management System") that ensures the Debtors' ability to efficiently collect, transfer, and disburse funds generated through the Debtors' operations and to accurately record such collections, transfers, and disbursements as they are made. The Cash Management System is integral to the operation and administration of the Debtors' businesses.

10. The 4 accounts with Synovus (the "Synovus Accounts"), were opened at Synovus in Atlanta, Georgia on July 23, 2025 and the Debtors began the process of sweeping funds from other Bank Accounts into the Synovus account; however, because many customers are already set up to deposit payments into the previously existing accounts, the Debtors do not want to close those accounts for fear of losing or missing customer payments.

11. The Debtors' Cash Management System facilitates reporting, monitors collection and disbursements of funds, and reduces administrative expenses by facilitating the movement of funds and the development of timely and accurate balance and presentment information and

administers the various Bank Accounts required to effectuate the collection, disbursement, and movement of cash. As part of the Cash Management System, Banks charge the Debtors fees and expenses associated with the Bank Accounts (collectively, the “Bank Account Claims”). In accordance with Section K of the Complex Case Procedures, the Debtors request authority to pay or reimburse these Bank Account Claims in the ordinary course of business, including those that arose prepetition.

12. The Debtors’ transition into chapter 11 will be significantly less disruptive if the Bank Accounts are maintained in this manner following the commencement of the Chapter 11 Cases. The Debtors further request authority to deposit funds in and withdraw funds from all such Bank Accounts postpetition, subject to the same access rights and limitations existing prior to the Petition Date, including, but not limited to, checks, wire transfers, ACH, electronic funds transfers and other debits and to treat the Bank Accounts for all purposes as debtor-in-possession accounts.

### **C. Existing Business Forms and Checks**

13. In the ordinary course of business, the Debtors use pre-printed check stock with the applicable Debtor’s name printed thereon. In addition, the Debtors maintain pre-printed correspondence and business forms, including, but not limited to, letterhead, envelopes, promotional materials, and other business forms (collectively, along with the Debtors’ checks, the “Business Forms”). Requiring the Debtors to change their Business Forms would impose needless expense on the Debtors’ estates. To minimize administrative expense and delay, the Debtors request authority to continue to use their Business Forms substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors’ status as a debtor in possession.

14. In accordance with the Complex Case Procedures, to the extent that the Debtors exhaust their existing supply of checks during these Chapter 11 Cases and require new checks,

each Debtor will update its checks to reflect the designation “Debtor in Possession” and the leading case number of these Chapter 11 Cases.

**D. Corporate Card Account Programs**

15. The Debtors also maintain 8 credit cards used to pay expenses that arise in the ordinary course (the “Corporate Card Accounts”) as a part of their Cash Management System.

16. *Amex Corporate Card Account.* As part of their Cash Management system and in the ordinary course of business, the Debtors use an Amex Corporate Card for certain online purchases of materials, equipment, and other business expenses. The Debtors pay the minimum payment owed under the Amex Corporate Card on a monthly basis. The Debtors estimate that approximately \$66,426.22 is outstanding under the Amex Corporate Card Account as of the Petition Date.

17. *Amex Delta Card.* The Debtors utilize an Amex Delta card to cover travel expenses for certain of the Debtors’ employees for business related travel. The Delta Amex Card has a credit limit of \$30,000 and the minimum payment owed is historically paid on a monthly basis. The Debtors estimate that approximately \$2,662.81 is owed under the Amex Delta Card as of the Petition Date.

18. *Amex Amazon Card.* The Debtors also hold an Amex Amazon Card used by the Debtors’ office managers to purchase office supplies. The Debtors estimate that approximately \$211.19 is owed under the Amex Amazon Card as of the Petition Date.

19. *Citi Costco Card.* The Debtors also hold a Citi Costco Card that is used to cover food, gas, and supplies used by the Debtors in the ordinary course of business. The Debtors estimate that approximately \$189.23 is owed under the Citi Costco Card as of the Petition Date.

20. *Capital One Account.* The Debtors also utilize a Capital One Account, which includes one corporate card for the payment of shipping costs and other business expenses, and two employee cards used to purchase materials, equipment, and parts necessary for the Debtors' business. The two Capital One employee cards each have a credit limit of \$7,000 per month and are historically paid on a monthly basis. The Debtors estimate that the aggregate outstanding amount owed under the Capital One Account as of the Petition Date is approximately \$142,066.70.

21. The Corporate Card Account Program is an integral part of the Debtors' Cash Management System intended to facilitate and simplify the timely acquisition of materials, supplies, and services. Among other things, the Corporate Card Account Program allows the Debtors to effectively manage inventory by permitting the acquisition of the necessary equipment and supplies as needed. Continued use of the Corporate Card Accounts is essential to the continued operation of the Debtors' businesses. The Debtors seek authority to continue the Corporate Card Account Program, subject to any terms and conditions thereof, and to pay any amount due and owing thereunder in the ordinary course of business on a postpetition basis, including on account of charges that were made pursuant to the Corporate Card Account Program prior to the Petition Date.

#### **E. Credit Card Processing Fees**

22. The Debtors accept credit card payments from their customers. Credit card payments are processed by either Shopify ("Shopify") or Clover ("Clover", and together with Shopify, the "Credit Card Processors"). Clover processes all credit card transactions for in-store payments and Shopify processes all online orders. The Debtors' continued ability to honor or process credit card transactions is essential to their efforts to maintain the operation of their business and maximize value to their estates. Without this ability, the Debtors would lose the ability to conduct sales transactions in the ordinary course of business. Pursuant to the terms of



the Debtors' agreements and relationships with the Credit Card Processors, the Debtors are required to pay certain fees for credit card processing services (collectively, the "Processing Fees"). The Credit Card Processors net the Processing Fees from the credit card receipts. As a result, the Debtors do not expect any Processing Fees to be outstanding as of the Petition Date. By this Motion, the Debtors seek the authority to continue to pay the Processing Fees, including any prepetition obligations, in the ordinary course of business to avoid any interruption of the Debtors' ability to process credit card transactions.

#### **F. Intercompany Transactions**

23. In the ordinary course of business, the Debtors engage in transactions relating to the business relationships, and certain shared management, general, administrative, and other similar shared services, amongst each other that give rise to intercompany claims (the "Intercompany Transactions"). The Intercompany Transactions include payments made on behalf of one Debtor by the other.

24. These Intercompany Transactions reduce administrative costs and ensure the orderly and efficient operation of the Debtors' enterprise. Accordingly, the Debtors engaged in the Intercompany Transactions on a regular basis prepetition and believe such transactions are common for enterprises like the Debtors. The Debtors will maintain records of all Intercompany Transactions postpetition to ensure that such Intercompany Transactions can be reconciled.

#### **G. Requested Modification of Section 345 and Certain U.S. Trustee Guidelines**

25. By this Motion, the Debtors seek a modification of the deposit guidelines set forth in section 345(b) of the Bankruptcy Code and the Operating Guidelines and Reporting Requirements for Debtors in Possession and Chapter 11 Trustees (the "Guidelines") to permit the Debtors to maintain their existing Bank Accounts and Cash Management System. Section 345(b) of the Bankruptcy Code sets forth specific requirements for deposits or investments that are not

“insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States ... or backed by the full faith and credit of the United States...” 11 U.S.C. § 345(b). For such deposits or investments, section 345(b) requires, from the entity with which the money is deposited or invested, a bond in favor of the United States secured by the undertaking of a surety, or, in the alternative, a deposit of securities of the kind specified in section 9303 of title 31. These requirements may be waived or modified by the Court “for cause.”

26. Similarly, Guidelines are a tool to supervise the administration of chapter 11 cases and prevent postpetition payments for prepetition claims. The Guidelines require a chapter 11 debtor to, among other things: (i) close its existing books, records and bank accounts, and open new postpetition books, records and bank accounts (which must bear debtor in possession labels, and must be opened at banks approved by the U.S. Trustee); (ii) establish separate bank accounts for operations, payment of taxes, cash collateral and payroll (to the extent that the debtor had a separate payroll account prepetition); and (iii) obtain new checks bearing the designation “Debtor in Possession,” along with additional information.

27. The Synovus Accounts are maintained at a bank that is an approved depository in compliance with section 345(b) of the Bankruptcy Code or the Guidelines.

28. Additionally, as explained above, the Debtors’ Bank Accounts comprise an established Cash Management System that the Debtors need to maintain in order to ensure that collections and disbursements from the Bank Accounts are not disrupted. While the Debtors intend to transition fully to the Synovus Accounts, keeping the other accounts open for the time being will help prevent any disruption or delays in the Debtor’s ability to operate its business. The Debtors will note, in their respective records, the date and times the chapter 11 petitions were filed, and their records will reflect each postpetition receipt and disbursement. Accordingly, the Debtors

request that their existing accounts be deemed DIP accounts, and that their maintenance and continued use be authorized.

29. Moreover, all the Debtors' Bank Accounts are located in the United States and are insured by the FDIC. Thus, the Debtors believe that any funds that are deposited in the Bank Accounts are secure, and, therefore, the Debtors are in compliance with Bankruptcy Code section 345 with respect to such Bank Account.

30. However, to the extent that the Bank Accounts do not comply with the requirements set forth in Bankruptcy Code section 345, the Debtors seek a 45-day extension to comply with Bankruptcy Code section 345(b) for "cause," without prejudice to the Debtors' right to seek a waiver in a final order or further extensions of time. During the extension period, the Debtors will engage in discussions with the U.S. Trustee regarding what, if any, modifications to their current practices would be appropriate under the circumstances. The Debtors believe that the benefits of the requested extension far outweigh any harm to the estates. Accordingly, the Debtors request a 45-day extension to comply with Bankruptcy Code section 345(b) without prejudice to the Debtors' right to seek a waiver in a final order or further extensions of time.

### **RELIEF REQUESTED**

31. The Debtors respectfully request entry of the Proposed Orders: (a) authorizing, but not directing, the maintenance of Bank Accounts and continued use of existing Business Forms; (b) authorizing, but not directing, continued use of the Cash Management System; (c) waiving certain of the investment and deposit requirements under the UST Guidelines; (d) authorizing the Debtors to maintain their Corporate Card Account Program and honor prepetition obligations related thereto; (e) granting administrative expense status to postpetition intercompany claims; and (f) providing any additional relief required in order to effectuate the foregoing. The relief requested herein will help ensure the Debtors' smooth transition into chapter 11. If the relief

requested herein is granted, the Debtors will be able to continue to comply with some essential operational contracts and avoid the possible disruptions and distractions that could otherwise divert their attention from more pressing matters during the initial days of these Chapter 11 Cases.

32. The Debtors reserve the right to close or otherwise modify the terms of the Bank Accounts and open new debtor-in-possession accounts as may be necessary to facilitate the Chapter 11 Cases and operations, or as may otherwise be necessary to comply with the requirements of any order approving debtor-in-possession financing or use of cash collateral entered in these Chapter 11 Cases.

### **BASIS FOR RELIEF**

#### **A. Continued Use and Maintenance of the Cash Management System is Warranted**

33. The Debtors maintain the Cash Management System in the ordinary course of their businesses, which allows them to efficiently administer their cash and financial affairs. Maintaining the Cash Management System is important and necessary to preserve the value of the Debtors' businesses and to administer these Chapter 11 Cases.

34. Allowing the Debtors to utilize and maintain their Cash Management System is consistent with section 363(c)(1) of the Bankruptcy Code, which authorizes a debtor in possession to "use property of the estate in the ordinary course of business, without notice or a hearing." 11 U.S.C. § 363(c)(1). The authority granted by Bankruptcy Code section 363(c)(1) extends to a debtor in possession's ability to continue the "routine transactions" necessitated by its cash management system and, thus, supports the relief requested. *See Charter Co. v. Prudential Ins. Co. Am. (In re Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (indicating that an order authorizing the debtor to employ a cash management system that was "usual and customary in the past" was "entirely consistent" with Bankruptcy Code section 363(c)(1)); *see also In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007). Included within the purview of

section 363(c) is a debtor's ability to continue the routine transactions necessitated by its cash management system. *See Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996).

35. Further, section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process or judgment that is necessary to carry out the provisions of this title,” and section 363(c)(1) of the Bankruptcy Code authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. §§ 105(a), 363(c)(1). The purpose of these sections is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without undue oversight by creditors or the court. *See Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997).

36. Courts in this district routinely authorize the continued use of a cash management system employed in the ordinary course of a debtor's prepetition business. *See, e.g., In re OTB Holding LLC*, Case No. 25-52415 (SMS) (Bankr. N.D. Ga. Mar. 7, 2025) [Docket No. 53]; *In re LaVie Care Cenetrs, LLC*, Case No. 24-55507 (PMB) (Bankr. N.D. Ga. June 5, 2024) [Docket No. 240]; *In re The Krystal Co.*, Case No. 20-61065 (PWB) (Bankr. N.D. Ga. Mar. 3, 2020) [Docket No. 219]; *In re Jack Cooper Ventures, Inc.*, Case No. 19-62393 (PWB) (Bankr. N.D. Ga. Sept. 3, 2019) [Docket No. 215].

37. Any disruption to the Debtors' Cash Management System would have an immediate adverse impact on the Debtors' business and would impair the Debtors' ability to successfully administer these Chapter 11 Cases. The Cash Management System constitutes a customary and essential business practice that was created and implemented by the Debtors' management in the exercise of their business judgment. The Cash Management System is a

practical mechanism that allows the Debtors to transfer their revenues to the payment of their obligations, which decreases the burdens on the Debtors, and that provides several important benefits, including the ability to: (a) control and monitor corporate funds; (b) ensure cash availability; and (c) reduce administrative expenses by facilitating the movement of funds and the development of timely and accurate balance and presentment information. These benefits will assist the Debtors in their efforts to maintain their operations pending the proposed sale of their assets as described in the First Day Declaration, making the relief requested herein appropriate under section 105(a) of the Bankruptcy Code.

**B. The Debtors Should be Permitted to Maintain Their Existing Bank Accounts**

38. The Debtors should be authorized to continue to fund their businesses and operations utilizing the Bank Accounts, and certain of the UST Guidelines should be waived. Specifically, unless the Court requires otherwise, the UST Guidelines require chapter 11 debtors to, among other things, (a) close existing bank accounts and open new debtor-in-possession accounts; (b) establish a separate general account for purpose of paying bills incurred during the administration of the case; (c) establish and maintain separate tax trust account to escrow funds for the payment of postpetition taxes; and (d) obtain and utilize new checks for all debtor-in-possession accounts that bear the designation “Debtor in Possession” and contain certain other information related to the chapter 11 case. The requirement that a debtor in possession open new bank accounts and close all existing accounts is designed to provide a clear line of demarcation between prepetition and postpetition claims and payments and to protect against the inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the Petition Date. The UST Guidelines also require that the new bank accounts only be opened in certain financial institutions designated as authorized depositories by the United States Trustee.

39. To avoid disruption to the Debtors' operations, the Debtors request that they be permitted to continue to maintain the existing Bank Accounts. Allowing the Debtors to maintain the Bank Accounts will assist the Debtors in accomplishing a smooth transition to operations under chapter 11. Moreover, through their internal controls, the Debtors can distinguish between pre-petition and postpetition obligations and payments without closing all the Bank Accounts and opening new ones. In fact, the opening of the Synovus Accounts and sweeping of funds from the other Bank Accounts into the Synovus Accounts prepetition was intended to help simplify this process. In addition, the Banks at which the Debtors maintain Bank Accounts have been or are in the process of being advised not to honor checks, advises, drafts, or other requests for payment issued prior to the Petition Date, except as otherwise expressly permitted by an order of the Court and as directed by the Debtors. Therefore, the goals of the UST Guidelines can be satisfied, and the Debtors' creditors can be protected, without closing all the Bank Accounts.

40. Although the Debtors are requesting a waiver of the requirement that they close all Bank Accounts, the Debtors may determine, in their business judgment, that opening new bank accounts and/or closing existing Bank Accounts is in the best interests of the estates. For example, the Debtors intend to sweep the majority of funds into the Synovus Accounts once it has insured that no additional funds will be deposited into those other accounts. Nothing herein should prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Accounts, as they may deem necessary and appropriate. Any new bank account opened by the Debtors will be established at one of the Debtors' existing Banks or an institution that is a party to a Uniform Depository Agreement with the U.S. Trustee or is willing to immediately execute a Uniform Depository Agreement.

41. The Debtors also seek a waiver of the requirement to establish specific bank accounts for tax payments. The Debtors believe that tax obligations can be paid most efficiently out of the existing Bank Accounts, the U.S. Trustee can adequately monitor the flow of funds into, among, and out of the Bank Accounts, and the creation of new debtor-in-possession accounts designated solely for tax obligations would be unnecessary and inefficient.

42. If the Debtors were forced to close all their Bank Accounts, there would be disruption and confusion that would negatively impact the Debtors' operations. For instance, funds may be deposited into the wrong account, misapplied, held in limbo, or otherwise delayed, thereby negatively affecting the Debtors' relationships with parties who are necessary to the Debtors' efforts. Therefore, maintenance of the existing Bank Accounts and Cash Management System is warranted.

43. Courts in this District have routinely waived certain Guideline requirements and allowed the continued use of cash management systems and prepetition bank accounts employed in the ordinary course of a debtor's prepetition business. *See, e.g., In re LaVie Care Centers, LLC*, Case No. 24-55507 (PMB) (Bankr. N.D. Ga. June 5, 2024) [Docket No. 48] (authorizing the debtors' continued use of existing bank accounts and cash management system); *In re IFS Sec., Inc.*, Case No. 20-65841 (LRC) (Bankr. N.D. Ga. May 1, 2020) [Docket No. 19] (same); *In re The Krystal Co.*, Case No. 20-61065 (PWB) (Bankr. N.D. Ga. Mar. 3, 2020) [Docket No. 219] (same); *In re Jack Cooper Ventures, Inc.*, Case No. 19-62393 (PWB) (Bankr. N.D. Ga. Sept. 3, 2019) [Docket No. 215] (same).

44. Finally, subject to section 553 of the Bankruptcy Code, the Debtors request that all Banks that maintain the Bank Accounts be prohibited from offsetting, affecting, freezing, or otherwise impeding the Debtors' use of any funds deposited in the Bank Accounts on account of,



or by reason of, any purported claim (as defined in section 101(5) of the Bankruptcy Code) of any such Bank against the Debtors that arose before the Petition Date, absent further order of the Court.

**C. The Debtors Should be Permitted to Continue the Corporate Card Account Programs and Satisfy Certain Prepetition Claims and Provide Additional Accommodations and Relief in Connection With Such Programs**

45. The Corporate Card Account Program is an integral part of the Debtors' Cash Management System. The Debtors' continued use of the Corporate Cards for ordinary course business expenses is essential to the continued operation of the Debtors' business. Accordingly, the Debtors seek authority, but not direction, to continue the Corporate Card Account Program, in a manner consistent with past practices and the Approved Budget (as defined in the DIP Financing Order) and to pay any amount due and owing thereunder on a postpetition basis in the ordinary course of business, including making payments on accounts of charges that were made pursuant to the Corporate Card Account Program prior to the Petition Date.

**D. The Debtors Should be Permitted to Continue Using Existing Business Forms and Checks**

46. The Debtors request that this Court authorize them to use all Business Forms substantially in the form existing immediately before the Petition Date without reference to the Debtors' status as "debtors-in-possession." As of the Petition Date, the Debtors have stock of Business Forms that they use in the ordinary course of business. Reprinting their Business Forms to indicate that the Debtors are "Debtors-in-Possession" would impose an unnecessary burden and expense on the Debtors. Further, there is little doubt that the parties with whom the Debtors do business will become aware shortly that the Debtors are chapter 11 debtors in possession. As required under the Complex Case Procedures, once the Debtors' existing checks have been used, the Debtors will require the designation "Debtor in Possession" and the corresponding bankruptcy case number of the lead case on all checks when reordering checks.

**E. The Court Should Authorize the Banks to Continue to Service and Administer the Debtors' Bank Accounts**

47. In connection with the foregoing, the Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors, as debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks should be authorized (i) to receive, process, honor, and pay all checks and transfers issued by the Debtors in accordance with this Motion, without regard to whether any checks or transfers were issued before or after the Petition Date; (ii) to provide that the Banks may rely on the representations of the Debtors with respect to whether any check or transfer issued or made by the Debtors before the Petition Date should be honored pursuant to this Motion (such Banks having no liability to any party for relying on such representations by the Debtors provided for herein); and (iii) to authorize the Debtors to issue replacement checks or transfers to the extent any checks or transfers that are issued and authorized to be paid in accordance with this Motion are dishonored or rejected by the Banks.

48. The Debtors respectfully request that the Court authorize the Banks to receive, process, honor, and pay any and all checks, ACH payments and other instructions, and drafts payable through, drawn, or directed on such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto, whether such checks, drafts, wires, or ACH payments are dated prior to or subsequent to the Petition Date consistent with any order of the Court and governing law; provided, however, that any check, advise, draft, or other notification that the Debtors advised the Banks to have drawn, issued, or otherwise presented prior to the Petition Date may be honored by the Banks only to the extent authorized by order of the Court.

49. Both as part of this Motion and in other motions that have been concurrently filed, the Debtors are requesting authority, but not direction, to pay certain prepetition obligations. With respect to some of these obligations, the Debtors may have issued checks prior to the Petition Date that have yet to clear the banking system. In other instances, the Debtors will create the relevant check once the Court enters an order permitting the Debtors to do so. The Debtors intend to inform the Banks which checks should be so honored. Therefore, the Debtors request that the Banks be authorized to 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. The Debtors respectfully submit that such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a court order or otherwise.

**F. Cause Exists to Waive Certain Deposit Requirements under the Guidelines and Section 345(b) of the Bankruptcy Code**

50. Bankruptcy Code section 345 governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," Bankruptcy Code section 345(b) requires the estate to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or "the deposit of securities of the kind specified in section 9303 of title 31," unless the Court "for cause" orders otherwise. *Id.* § 345(b).

51. In evaluating whether "cause" for modification or waiver of these requirements exists, courts have considered a number of factors, including, among others, the sophistication and

size of a debtor's business, the amounts of the investments involved, bank ratings, the complexity of the case, the debtor's safeguards for the funds, the debtor's ability to reorganize in the face of failure of one or more of the financial institutions, the benefit to the debtor of a waiver or modification of the section 345(b) requirements, the potential harm to the estate, and the reasonableness of such a waiver or modification under the circumstances. *See In re Serv. Merchandize Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999). Here, these factors warrant a modification of the requirements of Bankruptcy Code section 345 to the extent the Cash Management System does not already strictly comply with such requirements.

52. Here, "cause" exists because each Bank at which the Bank Accounts are maintained is a stable financial institution insured by the FDIC, and all of the funds will eventually be held in accounts with Synovus, which is designated as an Authorized Depository by the U.S. Trustee. Thus, the Debtors' funds are safe.

53. Although certain of the Banks are not authorized depositories, they are highly rated financial institutions that are recognized as well-capitalized and financially stable—many of which are approved depositories in other jurisdictions. Therefore, notwithstanding that the Banks are not "authorized depositories" for this jurisdiction, the Debtors believe that estate funds at those institutions will be protected during the chapter 11 cases until they are swept into the Synovus Accounts. The Debtors will note, in their respective records, the date and times the chapter 11 petitions were filed, and the records will reflect each postpetition receipt and disbursement. Thus, the Debtors believe that any funds that are deposited in the Bank Accounts are secure, and, therefore, the Debtors are in compliance with Bankruptcy Code section 345 with respect to such Bank Accounts.

54. However, to the extent that the Bank Accounts do not comply with the requirements set forth in Bankruptcy Code section 345, the Debtors seek a 45-day extension to comply with Bankruptcy Code section 345(b) for “cause,” without prejudice to the Debtors’ right to seek a waiver in a final order or further extensions of time. During the extension period, the Debtors will continue to sweep funds into the Synovus Accounts and will engage in discussions with the U.S. Trustee regarding what, if any, additional modifications to their current practices would be appropriate under the circumstances. The Debtors believe that the benefits of the requested extension far outweigh any harm to the estates. *See In re Serv. Merch. Co.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (noting that a factor to consider in determining whether cause exists “for relief from the strictures of § 345(b)” is whether benefits to the debtor outweigh harm, if any, to the estate).

55. Accordingly, the Court should authorize the Debtors to continue to use and deposit funds in the Bank Accounts in the manner outlined above and to the extent the requirement of section 345(b) are inconsistent with these practices, the Debtors request that such requirements are waived or that the Debtors are granted a 45-day extension to comply with Bankruptcy Code section 345(b) without prejudice to the Debtors’ right to seek a waiver in a final order or further extensions of time.

**G. The Debtors Should be Permitted to Continue Intercompany Transactions, and Intercompany Transactions Should be Granted Administrative Priority Expense Status**

56. As described above, under the Cash Management System, each Debtor may enter into certain Intercompany Transactions with any of the other Debtors in the ordinary course of their businesses. The Intercompany Transactions allow the Debtors, among other things, to meet the needs of their customers and vendors efficiently in a cost-effective manner through the centralization of key administrative functions. If these Intercompany Transactions are

discontinued, the Debtors' cash management process would be disrupted causing irreparable harm to the Debtors. It is imperative that the Debtors maintain the ability, as debtors in possession, to make transfers among the Debtors to ensure that ordinary course operations are not disrupted.

57. Accordingly, the Debtors believe that the continuation of, and authority to continue to enter into, Intercompany Transactions in the ordinary course of the Debtors' businesses, subject in all respects to the terms and conditions set forth herein and in the Proposed Orders, is in the best interest of the Debtors' estates and their creditors. The Debtors maintain records of all Intercompany Transactions and can ascertain, trace, and account for the Intercompany Transactions at all times, and the Debtors will continue to maintain such records postpetition.

58. As a result of the Intercompany Transactions, at any given time, an individual Debtor can be rendered a net lender or net borrower. To ensure that each individual Debtor will not fund, at the expense of its creditors, the operations of another entity, the Debtors respectfully request that, pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, all postpetition Intercompany Transactions be granted administrative priority expense status.

**REQUEST FOR IMMEDIATE RELIEF AND WAIVER OF STAY  
TO AVOID IMMEDIATE AND IRREPARABLE HARM**

59. The relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein and in the First Day Declaration. Therefore, Bankruptcy Rule 6003 has been satisfied and the relief requested herein should be granted.

60. Bankruptcy Rule 6003 provides that the Court may grant relief within 21 days after the filing of the petition regarding "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" only if such relief is necessary to avoid immediate and irreparable harm. Fed. R. Bankr. P. 6003(b). As set forth in this Motion and the First Day Declaration, the Debtors

will suffer immediate and irreparable harm without approval of the relief requested herein. Accordingly, Bankruptcy Rule 6003 is satisfied, and the relief requested herein should be granted.

61. Additionally, the Debtors further seek a waiver of any stay of the effectiveness of an order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). The relief requested in this Motion is essential to prevent immediate and irreparable damage to the Debtors’ operations, going-concern value, and their efforts to pursue a resolution to these Chapter 11 Cases. Accordingly, the 14-day stay under Bankruptcy Rule 6004(h) should be waived.

### **RESERVATION OF RIGHTS**

62. Nothing in the Proposed Orders or this Motion (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action, except as expressly provided for in the Proposed Orders; or (iv) shall be construed as a promise to pay a claim.

### **NOTICE**

63. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the Northern District of Georgia; (b) the Debtors’ prepetition lender; (c) creditors holding the 30 largest unsecured claims against the Debtors; (d) the United States Attorney for the Northern District of Georgia; (e) the Georgia Department of Revenue; (f) the Internal Revenue Service; (g) the Securities & Exchange

Commission; (h) the Georgia Secretary of State; (i) the states attorneys general for states in which the Debtors conduct business; (j) the Banks; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**NO PRIOR REQUEST**

64. No previous request for the relief sought herein has been made by the Debtors to this Court or any other court.

**CONCLUSION**

**WHEREFORE**, the Debtors respectfully request that this Court enter the Proposed Orders granting the relief requested herein and such other and further relief as is just and proper.

Date: August 4, 2025  
Atlanta, Georgia

Respectfully Submitted,

**GREENBERG TRAURIG, LLP**

/s/ John D. Elrod

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*Proposed Counsel for the Debtors in Possession*



**Exhibit A**

**Proposed Interim Order**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

In re:	)	
	)	
	)	Chapter 11
WELLMADE FLOOR COVERINGS	)	
INTERNATIONAL, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 25-58764
	)	
Debtors.	)	(Joint Administration Requested)
	)	
	)	Re: Docket No. _

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**INTERIM ORDER (I) AUTHORIZING THE MAINTENANCE OF BANK  
ACCOUNTS AND CONTINUED USE OF EXISTING BUSINESS FORMS AND  
CHECKS, (II) AUTHORIZING THE CONTINUED USE OF CASH  
MANAGEMENT SYSTEM, (III) WAIVING CERTAIN INVESTMENT AND  
DEPOSIT GUIDELINES, (IV) AUTHORIZING THE DEBTORS TO MAINTAIN  
CORPORATE CARD PROGRAM AND HONOR PREPETITION OBLIGATIONS  
RELATED THERETO, AND (V) GRANTING ADMINISTRATIVE EXPENSE  
STATUS TO POSTPETITION INTERCOMPANY CLAIMS**

Upon the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the  
Maintenance of Bank Accounts and Continued Use of Existing Business Forms and Checks,*

---

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

*(II) Authorizing the Continued Use of Cash Management System, (III) Waiving Certain Investment and Deposit Guidelines, (IV) Authorizing the Debtors to Maintain Corporate Card Program and Honor Prepetition Obligations Related Thereto, and (V) Granting Administrative Expense Status to Postpetition Intercompany Claims* (the “Motion”);<sup>2</sup> and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of these Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances; and this Court having held a hearing (the “Hearing”) to consider the relief requested in the Motion; and upon the First Day Declaration and the record of the Hearing, this Court having determined that there is good and sufficient cause for the relief set forth in this Order; and after due deliberation thereon,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED on an interim basis to the extent provided herein.
2. The Debtors are authorized, but not directed, on an interim basis to maintain and use their Cash Management System as more fully set forth in the Motion.
3. The Debtors are authorized, but not directed, on an interim basis, to: (a) maintain and continue operating the Cash Management System and honor any prepetition obligations related thereto; (b) designate, maintain, 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 C of 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, wire transfers, and other debits; (d) treat their prepetition Bank Accounts for all purposes as debtor-in-possession accounts; (e) open new debtor-in-possession bank accounts or

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

close existing accounts, provided that (i) any new account is with a bank that (x) is insured with the FDIC or the Federal Savings and Loan Insurance Corporation and (y) has executed (or is willing to execute) a Uniform Depository Agreement (“UDA”) with the U.S. Trustee, and (ii) the Debtors provide three business days’ advance notice to the U.S. Trustee and any statutory committee(s) appointed in the Chapter 11 Cases of the opening or closing of an account, and provided further that any account opened by any of the Debtors on or after the Petition Date at any Bank shall, for purposes of this Order, be deemed a Bank Account as if it had been listed on Exhibit C of the Motion and entitled to the relief granted herein; and (g) pay the Bank Fees (including any prepetition amounts).

4. The Debtors shall have forty-five (45) days from the Petition Date to comply with the deposit and investment requirements of Bankruptcy Code section 345(b). Such extension is without prejudice to the Debtors’ right to request a further extension of the time to comply with, or waiver of the requirements of, Bankruptcy Code section 345(b). The Debtors are authorized to deposit funds in and withdraw funds from their Bank Accounts by all usual means, subject to the same access rights and limitations existing prior to the Petition Date, including, but not limited to, checks, wire transfers, ACH transfers, electronic funds transfers, and other debits and to treat the Bank Accounts for all purposes as debtor-in-possession accounts.

5. The Debtors are authorized to continue to use their checks, correspondence and other Business Forms including, but not limited to, purchase orders, letterhead, envelopes, promotional materials, substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors’ debtor in possession status; provided, however, once the Debtors’ existing checks have been used, the Debtors will require the designation “Debtor in Possession” and the corresponding bankruptcy case number of the lead case on all checks when reordering.

6. Each Debtor is authorized, but not directed, to continue the Corporate Card Account Program in the ordinary course of business, consistent with prepetition practices (subject to ordinary course modifications thereto), including the timely payment of all past and future obligations as they become due and owing under the Corporate Card Accounts (whether prepetition or postpetition) on a postpetition basis and performing all obligations thereunder. The issuers of the cards under the Corporate Card Account Program are authorized to continue making advances pursuant to the terms of their existing agreements (in reliance upon section 364(e) of the Bankruptcy Code) with the Debtors (including as may be renewed, supplemented, amended, or otherwise modified from time to time in the ordinary course of business), and each Debtor is authorized to incur credit in respect of such advances under sections 364(a) and (c) of the Bankruptcy Code, as applicable. The terms of all existing agreements by and between the Debtors and issuers of the cards under the Corporate Card Account Program, including the termination, fee provisions, rights, benefits, collateral, offset and termination rights, and remedies afforded under such agreements shall remain in full force and effect and govern the parties' postpetition transactions with the Debtors, including making ordinary course modifications thereto.

7. The Debtors are authorized to pay all prepetition Processing Fees and to continue to pay such Processing Fees in the ordinary course of business postpetition.

8. The Banks listed on **Exhibit C** to the Motion and any and all other financial institutions receiving or transferring funds from the Debtors are hereby authorized to continue to service and administer the Bank Accounts of the relevant Debtor as a debtor-in-possession account without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or automated clearinghouse transfers drawn on the Bank Accounts by the holders or makers thereof, provided that nothing contained herein shall authorize any such Bank to honor any check issued or dated prior to the date of the commencement of these

chapter 11 cases, except as otherwise provided by further order of this Court. In no event shall any of the Banks be required to honor overdrafts or to pay any check, wire or other debit against any of the Bank Accounts that is drawn against uncollected funds.

9. For Bank Accounts maintained at a Bank that is party to a Uniform Depository Agreement with the Office of the United States Trustee for the Northern District of Georgia, within 15 days of the date of entry of this Order, the Debtors shall (a) contact each Bank; (b) provide the Bank with each Debtor's employer identification numbers that maintains a Bank Account with that Bank; (c) identify each of their Bank Accounts held at such Banks as being held by a debtor in possession in a bankruptcy case; and (d) provide the lead case number.

10. The Debtors may (a) close or otherwise modify their Bank Accounts, (b) open new debtor-in-possession accounts, and (c) make changes to their Cash Management System as they deem necessary to facilitate the Chapter 11 Cases and operations, or as may be necessary to comply with the requirements of any debtor-in-possession financing facility or cash collateral usage approved by this Court; provided, however, that the Debtors shall open any new Bank Account at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or at such banks that are willing to immediately execute such an agreement. If the Debtors open or close any current or additional Bank Accounts, such opening or closing shall be timely indicated on the Debtors' monthly operating reports and notice of such opening or closing shall otherwise be provided within 15 days of opening or closing such account to (a) the U.S. Trustee and (b) counsel to any official committee of unsecured creditors appointed in the Chapter 11 Cases (subsequent to its appointment).

11. Subject to section 553 of the Bankruptcy Code, all Banks that maintain the Bank Accounts are prohibited from offsetting, affecting, freezing, or otherwise impeding the Debtors' use of any funds in the Bank Accounts on account of, or by reason of, any claim (as defined in

section 101(5) of the Bankruptcy Code) of any such Bank against the Debtors that arose before the Petition Date, absent further order of this Court.

12. In connection with the ongoing utilization of the Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions (including Intercompany Transactions) may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions.

13. The Debtors are authorized to enter into Intercompany Transactions, as described in the Motion, amongst themselves in the ordinary course of business. Intercompany loans and other claims created through Intercompany Transactions between Debtors are hereby granted administrative priority status pursuant to section 507(a)(2) of the Bankruptcy Code; provided, further, that nothing herein shall limit or be construed to limit the Debtors' ability to reconcile amounts owed between and among any Debtors, including netting and setting off obligations arising from Intercompany Transactions, whether arising prepetition or postpetition, in the ordinary course of business, between a Debtor and another Debtor.

14. Notwithstanding anything contained herein, despite the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate their quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which Debtor pays those disbursements; provided, however, that disbursements shall not include Intercompany Transactions between Debtor entities.

15. The Debtors will maintain accurate and detailed records of all transfers, including Intercompany Transactions, so that all transactions are adequately and promptly documented in, and readily ascertainable and traceable from, the Debtors' books and records and may be readily distinguished between prepetition and postpetition transactions.

16. The Debtors are authorized to pay or reimburse any bank fees, claims, costs, expenses or charges associated with the Bank Accounts and arising prior to and after the Petition Date, including, without limitation, (i) service charges or fees; (ii) checks deposited with the Banks which have been dishonored or returned for insufficient funds; and (iii) any reimbursement or other payment obligations, such as overdrafts, arising under the terms of any prepetition agreement existing between the Debtors and each Bank (collectively, the “Bank Account Claims”). While maintaining any of the Bank Accounts for the Debtors, the Banks are authorized, without further Order of this Court, to continue to deduct from the appropriate Bank Accounts, the Bank Account Claims incurred in connection with the Bank Accounts.

17. This Order shall apply to all Bank Accounts in, or linked to, the Cash Management System, even if such Bank Accounts do not appear on Exhibit C to the Motion. All accounts opened by the Debtors on or after the Petition Date at any Bank shall be deemed a Bank Account (as if it had been opened prior to the Petition Date and listed on Exhibit C to the Motion) and all Banks at which such accounts are opened shall similarly be subject to the rights and obligations of this Order.

18. The Debtors are authorized to represent (and the Banks are authorized to accept and honor all such representations) which checks, drafts, wires, or ACH transfers should be honored or dishonored whether the Banks believe the payment is or is not consistent with the order(s) of this Court and governing law, and whether such checks, drafts, wires or ACH transfers are dated or made prior to, on or subsequent to the Petition Date.

19. Any of the Banks 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 this Court, and such Bank shall not



have any liability to any party for relying on such representations by the Debtors as provided for herein.

20. Nothing in this Order (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, except as expressly set forth herein; or (iii) shall be construed as a promise to pay a claim.

1. A final hearing to consider the relief requested in the Motion shall be held on \_\_\_\_\_, **2025 at \_\_\_\_:\_\_\_\_.m. (prevailing Eastern Time)** and any objections to entry of such order shall be in writing and filed with this Court no later than \_\_\_\_\_, **2025 at 4:00 p.m. (prevailing Eastern Time)** and served on: (i) the Debtors, c/o Wellmade Floor Coverings International Inc., 1197 Peachtree St. NE, Suite 780, Atlanta, GA 30361, Attn: David Baker (dbaker@auroramp.com); (ii) proposed counsel to the Debtors, Greenberg Traurig, LLP, Terminus 200, 3333 Piedmont Road, NE, Suite 2500, Atlanta, Georgia 30305, Attn: John D. Elrod (elrodj@gtlaw.com) and Allison J. McGregor (Allison.McGregor@gtlaw.com); (iii) counsel for the Prepetition Lenders, King & Spalding LLP, 1180 Peachtree Street, NE, Suite 1600, Atlanta, GA 30309, Attn: Austin Jowers (AJowers@kslaw.com); and (iv) the Office of the United States Trustee for Region 21, 362 Richard Russell Building & U.S. Courthouse, 75 Ted Turner Drive, S.W., Atlanta, GA 30303.

21. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

22. The requirements of Bankruptcy Rule 6003(b) are satisfied.

23. Notwithstanding any applicable Bankruptcy Rule, this Order shall be effective and enforceable immediately upon entry hereof.

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

END OF DOCUMENT

*Prepared and presented by:*

**GREENBERG TRAURIG, LLP**

*/s/ John D. Elrod*

---

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*Proposed Counsel for the Debtors in Possession*

**Distribution List**

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Attn: David Baker

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3333 Piedmont Road, NE, Suite 2500  
Atlanta, Georgia 30305  
Attn: John D. Elrod

Kurtzman Carson Consultants LLC d/b/a Verita Global  
222 N. Pacific Coast Highway, 3rd Floor  
El Segundo, CA 90245  
Attn: Drake D. Foster

Office of the United States Trustee  
362 Richard Russell Federal Building  
75 Ted Turner Drive, SW  
Atlanta, GA 30303

**Exhibit B**

**Proposed Final Order**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

In re:

WELLMADE FLOOR COVERINGS  
INTERNATIONAL, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-58764

(Joint Administration Requested)

Re: Docket No. \_\_\_\_

**FINAL ORDER (I) AUTHORIZING THE MAINTENANCE OF BANK  
ACCOUNTS AND CONTINUED USE OF EXISTING BUSINESS FORMS AND  
CHECKS, (II) AUTHORIZING THE CONTINUED USE OF CASH  
MANAGEMENT SYSTEM, (III) WAIVING CERTAIN INVESTMENT AND  
DEPOSIT GUIDELINES, (IV) AUTHORIZING THE DEBTORS TO MAINTAIN  
CORPORATE CARD PROGRAM AND HONOR PREPETITION OBLIGATIONS  
RELATED THERETO, AND (V) GRANTING ADMINISTRATIVE EXPENSE  
STATUS TO POSTPETITION INTERCOMPANY CLAIMS**

Upon the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the  
Maintenance of Bank Accounts and Continued Use of Existing Business Forms and Checks,  
(II) Authorizing the Continued Use of Cash Management System, (III) Waiving Certain Investment*

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

*and Deposit Guidelines, (IV) Authorizing the Debtors to Maintain Corporate Card Program and Honor Prepetition Obligations Related Thereto, and (V) Granting Administrative Expense Status to Postpetition Intercompany Claims* (the “Motion”);<sup>2</sup> and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of these Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and this Court having held a hearing (the “Hearing”) to consider the relief requested in the Motion; and upon the First Day Declaration and the record of the Hearing; and the Court having entered an interim order granting the relief requested in the Motion (the “Interim Order”); and good and sufficient cause appearing for the relief set forth in this Order; and after due deliberation thereon,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED to the extent provided herein.
2. The Debtors are authorized, but not directed, to maintain and use their Cash Management System as more fully set forth in the Motion.
3. Notwithstanding any requirements to the contrary in the Guidelines or otherwise, the Debtors are authorized to maintain and use the existing Bank Accounts listed on Exhibit C to the Motion in the name and with the account numbers existing immediately prior to the Petition Date.
4. The requirement in the UST Guidelines that the Debtors establish a specific new bank account for tax payments is waived. The requirements provided in 11 U.S.C. § 345(b) are hereby waived as to the Bank Accounts.

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

5. The Debtors are authorized to deposit funds in and withdraw funds from their Bank Accounts by all usual means, subject to the same access rights and limitations existing prior to the Petition Date, including, but not limited to, checks, wire transfers, automated clearinghouse transfers, electronic funds transfers, and other debits and to treat the Bank Accounts for all purposes as debtor-in-possession accounts.

6. The Debtors are authorized to deposit funds in and withdraw funds from their Bank Accounts by all usual means, subject to the same access rights and limitations existing prior to the Petition Date, including, but not limited to, checks, wire transfers, automated clearinghouse transfers, electronic funds transfers, and other debits and to treat the Bank Accounts for all purposes as debtor-in-possession accounts; provided, however, once the Debtors' existing checks have been used, the Debtors will require the designation "Debtor in Possession" and the corresponding bankruptcy case number of the lead case on all checks when reordering.

7. Each Debtor is authorized, but not directed, to continue the Corporate Card Account Program in the ordinary course of business, consistent with prepetition practices (subject to ordinary course modifications thereto), including the timely payment of all past and future obligations as they become due and owing under the Corporate Card Accounts (whether prepetition or postpetition) on a postpetition basis and performing all obligations thereunder. The issuers of the cards under the Corporate Card Account Program are authorized to continue making advances pursuant to the terms of their existing agreements (in reliance upon section 364(e) of the Bankruptcy Code) with the Debtors (including as may be renewed, supplemented, amended, or otherwise modified from time to time in the ordinary course of business), and each Debtor is authorized to incur credit in respect of such advances under sections 364(a) and (c) of the Bankruptcy Code, as applicable. The terms of all existing agreements by and between the Debtors and issuers of the cards under the Corporate Card Account Program, including the termination, fee



provisions, rights, benefits, collateral, offset and termination rights, and remedies afforded under such agreements shall remain in full force and effect and govern the parties' postpetition transactions with the Debtors, including making ordinary course modifications thereto.

8. The Debtors are authorized to pay all prepetition Processing Fees and to continue to pay such Processing Fees in the ordinary course of business postpetition

9. The Banks listed on **Exhibit C** to the Motion and any and all other financial institutions receiving or transferring funds from the Debtors are hereby authorized to continue to service and administer the Bank Accounts of the relevant Debtor as a debtor in possession account without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or automated clearinghouse transfers drawn on the Bank Accounts by the holders or makers thereof, provided that nothing contained herein shall authorize any such Bank to honor any check issued or dated prior to the date of the commencement of these chapter 11 cases, except as otherwise provided by further order of this Court. In no event shall any of the Banks be required to honor overdrafts or to pay any check, wire or other debit against any of the Bank Accounts that is drawn against uncollected funds.

10. The Debtors may (a) close or otherwise modify their Bank Accounts, (b) open new debtor-in-possession accounts and (c) make changes to their Cash Management System as they deem necessary to facilitate the Chapter 11 Cases and operations, or as may be necessary to comply with the requirements of any debtor-in-possession financing facility or cash collateral usage approved by this Court; provided, however, that (i) the Debtors shall open any new Bank Account at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or at such banks that are willing to immediately execute such an agreement. If the Debtors open or close any current or additional Bank Accounts, such opening or closing shall be timely indicated on the Debtors' monthly operating reports and notice of such opening or closing shall otherwise be

provided within 15 days of opening or closing such account to (a) the U.S. Trustee and (b) counsel to any official committee of unsecured creditors appointed in the Chapter 11 Cases (subsequent to its appointment).

11. Subject to section 553 of the Bankruptcy Code, all Banks that maintain the Bank Accounts are prohibited from offsetting, affecting, freezing, or otherwise impeding the Debtors' use of any funds in the Bank Accounts on account of, or by reason of, any claim (as defined in section 101(5) of the Bankruptcy Code) of any such Bank against the Debtors that arose before the Petition Date, absent further order of this Court.

12. In connection with the ongoing utilization of the Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions (including Intercompany Transactions) may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions.

13. The Debtors are authorized to enter into Intercompany Transactions, as described in the Motion, amongst themselves in the ordinary course of business. Intercompany loans and other claims created through Intercompany Transactions between Debtors are hereby granted administrative priority status pursuant to section 507(a)(2) of the Bankruptcy Code; provided, further, that nothing herein shall limit or be construed to limit the Debtors' ability to reconcile amounts owed between and among any Debtors, including netting and setting off obligations arising from Intercompany Transactions, whether arising prepetition or postpetition, in the ordinary course of business, between a Debtor and another Debtor.

14. Notwithstanding anything contained herein, despite the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate their quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which Debtor pays

those disbursements; provided, however, that disbursements shall not include Intercompany Transactions between Debtor entities.

15. The Debtors will maintain accurate and detailed records of all transfers, including Intercompany Transactions, so that all transactions are adequately and promptly documented in, and readily ascertainable and traceable from, the Debtors' books and records and may be readily distinguished between prepetition and postpetition transactions.

16. The Debtors are authorized to pay or reimburse any bank fees, claims, costs, expenses or charges associated with the Bank Accounts and arising prior to and after the Petition Date, including, without limitation, (i) service charges or fees; (ii) checks deposited with the Banks which have been dishonored or returned for insufficient funds; and (iii) any reimbursement or other payment obligations, such as overdrafts, arising under the terms of any prepetition agreement existing between the Debtors and each Bank (collectively, the "Bank Account Claims"). While maintaining any of the Bank Accounts for the Debtors, the Banks are authorized, without further Order of this Court, to continue to deduct from the appropriate Bank Accounts, the Bank Account Claims incurred in connection with the Bank Accounts.

17. This Order shall apply to all Bank Accounts in, or linked to, the Cash Management System, even if such Bank Accounts do not appear on the list attached as Exhibit C to the Motion. All accounts opened by the Debtors on or after the Petition Date at any Bank shall be deemed a Bank Account (as if it had been opened prior to the Petition Date and listed on Exhibit C to the Motion) and all Banks at which such accounts are opened shall similarly be subject to the rights and obligations of this Order.

18. The Debtors are authorized to represent (and the Banks are authorized to accept and honor all such representations) which checks, drafts, wires, or ACH transfers should be honored or dishonored whether the Banks believe the payment is or is not consistent with the order(s) of

this Court and governing law, and whether such checks, drafts, wires or ACH transfers are dated or made prior to, on or subsequent to the Petition Date.

19. Any of the Banks 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 this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

20. Nothing in this Order (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, except as expressly set forth herein; or (iii) shall be construed as a promise to pay a claim.

21. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

22. Notwithstanding any applicable Bankruptcy Rule, this Order shall be effective and enforceable immediately upon entry hereof.

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

END OF DOCUMENT

*Prepared and presented by:*

**GREENBERG TRAURIG, LLP**

*/s/ John D. Elrod*

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362 Richard Russell Federal Building  
75 Ted Turner Drive, SW  
Atlanta, GA 30303

**Exhibit C****Bank Accounts**

<b>Account Holder</b>	<b>Bank Name</b>	<b>Account No.</b>	<b>Account Type</b>
Wellmade Floor Coverings International Inc.	Synovus	x8009	Collections Account.
Wellmade Floor Coverings International Inc.	Synovus	x4969	Disbursement Account.
Wellmade Floor Coverings International Inc.	Synovus	x8564	Payroll Account.
Wellmade Floor Coverings International Inc.	Synovus	x5485	Holding Account.
Wellmade Floor Coverings International Inc.	Northwest	x1614	Operating Account.
Wellmade Floor Coverings International Inc.	Northwest	x1688	Savings Account.
Wellmade Floor Coverings International Inc.	Northwest	x1641	Payroll Account.
Wellmade Industries MFR. N.A LLC	Northwest	x1695	Oppering Account
Wellmade Floor Coverings International Inc.	First Federal	x3005	Operating Account
Wellmade Floor Coverings International Inc.	Umpqua	x7065	Oppering Acccount
Wellmade Floor Coverings International Inc.	JPMorgan	x6541	Investment Account.
Wellmade Industries MFR. N.A LLC	BOA	x1205	Oppering Account
Wellmade Industries MFR. N.A LLC	BOA	x5831	Oppering Account
Wellmade Floor Coverings International Inc.	First Citizens	X8751	Savings Account.