

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

(Jointly Administered)

**DEBTORS' APPLICATION PURSUANT TO 11 U.S.C. §§ 105(a) AND 363(b)  
TO (I) RETAIN AND EMPLOY AURORA MANAGEMENT PARTNERS INC.  
TO PROVIDE CERTAIN ADDITIONAL PERSONNEL; AND (II) DESIGNATE  
DAVID M. BAKER AS CHIEF RESTRUCTURING OFFICER FOR THE DEBTORS  
AND DEBTORS IN POSSESSION, EFFECTIVE AS OF THE PETITION DATE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby move this Court (the “Application”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), granting the relief described below. In support of this Application, the Debtors rely on the *Declaration of David M. Baker in Support of Debtors' Application Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to (I) Retain Aurora Management Partners Inc. to Provide Certain Additional Personnel; and (II) Designate David M. Baker as Chief Restructuring Officer for the Debtors and Debtors in Possession, Effective as of the Petition Date* (the “Baker Declaration”), attached hereto as **Exhibit B**, and respectfully states as follows:

<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.



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## **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 bases for the relief requested herein are sections 105(a), 363(b)(1), 503, 507(a)(4), 507(a)(8), 541(d), 1107(a), and 1108 of the Bankruptcy Code and Rules 2016, 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

## **BACKGROUND**

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. On August 14, 2025, the Office of the United States Trustee formed an official committee of unsecured creditors in the above-captioned chapter 11 cases (the “Chapter 11 Cases”). No request has been made for the appointment of a trustee or an examiner.

6. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the filing of these Chapter 11 Cases is set forth in the *Declaration of David Baker, CTP in Support of Chapter 11 Petitions and First Day Pleadings* [D.I. 14] (the “First Day Declaration”).

## **RELIEF REQUESTED**

7. By this Application, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors respectfully request entry of the Proposed Order authorizing the Debtors to: (i) retain and employ Aurora Management Partners Inc. (“Aurora”) to provide certain Additional

Personnel (as defined below) to the Debtors; and (ii) designate David M. Baker as the Chief Restructuring Officer (“CRO”) for the Debtors, effective as of the Petition Date, in accordance with the terms and conditions of that certain engagement letter between the Debtors and Aurora dated July 3, 2025 (the “Engagement Letter”), a copy of which is attached hereto as **Exhibit C** and incorporated herein by reference.

### **AURORA’S QUALIFICATIONS**

8. Aurora is a financial consulting and advisory firm that specializes in providing crisis and turnaround management consulting to distressed companies such as the Debtors. Mr. Baker co-founded Aurora in 2000 and serves as the Managing Partner. He has over forty (40) years of diversified business experience in restructuring, financial management, and accounting. Mr. Baker has extensive experience in the development of reorganization plans, creditor negotiations, mergers and acquisitions, business plan preparation and long-term forecasting, developing and implementing cost reduction programs, and financial management of public and privately held companies. He has advised companies, boards, investors, and lender groups, and insolvent or near-insolvent companies have engaged him to serve as Chairman of the Board, Chief Executive Officer, and Chief Restructuring Officer.

9. Mr. Baker has been involved in hundreds of sale, refinancing and restructuring assignments for distressed middle-market companies both in and outside of Chapter 11 proceedings and has testified in numerous Bankruptcy Courts across the U.S. The following are selected recent publicly disclosed bankruptcy and restructuring engagements under his direction:

- a. Chief Restructuring Officer to debtor in: *In re America’s Gardening Resource, Inc., et al.*, No. 25-11180 (Bankr. D. Del. 2025); *In re Pioneer National Latex, Inc.*, No. 23-10938 (Bankr. D. Kan. 2024); *In re Taronis Fuels, Inc., et al.*, No. 2-11121-BLS (Bankr. D. Del. 2022); *In re Premier Cajun Kings, LLC*, No. 23-00656-DSC (Bankr. N.D. Ala. 2023); *In re A.C. Furniture Co., Inc.*, No. 20-60200 (Bankr. W.D. Va. 2020); *In re Suniva*,

*Inc.*, No. 17-10837 (KG) (Bankr. D. Del. 2017); *In re Malibu Lighting Corp.*, No. 15-12080 (Bankr. D. Del. 2015); *In re Brooks Food Grp., Inc.*, No. 12-6200 (Bankr. W.D. Va. 2012); *In re Prime Measurement Prod. LLC*, Case No. 07- 10109 (Bankr. C.D. Cal. 2007); *In re Laich Industries Corp.*, Case No. 05-16204 (Bankr. N.D. Ohio 2005).

- b. Financial Advisor to debtor in: *In re Handlos Family Farms, LLC*, Case No. 25-00671(lmj11) (Bankr. S.D. Iowa 2025); *In re Eventide Credit Acquisitions, LLC, et al.*, Case No. 23-90007 mxm (Bankr. N.D. Tex. 2025); *In re Premier Kings, Inc., et al.*, 23-02871 (TOM) (Bankr. N.D. Ala. 2023); *In re Tessemae's LLC*, No. 23-10675 (NVA) (Bankr. D. Md. 2023); *In re FM Coal, LLC*, No. 20- 02783 (TOM) (Bankr. N.D. Ala. 2020); *In re iPic-Gold Class Entm't, LLC*, No. 19-11739 (LSS) (Bankr. D. Del. 2019); *In re CCI of West Palm, Inc.*, No. 07-16604 (Bankr. S.D. Fla. 2007); *In re Blue Thunder Auto Trans., Inc.*, No. 07-61268 (Bankr. N.D. Ga. 2007); *In re Advanced Vending Sys., Inc.*, No. 06-12523 (Bankr. E.D. Tenn. 2006); *In re Shelby-Skipwith, Inc.*, No. 06-22030 (Bankr. W.D. Tenn. 2006); *In re Schirmer's LLC*, No. 05-10874 (Bankr. E.D. Va. 2005); *In re Ski Chalet, Inc.*, No. 05-10937 (Bankr. E.D. Va. 2005); *In re Summitville Tiles, Inc.*, No. 03-46341 (Bankr. N.D. Ohio 2003).
- c. *All Nations Investors, LLC, et al.*, appointed State Receiver (Garrard Circuit Court of Kentucky); entity is a premium spirits company;
- d. *Covenant Group, LLC*, appointed State Receiver (Owen Circuit Court of the Commonwealth of Kentucky); entity is a food manufacturing solutions company;
- e. *Besse Forest Products, Inc., et al.*, appointed Federal Receiver (U.S. District Court for the Western District of Michigan); entity is a manufacturer of high-quality Northern hardwood veneer, lumber and specialty plywood products used worldwide;
- f. *AgTech Scientific Group, LLC*, appointed Federal Receiver (U.S. District Court for the Eastern District of Kentucky); entity engaged in large-scale hemp-growing and CBD-production operations;
- g. *Heatworks Technologies, Inc.*, appointed State Receiver (Ninth Circuit Court of South Carolina in the Court of Common Pleas for Charleston County); entity engaged in the development and commercialization of novel heating technology for water and other fluids;
- h. *SGSL Fee Owner, LLC*, appointed State Receiver (Eleventh Judicial Circuit Court in and for Miami-Dade County, Florida); entity owned a mortgaged property that was under significant renovation and being repurposed from a hotel to an assisted living facility;

- i. *Independence Lumber, Inc.*, appointed Federal Receiver (U.S. District Court for the Middle District of North Carolina); entity engaged in sawmills and lumber distribution;
- j. *Timber Creek Holdings, LLC*, appointed Federal Receiver; entity engaged in natural gas discovery and production in U.S. District Court for the District of Colorado (Denver);
- k. *Pyote Water Solutions, LLC, et al.*, appointed Federal Receiver (U.S. District Court for the Southern District of Texas); entity engaged in saltwater disposal wells for the oil and gas industry;
- l. *Suniva*, appointed Chief Restructuring Officer and was responsible for the 201 Trade Case filed with the Federal Trade Commission (“FTC”) regarding tariffs on the importation of solar panels. Suniva was successful in getting the case through the FTC and getting 32% tariffs placed on imports of worldwide solar panels into the United States; and
- m. *Robert’s Automotive Centers, Inc.*, appointed Federal Receiver (U.S. District Court for the Northern District of Oklahoma), multi-brand auto dealership conglomerate.

10. In 2005, Aurora and Mr. Baker received the Turnaround Management Association’s prestigious National Turnaround of the Year Award for their work in the Summitville Tile bankruptcy case in Northern Ohio. In 2013, they won another National Turnaround of the Year Award for their work with Advance Communications, Inc., a cable fulfillment and telecom construction company. He has also received several regional awards for other cases throughout the Southeast. Mr. Baker is a Certified Turnaround Professional (CTP) and Registered Certified Public Accountant (CPA Inactive).

11. The Debtors originally engaged Aurora on April 23, 2025 as a financial advisor. On July 3, 2025, the Debtors expanded the scope of Aurora’s engagement to “provide Mr. Baker to serve as the [Debtors’] Chief Restructuring Officer,” and Mr. Baker and Aurora have been working with the Debtors since that date. See Exhibit C. Since Aurora’s engagement, Mr. Baker has been actively involved in evaluating the Debtors’ liquidity, cash management system, financial forecasting, sale process, and contingency planning. In his capacity as CRO, Mr. Baker is

intimately familiar with the day-to-day operations of the Debtors, their businesses and financial affairs, and books and records. This experience and knowledge will be valuable to the Debtors throughout the course of these Chapter 11 Cases. Accordingly, Aurora and Mr. Baker have the necessary background and knowledge to advise the Debtors in their Chapter 11 Cases in a cost-effective, efficient and timely manner.

### **SCOPE OF AURORA'S PROPOSED SERVICES**

12. Consistent with the Engagement Letter, Mr. Baker will provide CRO services to the Debtors, in which capacity he will, among other things, have the exclusive authority to manage the business operations of the Debtors (including the Debtors' liquidity and finances), oversee a marketing and sale process of the Debtors' assets, and ultimately negotiate and authorize any definitive sale transactions, negotiate and implement any debt restructurings, and authorize any bankruptcy filing or other insolvency proceeding. As CRO, Mr. Baker will fulfill his fiduciary responsibilities to all stakeholders of the Debtors.

13. Mr. Baker, as the CRO, shall have the authority to (i) discuss directly with the Debtors' lenders, the Debtors' businesses, finances and operations and other matters that come to the attention of the CRO; (ii) negotiate and transact with such lenders with respect to any restructuring or repayment with respect to the obligations owed to the Debtors' lenders; and (iii) speak with and discuss business matters and finances with the Debtors' customers, trade suppliers and other stakeholders. Additionally, Mr. Baker's authority extends, but is not limited, to (i) the management of the Debtors' liquidity, including use of cash and cash equivalents; (ii) the marketing and sale of the Debtors' plants and locations and related assets; (iii) the entry into or modification of any lease agreements or vendor contracts; and (iv) the hiring of professionals or personnel as needed and/or terminating employment of any of the Debtors' employees.

14. Generally, Aurora, through the CRO and with the assistance of any additional Aurora personnel as needed (the “Additional Personnel”), shall perform activities and services customarily performed by a chief restructuring officer. These services are necessary to enable the Debtors to seek to maximize the value of their estates and successfully complete these Chapter 11 Cases, and those services may include, but are not necessarily limited to, the following services (collectively, the “CRO Services”):<sup>2</sup>

a. Liquidity:

- (i) Assess and evaluate weekly cash flow projections and related assumptions to determine liquidity availability.
- (ii) Identify cost-saving and working capital opportunities that can be immediately implemented to improve liquidity.
- (iii) Work with the management team to understand cash receipts and disbursement over a 13-week period to potentially adjust business decisions to free up liquidity.
- (iv) Work with the management team to request accommodation and support from the Debtors’ major Customers.
- (v) Evaluate and analyze all aged account payable, taxes, rent, etc.

b. Business Operations:

- (i) Develop a business restructuring model (the “Plan”) that provides scenario analysis to evaluate all strategic alternatives, including the ability to file for Chapter 11 Bankruptcy protection.
- (ii) Decide on and execute the appropriate Plan.
- (iii) Manage cash flow to protect creditors and equity holders.
- (iv) With the approval of the Board, retain and manage special legal counsel, investment bankers and other professionals as required to execute the Plan.

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<sup>2</sup> The summaries provided in this Application are provided for convenience only. In the event of any inconsistency between any summary and the terms and provisions of the Engagement Letter, the terms of the Engagement Letter shall control. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Engagement Letter. In the event of any inconsistency between any summary and the terms and provisions of the Proposed Order, the terms of the Proposed Order shall control.

- (v) Sell assets of the Debtors without the need for further approval of the Debtors' board of directors or board of managers, as applicable, or their respective equity holders or members.
- c. Other normal and customary duties, authority and responsibility, typically provided to a CRO.
- d. Other services as required or requested by the Debtors or the Board.

15. The CRO Services to be provided by Aurora do not include audit, legal, tax, environmental, accounting, actuarial, employee benefits, insurance advice, or similar specialist and other professional services that are typically outsourced and that shall be obtained from other professionals where required by the Debtors at the Debtors' expense. Aurora and Mr. Baker will not act as financial advisors retained under section 327 of the Bankruptcy Code, claims agents, or claims administrators, or investors or acquirers in the Debtors' Chapter 11 Cases.

16. The Debtors believe that Aurora, through the designation of Mr. Baker as CRO, is well qualified and able to provide the foregoing CRO Services to the Debtors. Further, the Debtors believe that the CRO Services will provide are necessary to seek to maximize the value of their estates.

### **PROFESSIONAL COMPENSATION**

17. As set forth in the Engagement Letter and subject to this Court's approval, the Debtors and Aurora have agreed that Aurora's professional fees for the work performed in connection with the engagement contemplated herein and in the Engagement Letter will be billed by Aurora, and shall be paid by the Debtor, based on the number of hours worked and Aurora's standard hourly billing rates. Aurora bills its time in increments of 1/10ths of an hour. The hourly rates and fees, subject to periodic adjustments, charged by the Aurora professionals anticipated to be assigned to this case are as follows (the "Fee Structure"):

- a. Managing Director; Sr. Managing Director; \$500-820



Managing Partner

- |    |                               |           |
|----|-------------------------------|-----------|
| b. | Associate Director; Director  | \$375-500 |
| c. | Consultant; Senior Consultant | \$250-375 |

18. The Fee Structure shall be subject to adjustment annually at such time as Aurora adjusts its rates generally.

19. Prior to the Petition Date, the Debtors paid Aurora a retainer in the aggregate amount of \$220,000 (the “Retainer”). As of the Petition Date, the Retainer had been exhausted. The Debtors do not currently owe Aurora any amounts for legal services rendered prior to the Petition Date.

20. Aurora also seeks reimbursement for reasonable and necessary expenses incurred in connection with these Chapter 11 Cases, including, but not limited to, travel, lodging, computer research, and messenger and telephone charges (the “Expense Structure” and, together with the Fee Structure, the “Fee and Expense Structure”). All fees and expenses due to Aurora will be billed on a regular basis as agreed to between Aurora and the Debtors and as further set forth in the Engagement Letter.

21. Additional terms of Aurora’s proposed employment appear in the Engagement Letter and the Proposed Order accompanying this Application. In the event of a conflict between the Engagement Letter and any order entered by the Court, the order shall govern.

22. The Debtors submit that the Fee and Expense Structure is reasonable, market-based, and designed to compensate Aurora fairly for its work and to cover fixed and routine overhead expenses. The Fee and Expense Structure appropriately reflects the nature of the services to be provided by Aurora and the fee structures typically utilized by leading financial advisory firms of similar stature to Aurora for comparable engagements, with respect to both in- and out-of-court restructurings. The Fee and Expense Structure is consistent with Aurora’s normal and customary

billing practices for cases of this size and complexity and that require the level and scope of services outline herein.

### **FEES AND REPORTING**

23. If the Court approves the relief requested herein, Aurora will be retained as of the Petition Date and Mr. Baker designated to continue as CRO pursuant to section 363 of the Bankruptcy Code.

24. On a monthly basis, Aurora shall file with the Court, and provide notice to the U.S. Trustee and any official committees, a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by the Court in the event an objection is filed.

25. Aurora shall also file with the Court, and provide notice to the U.S. Trustee and the Committee, reports of compensation earned and expenses incurred on a quarterly basis. Such reports shall contain summary charts that describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. All compensation shall be subject to review by the Court in the event an objection is filed.

26. Aurora shall abide by the provisions set forth in Section J of the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the “Complex Case Procedures”), and shall receive monthly payments from the Debtors consistent with Section J; *provided, however*, Aurora shall not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. Instead, Aurora’s fees shall be reviewed at the conclusion of the case on a reasonableness standard.

27. In the ninety (90) days prior to the Petition Date, Aurora received payments totaling \$220,000 in the aggregate for services performed for the Debtors. Aurora has applied these funds to amounts due for services rendered and expenses incurred prior to the Petition Date.

28. A precise disclosure of the amounts or credits held, if any, as of the Petition Date will be provided in Aurora's first report filed regarding compensation earned and expenses incurred.

29. Given the numerous issues which Mr. Baker and the Additional Personnel may be required to address in the performance of their services, Aurora's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for such services for engagements of this nature in an out of court context, as well as in chapter 11, the Debtors submit that the fee arrangements set forth in the Engagement Letter are reasonable.

#### **AURORA'S DISINTERESTEDNESS AND ELIGIBILITY**

30. Aurora has informed the Debtors that, to the best of Aurora's knowledge, information, and belief, other than as set forth in the Baker Declaration, Aurora: (a) has no connection with the Debtors, their creditors, their equity security holders, or other parties in interest or their respective attorneys or accountants, the U.S. Trustee, any person employed in the office of the U.S. Trustee, or any United States bankruptcy judge in this district in any matter related to the Debtors or their estates; (b) does not hold any interest adverse to the Debtors' estates; and (c) believes that it is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code although the retention of Aurora is not governed by section 327 of the Bankruptcy Code. Aurora has not provided, and will not provide, any professional services to the any of the creditors, other parties in interest, or their respective attorneys and accountants with

regard to any matter related to these Chapter 11 Cases, other than ongoing CRO and related services to non-debtor affiliates.

31. Aurora will continue to conduct periodic analyses to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered or arise, Aurora will inform the Court as required by Rule 2014(a) of the Bankruptcy Rules.

### **INDEMNIFICATION**

32. As a material part of the consideration for the agreement of Aurora to furnish services to the Debtors pursuant to the terms of this Application, the Debtors have agreed to the indemnification provisions set forth in Schedule B of the Engagement Letter (the “Indemnification Provisions”). In short, the Indemnification Provisions provide that the Debtors (a) will indemnify and hold harmless Aurora and its affiliates, and their respective past, present and future directors, officers, shareholders, partners, members, employees, agents, representatives, advisors, consultants, analysts, subcontractors and controlling persons (collectively, the “Indemnified Parties”) from and against any and all losses, claims, damages or liabilities (i) arising out of or based on any untrue statements of material fact contained in materials or any other information provided to any third party by or on behalf of the Debtors, or the omission (or alleged omission) to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading or (ii) otherwise arising out of and/or relating to the Engagement Letter, any transaction or proposed transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Debtors in connection with the Engagement Letter; and, (b) agree to reimburse each Indemnified Party for all expenses incurred in connection with the defense of any such claim, including any suit or proceeding relating thereto.

33. Additionally, the Indemnification Provisions provide that if the foregoing indemnification is unavailable to the Indemnified Parties or insufficient to hold them harmless, the Debtors shall contribute to the amount paid or payable by the Indemnified Parties as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by the Debtors, on the one hand, and Aurora, on the other, in the matters contemplated by the Engagement Letter, as well as the relative fault of the Debtors and the Indemnified Parties with respect to any losses, claims, damages, liabilities or expenses referred to in such Indemnification Provisions.

34. Notwithstanding the Indemnification Provisions in the Engagement Letter, the Proposed Order modifies such Indemnification Provisions so that the Debtors are only permitted to indemnify those persons serving as executive officers (including, without limitation, the Debtors' CRO) on the same terms as provided to the Debtors' other officers and directors under the Debtors' bylaws and applicable state law. The Proposed Order further provides that there shall be no other indemnification of the Indemnified Persons. The Debtors and Aurora believe that the Indemnification Provision, modified by the Proposed Order, is customary and reasonable for CROs and firms providing interim management services.

#### **BASIS FOR RELIEF REQUESTED**

35. The Debtors seek to engage Aurora, and to designate Mr. Baker to continue as CRO, pursuant to section 363 of the Bankruptcy Code effective as of the Petition Date. Section 363(b)(1) of the Bankruptcy Code provides in relevant part that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Further, pursuant to 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 this title.” 11 U.S.C. § 105(a).

36. Under applicable caselaw in this and other jurisdictions, if a debtor’s proposed use of its assets pursuant to section 363(b) of the Bankruptcy Code represents an exercise of reasonable business judgment on the part of the debtor, such use should be approved. *See Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (“In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.”); *see also Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) (“The rule we adopt requires that a judge determining a § 363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application.”); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (stating that section 363(b) gives the court “broad flexibility” to make payments outside of the ordinary course of business as long as the debtor articulates a business justification); *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.”).

37. The relief requested herein is appropriate and warranted under the above standards. Approval of the Debtors’ retention of Aurora to provide the CRO and Additional Personnel as needed, as requested by this Application, would enable the Debtors to most efficiently administer these Chapter 11 Cases, address issues arising therein, and preserve and maximize the value of the estates. The decision to retain Aurora and designate Mr. Baker as CRO should therefore be

authorized because it represents a sound exercise of the Debtors' business judgment. As described above, Mr. Baker has extensive experience as a bankruptcy and restructuring professional for many troubled companies that has been, and will continue to be, valuable to the Debtors during these Chapter 11 Cases. The Debtors therefore believe that Mr. Baker will provide services that substantially benefit the Debtors' estates and creditors. Aurora has extensive experience providing turnaround and crisis management services in chapter 11 proceedings and has an excellent reputation for the services to be rendered in these Chapter 11 Cases on behalf of debtors and creditors throughout the United States.

38. Through negotiations, the Debtors have retained Aurora and secured Mr. Baker for the CRO Services during these Chapter 11 Cases on economic terms that are fair, reasonable, and beneficial to the Debtors' estates.

39. The Debtors believe that the retention of Aurora is a sound exercise of the Debtors' business judgment and is in the best interests of all parties in interest in these Chapter 11 Cases. The Debtors additionally believe that Aurora and Mr. Baker are well-qualified and able to assist the Debtors in a cost-effective, efficient, and timely manner. The retention of Aurora and continued employment of Mr. Baker as CRO is necessary to the Debtors' efforts to efficiently and effectively administer their Chapter 11 Cases. As such, the relief requested herein will allow the Debtors to seek to maximize the value of the Debtors' estates for the benefit of all stakeholders.

40. The retention of interim corporate officers and other temporary employees, therefore, is proper under section 363 of the Bankruptcy Code. Courts in this District and other jurisdictions have approved relief similar to the relief requested in this Application on numerous occasions. *See, e.g., In re OTB Holding LLC, et al.*, No. 25-52415 (SMS) (Bankr. N.D. Ga. Mar. 10, 2025) [D.I. 87]; *In re Red Lobster Management LLC*, No. 24-02486-GER (Bankr. M.D. Fla.

June 14, 2024) [D.I. 384]; *In re AstroTurf, LLC*, No. 16-41504-PWB (Bankr. N.D. Ga. July 20, 2016); *In re Cagle's, Inc.*, No. 11-80202 (Bankr. N.D. Ga. Nov. 28, 2011) [D.I. 159]; *In re Indalex Holdings Finance, Inc., et al.*, Case No. 09-10982 (PJW) (Bankr. D. Del. Apr. 27, 2009) [D.I. 209]; *In re Anchor Blue Holding, Corp., et al.*, Case No. 11-10110 (PJW) (Bankr. D. Del. Feb. 4, 2011) [D.I. 167]; *In re Berkline/Benchcraft Holdings, LLC, et al.*, Case No. 11-11369-MFW (Bankr. D. Del. May 23, 2011) [D.I. 106]; *In re Allen Family Foods, Inc. et al.*, Case No. 11-11764 (Bankr. D. Del. July 13, 2011) [D.I. 172]; *In re Lehman Bros. Holdings, Inc.*, Ch. 11 Case No. 08-13555 (JMP) (Bankr. S.D.N.Y. Dec. 17, 2008) [D.I. 2278]; *In re PRC, LLC*, Ch. 11 Case No. 08-10238 (MG) (Bankr. S.D.N.Y. Feb. 27, 2008) [D.I. 182]; *In re Bally Total Fitness of Greater N.Y., Inc.*, Ch. 11 Case No. 07-12395 (BRL) (Bankr. S.D.N.Y. Aug. 21, 2007) [D.I. 283]; *In re Dana Corp.*, Ch. 11 Case No. 06-10354 (BRL) (Bankr. S.D.N.Y. Mar. 29, 2006) [D.I. 740]; *In re Penn Traffic Co.*, Ch. 11 Case No. 03-22945 (ASH) (Bankr. S.D.N.Y. Aug. 1, 2003) [D.I. 260]; *In re Acterna Corp.*, Ch. 11 Case No. 03-12837 (BRL) (Bankr. S.D.N.Y. July 9, 2003) [D.I. 163]; *In re WorldCom, Inc.*, Ch. 11 Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Dec. 10, 2002) [D.I. 2263].

41. Based upon the foregoing, the Debtors submit that retention of Aurora and the designation of Mr. Baker as CRO on the terms set forth herein and in the Engagement Letter are essential, appropriate, and in the best interests of the Debtors' estates, creditors, and other parties in interest, and should be granted in these Chapter 11 Cases.

42. The Debtors further request that Aurora's retention be effective as of the Petition Date to allow Aurora to be compensated for the work performed for the Debtors prior to the Court's consideration and approval of this Application. The Debtors submit that under the circumstances, and to avoid irreparable harm to the Debtors' estates that may occur if Aurora is not immediately retained, retroactive approval to the Petition Date is warranted. *See e.g., FIS Airlease II, Inc. v.*



*Simon (In re FIS Airlease II, Inc.)*, 844 F.2d 99, 103 (3d Cir. 1988), *cert. denied*, 488 U.S. 852 (1988); *In re Garden Ridge Corp.*, 326 B.R. 278, 281 (Bankr. D. Del. 2005); *Indian River Homes, Inc. v. Sussex Tr. Co.*, 108 B.R. 46, 51 (D. Del. 1989) (finding that approval of the debtor's employment of an attorney and real estate agent as of a prior date was not an abuse of discretion).

43. The retention of Aurora and the services of Mr. Baker as CRO are in the best interests of the Debtors and their estates and is a sound exercise of the Debtors' business judgement. As set forth above, Mr. Baker has extensive experience working with many companies undertaking restructuring efforts, and Aurora is well qualified and equipped to assist the Debtors. In providing prepetition services to the Debtors, Aurora gained valuable experience, expertise, and specifically relevant knowledge regarding the Debtors' business that will assist it in providing effective and efficient services in these Chapter 11 Cases.

#### **NO DUPLICATION OF SERVICES**

44. The services that Aurora and Mr. Baker will provide to the Debtors will be appropriately directed by the Debtors and their counsel so as to avoid duplication of efforts with any other professionals retained in these chapter 11 cases and performed in accordance with applicable standards of the profession. Aurora and Mr. Baker will work collaboratively with the Debtors and other professionals employed by the Debtors to avoid duplication of services. The Debtors believes that the services to be provided by Aurora and Mr. Baker will complement and will not be duplicative of any services of the Debtors' other professionals.

#### **NOTICE**

45. Notice of this Application will be provided to the following parties, or in lieu thereof, to their counsel: (a) the Office of the United States Trustee for the Northern District of Georgia; (b) holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (c) counsel to the Debtors' prepetition lender; (d) counsel to the Debtors'

postpetition secured lender; (e) proposed counsel to the Committee; (f) the Internal Revenue Service; (g) the Office of the United States Attorney for the Northern District of Georgia; (h) all parties that have filed a notice of appearance and request for service of papers pursuant to Rule 2002 of the Bankruptcy Rules; (i) the U.S. Department of Justice; and (j) the offices of the attorneys general for the states in which the Debtors operate. The Debtors submit that, under the circumstances, no other or further notice is required.

**NO PRIOR REQUEST**

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

*[Remainder of Page Intentionally Left Blank]*

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court: (a) enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, authorizing the Debtors to (i) retain and employ Aurora to provide Additional Personnel, and (ii) designate Mr. Baker as CRO for the Debtors, effective as of the Petition Date, and (b) grant such other and further relief as the Court may deem just and proper.

Dated: August 26, 2025  
Atlanta, Georgia

Respectfully submitted,

**GREENBERG TRAURIG, LLP**

/s/ John D. Elrod

John D. Elrod, GA Bar No. 246604  
Allison J. McGregor, GA Bar No. 860865  
3333 Piedmont Road NE, Suite 2500  
Atlanta, GA 30305  
Telephone: 678-553-2259  
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Allison.McGregor@gtlaw.com

*Proposed Counsel for the Debtors and  
Debtors in Possession*

**EXHIBIT A**

**Proposed 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

(Jointly Administered)

Re: Docket No. \_\_

**ORDER AUTHORIZING THE DEBTORS, PURSUANT TO 11 U.S.C. §§ 105(a)  
AND 363(b) TO (I) RETAIN AND EMPLOY AURORA MANAGEMENT  
PARTNERS INC. TO PROVIDE CERTAIN ADDITIONAL PERSONNEL;  
AND (II) DESIGNATE DAVID M. BAKER AS CHIEF RESTRUCTURING  
OFFICER FOR THE DEBTORS AND DEBTORS IN POSSESSION,  
EFFECTIVE AS OF THE PETITION DATE, SUBJECT TO OBJECTION**

Upon the application (the “Application”)<sup>2</sup> of the above-captioned debtors and debtors in

<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.

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

possession (collectively, the “Debtors”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), for entry of an order (this “Order”) authorizing the Debtors to: (i) retain and employ Aurora Management Partners Inc. (“Aurora”) to provide certain Additional Personnel to the Debtors; and (ii) designate David M. Baker as the Chief Restructuring Officer (“CRO”) for the Debtors, effective as of the Petition Date, in accordance with the terms and conditions of that certain engagement letter between the Debtors and Aurora dated July 3, 2025 (the “Engagement Letter”); and the Court having reviewed the Application, the *Declaration of David M. Baker in Support of the Application of the Debtors Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to (I) Retain Aurora Management Partners Inc. to Provide Certain Additional Personnel and (II) Designate David M. Baker as Chief Restructuring Officer for the Debtors and Debtors In Possession, Effective as of the Petition Date* (the “Baker Declaration”); and this Court having found that the Court has jurisdiction over the matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the “Complex Case Procedures”); and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that the Court has jurisdiction over the matter pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being satisfied, based on the representations made in the Application and the Declaration, that (a) Aurora does not hold or represent an interest adverse to the Debtors’ estates and (b) Aurora is a “disinterested person” as defined in section 101(14) of the Bankruptcy Code; and this Court having found that the relief requested in the Application 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 and opportunity for a hearing on the Application were appropriate and no other notice need be provided; and this Court having reviewed the Application;

and this Court having determined that the legal and factual bases set forth in support of the Application establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and any objection to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Application is granted, to the extent set forth herein.
2. The terms of the Engagement Letter, including, without limitation, the compensation provisions and the indemnification provisions, are reasonable terms and conditions of employment and are hereby approved.
3. Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors are authorized to employ and retain Aurora to provide Additional Personnel and to designate David M. Baker as the Debtors' Chief Restructuring Officer, effective to the Petition Date, on the terms set forth in the Application and the Engagement Letter, subject to the following terms, which apply notwithstanding anything to the contrary:
  - a. Aurora and its affiliates shall not act in any other capacity (for example, and without limitation, as a claims agent/claims administrator, or investor/acquirer) in connection with the above-captioned cases other than as Chief Restructuring Officer and the corresponding Additional Personnel.
  - b. In the event the Debtors seek to have Aurora personnel assume executive officer positions that are different than the positions disclosed in the Application, or to materially change the terms of the engagement by either (i) modifying the functions of personnel, (ii) adding new executive officers, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.
  - c. On a monthly basis, Aurora shall file with the Court, and provide notice to the United States Trustee and any official committees, a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by the Court in the event an objection is filed.

- d. No principal, employee or independent contractor of Aurora and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the above-captioned cases.
- e. Aurora shall file with the Court, and provide notice to the U.S. Trustee and all official committees, reports of compensation earned and expenses incurred on a quarterly basis. Such reports shall contain summary charts that describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. All compensation shall be subject to review by the Court in the event an objection is filed.
- f. With respect to payment of any fees and expenses, Aurora shall abide by the provisions set forth in Section J of the Complex Case Procedures and shall receive monthly payments from the Debtors consistent with Section J; *provided, however*, Aurora shall not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. Instead, Aurora's fees shall be reviewed at the conclusion of the case on a reasonableness standard.
- g. Success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of the case on a reasonableness standard and are not being pre-approved by entry of this Order. No success fee, transaction fee, or back-end fee shall be sought upon conversion of the Chapter 11 Cases, dismissal of the Chapter 11 Cases for cause, or appointment of a trustee.
- h. Aurora shall disclose any and all facts that may have a bearing on whether Aurora, its affiliates, and/or any individuals working on the engagement have any interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. The obligation to disclose identified in this subparagraph is a continuing obligation.
- i. The Debtors are permitted to indemnify those persons serving as executive officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law.

4. If there is any inconsistency between the terms of the Application, the Engagement Letter, the Baker Declaration, or this Order, this Order shall govern.

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



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

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

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

9. Notice of the Application as provided therein is deemed to be good and sufficient notice of such Application.

10. This Court shall retain jurisdiction with respect to all matters arising or related to the implementation, interpretation, or enforcement of this Order.

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

**### END OF ORDER ###**

**EXHIBIT B**

**Baker Declaration**

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

(Jointly Administered)

**DECLARATION OF DAVID M. BAKER IN SUPPORT OF THE  
DEBTORS' APPLICATION PURSUANT TO 11 U.S.C. §§ 105(a) AND 363(b)  
TO (I) RETAIN AND EMPLOY AURORA MANAGEMENT PARTNERS INC.  
TO PROVIDE CERTAIN ADDITIONAL PERSONNEL; AND (II) DESIGNATE  
DAVID M. BAKER AS CHIEF RESTRUCTURING OFFICER FOR THE DEBTORS  
AND DEBTORS IN POSSESSION, EFFECTIVE AS OF THE PETITION DATE**

Pursuant to 28 U.S.C. § 1746, I, David M. Baker, declare as follows:

1. I am the founder and Managing Partner for Aurora Management Partners Inc. ("Aurora"). I am duly authorized to make this declaration (this "Declaration") in support of the *Debtors' Application Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to (I) Retain Aurora Management Partners Inc. to Provide Certain Additional Personnel; and (II) Designate David M. Baker as Chief Restructuring Officer for the Debtors and Debtors in Possession, Effective as of the Petition Date* (the "Application"),<sup>2</sup> which seeks authorization, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to (i) retain and employ Aurora to provide Additional Personnel, and (ii) designate myself as CRO for the Debtors, effective as of the Petition Date, in accordance with the terms and conditions of that certain engagement letter between the Debtors and Aurora

<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.

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

dated July 3, 2025 (the “Engagement Letter”), a copy of which is attached to the Application as **Exhibit C**, setting forth CRO and consulting support services that Aurora would provide the Debtors (the “CRO Services”).

2. Except as otherwise noted, I have personal knowledge of the matters set forth herein, and, if called as a witness, I would testify thereto.<sup>3</sup>

### **AURORA’S QUALIFICATIONS**

3. Aurora is a financial consulting and advisory firm that specializes in providing crisis and turnaround management consulting to distressed companies such as the Debtors. I co-founded Aurora in 2000 and serve as the Managing Partner. I have over forty (40) years of diversified business experience in restructuring, financial management, and accounting. I have extensive experience in the development of reorganization plans, creditor negotiations, mergers and acquisitions, business plan preparation and long-term forecasting, developing and implementing cost reduction programs, and financial management of public and privately held companies. I have advised companies, boards, investors, and lender groups, and insolvent or near-insolvent companies have engaged me to serve as Chairman of the Board, Chief Executive Officer, and Chief Restructuring Officer.

4. I have been involved in hundreds of sale, refinancing and restructuring assignments for distressed middle-market companies both in and outside of Chapter 11 proceedings and have testified in numerous Bankruptcy Courts across the U.S. The following are selected recent publicly disclosed bankruptcy and restructuring engagements under my direction:

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<sup>3</sup> Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at Aurora and are based on information provided by them.

- a. Chief Restructuring Officer to debtor in: *In re America's Gardening Resource, Inc., et al.*, No. 25-11180 (Bankr. D. Del. 2025); *In re Pioneer National Latex, Inc.*, No. 23-10938 (Bankr. D. Kan. 2024); *In re Taronis Fuels, Inc., et al.*, No. 2-11121-BLS (Bankr. D. Del. 2022); *In re Premier Cajun Kings, LLC*, No. 23-00656-DSC (Bankr. N.D. Ala. 2023); *In re A.C. Furniture Co., Inc.*, No. 20-60200 (Bankr. W.D. Va. 2020); *In re Suniva, Inc.*, No. 17-10837 (KG) (Bankr. D. Del. 2017); *In re Malibu Lighting Corp.*, No. 15-12080 (Bankr. D. Del. 2015); *In re Brooks Food Grp., Inc.*, No. 12-6200 (Bankr. W.D. Va. 2012); *In re Prime Measurement Prod. LLC*, Case No. 07- 10109 (Bankr. C.D. Cal. 2007); *In re Laich Industries Corp.*, Case No. 05-16204 (Bankr. N.D. Ohio 2005).
- b. Financial Advisor to debtor in: *In re Handlos Family Farms, LLC*, Case No. 25-00671(lmj11) (Bankr. S.D. Iowa 2025); *In re Eventide Credit Acquisitions, LLC, et al.*, Case No. 23-90007 mxm (Bankr. N.D. Tex. 2025); *In re Premier Kings, Inc., et al.*, 23-02871 (TOM) (Bankr. N.D. Ala. 2023); *In re Tessemae's LLC*, No. 23-10675 (NVA) (Bankr. D. Md. 2023); *In re FM Coal, LLC*, No. 20- 02783 (TOM) (Bankr. N.D. Ala. 2020); *In re iPic-Gold Class Entm't, LLC*, No. 19-11739 (LSS) (Bankr. D. Del. 2019); *In re CCI of West Palm, Inc.*, No. 07-16604 (Bankr. S.D. Fla. 2007); *In re Blue Thunder Auto Trans., Inc.*, No. 07-61268 (Bankr. N.D. Ga. 2007); *In re Advanced Vending Sys., Inc.*, No. 06-12523 (Bankr. E.D. Tenn. 2006); *In re Shelby-Skipwith, Inc.*, No. 06-22030 (Bankr. W.D. Tenn. 2006); *In re Schirmer's LLC*, No. 05-10874 (Bankr. E.D. Va. 2005); *In re Ski Chalet, Inc.*, No. 05-10937 (Bankr. E.D. Va. 2005); *In re Summitville Tiles, Inc.*, No. 03-46341 (Bankr. N.D. Ohio 2003).
- c. *All Nations Investors, LLC, et al.*, appointed State Receiver (Garrard Circuit Court of Kentucky); entity is a premium spirits company;
- d. *Covenant Group, LLC*, appointed State Receiver (Owen Circuit Court of the Commonwealth of Kentucky); entity is a food manufacturing solutions company;
- e. *Besse Forest Products, Inc., et al.*, appointed Federal Receiver (U.S. District Court for the Western District of Michigan); entity is a manufacturer of high-quality Northern hardwood veneer, lumber and specialty plywood products used worldwide;
- f. *AgTech Scientific Group, LLC*, appointed Federal Receiver (U.S. District Court for the Eastern District of Kentucky); entity engaged in large-scale hemp-growing and CBD-production operations;
- g. *Heatworks Technologies, Inc.*, appointed State Receiver (Ninth Circuit Court of South Carolina in the Court of Common Pleas for Charleston County); entity engaged in the development and commercialization of novel heating technology for water and other fluids;

- h. *SGSL Fee Owner, LLC*, appointed State Receiver (Eleventh Judicial Circuit Court in and for Miami-Dade County, Florida); entity owned a mortgaged property that was under significant renovation and being repurposed from a hotel to an assisted living facility;
- i. *Independence Lumber, Inc.*, appointed Federal Receiver (U.S. District Court for the Middle District of North Carolina); entity engaged in sawmills and lumber distribution;
- j. *Timber Creek Holdings, LLC*, appointed Federal Receiver; entity engaged in natural gas discovery and production in U.S. District Court for the District of Colorado (Denver);
- k. *Pyote Water Solutions, LLC, et al.*, appointed Federal Receiver (U.S. District Court for the Southern District of Texas); entity engaged in saltwater disposal wells for the oil and gas industry;
- l. *Suniva*, appointed Chief Restructuring Officer and was responsible for the 201 Trade Case filed with the Federal Trade Commission (“FTC”) regarding tariffs on the importation of solar panels. Suniva was successful in getting the case through the FTC and getting 32% tariffs placed on imports of worldwide solar panels into the United States; and
- m. *Robert’s Automotive Centers, Inc.*, appointed Federal Receiver (U.S. District Court for the Northern District of Oklahoma), multi-brand auto dealership conglomerate.

5. I graduated from the University of North Carolina at Chapel Hill in 1977 with a B.S. in Accounting and subsequently earned a CPA certificate. In 2005, Aurora and I received the Turnaround Management Association’s prestigious National Turnaround of the Year Award for our work in the Summitville Tile bankruptcy case in Northern Ohio. In 2013, we won another National Turnaround of the Year Award for our work with Advance Communications, Inc., a cable fulfillment and telecom construction company. I have also received several regional awards for other cases throughout the Southeast. I am a Certified Turnaround Professional (CTP) and Registered Certified Public Accountant (CPA Inactive).

6. The Debtors originally engaged Aurora on April 23, 2005 to serve as a financial advisor. The Debtors then expanded the scope of Aurora’s retention on July 3, 2025 to provide

for me to serve as the Debtors' Chief Restructuring Officer, and I, along with other personnel assisting on this engagement as needed, have been working with the Debtors since that date. Since Aurora's engagement, I have been actively involved in evaluating the Debtors' liquidity, cash management system, financial forecasting, sale process, and contingency planning. In my capacity as CRO, I am intimately familiar with the day-to-day operations of the Debtors, their businesses and financial affairs, and books and records. This experience and knowledge will be valuable to the Debtors throughout the course of these Chapter 11 Cases. Accordingly, Aurora and I have the necessary background and knowledge to advise the Debtors in their Chapter 11 Cases in a cost-effective, efficient and timely manner.

#### **SCOPE OF AURORA'S PROPOSED SERVICES**

7. Subject to approval by the Court, and consistent with the Engagement Letter, I will provide CRO services to the Debtors, in which capacity i will, among other things, have the exclusive authority to manage the business operations of the Debtors (including the Debtors' liquidity and finances), oversee a marketing and sale process of the Debtors' assets, and ultimately negotiate and authorize any definitive sale transactions, negotiate and implement any debt restructurings, and authorize any bankruptcy filing or other insolvency proceeding. As CRO, I will fulfill my fiduciary responsibilities to all stakeholders of the Debtors.

8. In addition, I, as the CRO, shall have the authority to (i) discuss directly with the Debtors' lenders, the Debtors' businesses, finances and operations and other matters that come to the attention of the CRO; (ii) negotiate and transact with such lenders with respect to any restructuring or repayment with respect to the obligations owed to the Debtors' lenders; and (iii) speak with and discuss business matters and finances with the Debtors' customers, trade suppliers and other stakeholders. Additionally, my authority extends, but is not limited, to (i) the

management of the Debtors' liquidity, including use of cash and cash equivalents; (ii) the marketing and sale of the Debtors' plants and locations and related assets; (iii) the entry into or modification of any lease agreements or vendor contracts; and (iv) the hiring of professionals or personnel as needed and/or terminating employment of any of the Debtors' employees.

9. Generally, I, as the CRO, with the assistance of any additional Aurora personnel as needed (the "Additional Personnel"), shall perform activities and services customarily performed by a chief restructuring officer. These services are necessary to enable the Debtors to seek to maximize the value of their estates and successfully complete these Chapter 11 Cases, and those services may include, but are not necessarily limited to, the following services (collectively, the "CRO Services"): <sup>4</sup>

a. Liquidity:

- (i) Assess and evaluate weekly cash flow projections and related assumptions to determine liquidity availability.
- (ii) Identify cost-saving and working capital opportunities that can be immediately implemented to improve liquidity.
- (iii) Work with the management team to understand cash receipts and disbursement over a 13-week period to potentially adjust business decisions to free up liquidity.
- (iv) Work with the management team to request accommodation and support from the Debtors' major Customers.
- (v) Evaluate and analyze all aged account payable, taxes, rent, etc.

b. Business Operations:

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<sup>4</sup> The summaries provided in this Declaration are provided for convenience only. In the event of any inconsistency between any summary and the terms and provisions of the Engagement Letter, the terms of the Engagement Letter shall control. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Engagement Letter. In the event of any inconsistency between any summary and the terms and provisions of the Proposed Order, the terms of the Proposed Order shall control.



- (i) Develop a business restructuring model (the “Plan”) that provides scenario analysis to evaluate all strategic alternatives, including the ability to file for Chapter 11 Bankruptcy protection.
  - (ii) Decide on and execute the appropriate Plan.
  - (iii) Manage cash flow to protect creditors and equity holders.
  - (iv) With the approval of the Board, retain and manage special legal counsel, investment bankers and other professionals as required to execute the Plan.
  - (v) Sell assets of the Debtors without the need for further approval of the Debtors’ board of directors or board of managers, as applicable, or their respective equity holders or members.
- c. Other normal and customary duties, authority and responsibility, typically provided to a CRO.
- d. Other services as required or requested by the Debtors or the Board.

10. The CRO Services to be provided by Aurora do not include audit, legal, tax, environmental, accounting, actuarial, employee benefits, insurance advice, or similar specialist and other professional services that are typically outsourced and that shall be obtained from other professionals where required by the Debtors at the Debtors’ expense. I, as the CRO, and Aurora will not act as financial advisors retained under section 327 of the Bankruptcy Code, claims agents, or claims administrators, or investors or acquirers in the Debtors’ Chapter 11 Cases.

#### **PROFESSIONAL COMPENSATION**

11. As set forth in the Engagement Letter and subject to this Court’s approval, the Debtors and Aurora have agreed that Aurora’s professional fees for the work performed in connection with the engagement contemplated herein and in the Engagement Letter will be billed by Aurora, and shall be paid by the Debtor, based on the number of hours worked and Aurora’s standard hourly billing rates. Aurora bills its time in increments of 1/10ths of an hour. The hourly

rates and fees, subject to periodic adjustments, charged by the Aurora professionals anticipated to be assigned to this case are as follows (the “Fee Structure”):

- |    |   |           |
|----|---|-----------|
| a. | Managing Director; Sr. Managing Director;<br>Managing Partner | \$500-820 |
| b. | Associate Director; Director                                  | \$375-500 |
| c. | Consultant; Senior Consultant                                 | \$250-375 |

12. The Fee Structure shall be subject to adjustment annually at such time as Aurora adjusts its rates generally.

13. Prior to the Petition Date, the Debtors paid Aurora a retainer in the aggregate amount of \$220,000 (the “Retainer”). As of the Petition Date, the Retainer had been exhausted. The Debtors do not currently owe Aurora any amounts for legal services rendered prior to the Petition Date.

14. Aurora also seeks reimbursement for reasonable and necessary expenses incurred in connection with these Chapter 11 Cases, including, but not limited to, travel, lodging, computer research, and messenger and telephone charges (the “Expense Structure” and, together with the Fee Structure, the “Fee and Expense Structure”). All fees and expenses due to Aurora will be billed on a regular basis as agreed to between Aurora and the Debtors and as further set forth in the Engagement Letter.

15. The hourly rates that Aurora proposes to charge in these Chapter 11 Cases are Aurora’s hourly rates currently in effect and are similar to the rates Aurora generally charges for special situations, restructuring, workout, bankruptcy, insolvency, and comparable matters whether in court or otherwise, regardless of whether a fee application is required, and to rates that comparable advisors would charge to perform work in such matters.

16. I believe that the Fee and Expense Structure is reasonable, market-based, and designed to compensate Aurora fairly for its work and to cover fixed and routine overhead expenses. The Fee and Expense Structure appropriately reflects the nature of the services to be provided by Aurora and the fee structures typically utilized by leading financial advisory firms of similar stature to Aurora for comparable engagements, with respect to both in- and out-of-court restructurings. The Fee and Expense Structure is consistent with Aurora's normal and customary billing practices for cases of this size and complexity and that require the level and scope of services outline herein.

### **FEES AND REPORTING**

17. It is my understanding that if the Court approves the relief requested herein, Aurora will be retained as of the Petition Date, and I will be designated to continue as CRO pursuant to section 363 of the Bankruptcy Code.

18. On a monthly basis, Aurora shall file with the Court, and provide notice to the U.S. Trustee and any official committees, a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by the Court in the event an objection is filed.

19. Aurora shall also file with the Court, and provide notice to the U.S. Trustee and all official committees, reports of compensation earned and expenses incurred on a quarterly basis. Such reports shall contain summary charts that describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. All compensation shall be subject to review by the Court in the event an objection is filed.

20. Aurora shall abide by the provisions set forth in Section J of the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the “Complex Case Procedures”), and shall receive monthly payments from the Debtors consistent with Section J; *provided, however*, Aurora shall not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. Instead, Aurora’s fees shall be reviewed at the conclusion of the case on a reasonableness standard.

21. In the ninety (90) days prior to the Petition Date, Aurora received payments totaling \$220,000 in the aggregate for services performed for the Debtors. Aurora has applied these funds to amounts due for services rendered and expenses incurred prior to the Petition Date.

22. A precise disclosure of the amounts or credits held, if any, as of the Petition Date will be provided in Aurora’s first report filed regarding compensation earned and expenses incurred.

23. Given the numerous issues which Aurora may be required to address in the performance of its services, Aurora’s commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for such services for engagements of this nature in an out of court context, as well as in chapter 11, I submit that the fee arrangements set forth in the Engagement Letter are reasonable.

#### **AURORA’S DISINTERESTEDNESS AND ELIGIBILITY**

24. In connection with the proposed retention of Aurora and in compliance with Rule 2014 of the Bankruptcy Rules, Aurora reviewed those potentially interested parties in these Chapter 11 Cases listed in **Attachment 1** hereto, which party names were provided to Greenberg Traurig by the Debtors (collectively, the “Potentially Interested Parties”) and which excludes the Debtors’ employees (except to the extent that an employee has any pending, threatened, or

anticipated litigation against one or more of the Debtors) and the Debtors' customers (except to the extent that a customer has any pending, threatened, or anticipated litigation against one or more of the Debtors), against its corporate records, including of present and former clients. To the best of my knowledge, after due inquiry, Aurora does not have any connection with the parties listed on Attachment 1. Additionally, as of the Petition Date, Aurora was not owed any fees with respect to any invoices issued to the Debtors before their chapter 11 filings.

25. Accordingly, except as otherwise set forth herein, insofar as I have been able to determine, neither I, Aurora, nor any of Aurora's personnel holds or represents any interest adverse to the Debtor or its estate, and Aurora is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that Aurora and its professionals and employees who will work on the engagement:

- a. were not creditors, equity holders, or insiders of the Debtors prior to the Petition Date;
- b. other than the officer positions included in this Application, were not, within two (2) years before the Petition Date, a director, officer or employee of the Debtors; and
- c. do not have an interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors.

26. In the ordinary course of its business, Aurora and its affiliates and/or personnel may engage or be engaged by counsel or other professionals in unrelated matters who now represent, or who may in the future represent, creditors, equity holders or other Potentially Interested Parties.

27. Aurora and its affiliates and/or personnel may have current and former clients who have relationships with the Potentially Interested Parties.

28. Aurora and its affiliates and/or personnel may be taxpayers or constituents of governmental bodies that are creditors or vendors of the Debtors or their respective affiliates.

29. Aurora has represented, may represent, and in the future will likely represent debtors and in cases unrelated to the Debtors and this case wherein one or more of the law firms representing the members of any statutorily appointed committee or other parties in interest serve as or will serve as professionals to members of those committees.

30. Aurora has not provided, and will not provide, any professional services to the any of the creditors, other parties in interest, or their respective attorneys and accountants with regard to any matter related to these Chapter 11 Cases, other than ongoing CRO and related services to non-debtor affiliates.

31. Aurora will continue to conduct periodic analyses to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered or arise, Aurora will inform the Court as required by Rule 2014(a) of the Bankruptcy Rules.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 26, 2025

Respectfully submitted,

/s/ David M. Baker  
David M. Baker, Managing Partner  
Aurora Management Partners Inc.

**ATTACHMENT 1**

**LIST OF POTENTIALLY INTERESTED PARTIES**

**Debtors**

Wellmade Floor Coverings International Inc.  
Wellmade Industries MFR. N.A LLC

Nancie Schindler  
Shannon Morris

**Known Affiliates**

Buyislander.com Technologies LLC  
The Tigereye International Trading Co., Ltd  
Wellmade Floor Industries Co. Ltd

**Bankruptcy Judges/ND Georgia**

Barbara Ellis-Monro  
James R. Sacca  
Jeffery W. Cavender  
Lisa Ritchey Craig  
Mary Grace Diehl  
Paul M. Baisier  
Paul W. Bonapfel  
Sage M. Sigler

**Current and Former Officers and Directors**

Allen Ming Chen  
Christy Wei  
David Baker  
George Zhu Chen  
John P. Bradford  
Richard Quinlan

**Banks and Financial Institutions**

American Express  
Bank of America  
Capital One  
First Federal Bank  
First Citizens Bank  
JPMorgan Chase Bank  
Northwest Bank  
Synovus Bank  
Umpqua

**Owners**

Allen Ming Chen  
George Zhu Chen

**Bankruptcy Court Staff/ND Georgia**

Craig Raber  
Jackie Cunningham  
James Cornett  
Jessica Leto  
Kimberly Williams  
Maresa Snow

**Insurance Providers/Broker**

EMC Insurance Companies  
Hub International  
Liberty Mutual Insurance

Mutual of Omaha  
New York Life Insurance Company  
Principal Life Insurance Company  
Regence BlueCross BlueShield

Tennessee Department of Revenue  
Utah Department of Revenue  
Virginia Department of Taxation  
Washington Department of Taxation

**Bonds**

American Alternative Insurance Corporation  
U.S. Customs and Border Protection Agency

**Other Local, State or Federal Authorities**

Texas Comptroller of Public Accounts

**Local, State and Federal Taxing  
Authorities**

Arizona Department of Revenue  
Bartow County Community Development  
Department  
California Department of Revenue  
Canada Revenue Agency  
Colorado Department of Revenue  
Florida Department of Revenue  
Georgia Department of Revenue  
Illinois Department of Revenue  
Indiana Department of Revenue  
IRS - Internal Revenue Service  
Maryland Department of Assessments and  
Taxation  
Minnesota Department of Revenue  
Ministere du Revenu QC  
New Jersey Division of Taxation  
New York  
North Carolina Department of Revenue  
Ohio Department of Revenue  
Oregon Department of Revenue

**Parties to Contracts/Vendors**

48forty Solutions, LLC  
ABF Freight  
Allied Supplies Inc.  
ANHUI SUNHOUSE FLOOR  
TECHNOLOGY, CO., LTD  
APEX MARITIME CO. (LAX), INC.  
Arrow Exterminators Pest Control  
Balance Printing  
Buske Lines Inc.  
C3 Technologies  
Caylor Industrial Sales, Inc.  
C&C Electrical Supply Company  
Celigo, Inc.  
Ceva Logistics LLC  
CHAOHU VGREEN TIMBER CO., LTD.  
CHEP USA  
CINTAS Corporation No. 2  
Costco  
CYBIR  
Dalton Fluid Power  
Dennemeyer & Co, LLC  
Diamond Line Delivery Systems



|  |   |
|--|---|
| Elcor, Inc.                                  | Trade Co. Ltd                               |
| Empire Mouldings, Inc.                       | Mandera Components, LLC (NW Bamboo Trim)    |
| Estes Express                                | McMaster-Carr                               |
| Faven  | Mexichem Specialty Resins, Inc.             |
| FedEx  | Millennium Pallets, LLC                     |
| FedEx Freight                                | MS Industries                               |
| FedEx Trade Networks                         | MTS Logistics Inc.                          |
| Framerica Corporation                        | NexAir                                      |
| FREEMAN – International Surfaces Event       | NextGen Capital Markets, LLC                |
| CP Corrugated LLC                            | NFI LOGISTICS                               |
| Grainger                                     | Old Dominion Freight Line, Inc.             |
| Graphic Information System Inc.              | PCA   |
| Green Vibes Only                             | PNC Equipment Finance                       |
| Hapag-Lloyd (America) LLC                    | Precision Flooring Products Inc.            |
| High Tech Crating, Inc.                      | Premier Propane, Inc.                       |
| HONG KONG JIANGCHUAN TRADING COMPANY LIMITED | Professional Floor Inspection & Testing LLC |
| HPC, Inc.                                    | R+L Carries, Inc.                           |
| I4F Licensing NV                             | Recruit Mate LLC                            |
| Imerys Carbonates USA, Inc.                  | Reddaway                                    |
| Industrial Constructions Services, Inc.      | Rithum                                      |
| Industrial Repair Service                    | Roadrunner Transportation Services          |
| Ingersoll-Rand Industrial U.S., Inc.         | Saif Corporation                            |
| IVC US LLC                                   | Sherwin-Williams Company                    |
| John P. Bradford                             | ShinHo Industry Corp.                       |
| Join-Win Consulting Group LLC                | Shintech Incorporated                       |
| Kodi New Material Company Limited            | Sunbelt Rentals, Inc.                       |
| Lastique International Corp.                 | Super Hibachi Buffet, Inc.                  |
| Lean Supply Solutions Inc.                   | Superior Plus Propane                       |
| M&S LOGISTICS                                | Syndigo LLC                                 |
| Maanshan Best Purchaser Import and Export    | System Scale Corporation                    |

Tad-Chip Industrial Corp.

Tai Chan Colorful Press Industrial Co., Ltd

The Tigereye International Trading Co., Ltd

Thompson Safety LLC

Topocean Consolidation Service (LAX) Inc.

Total Talent Search, Inc.

Toyota Material Handling Systems

UL Verification Services Inc.

Unishippers

UPS

VIETNAM HENG LI NEW MATERIALS  
CO. LTD

VIETNAM NAISE NEW MATERIALS  
COMPANY LIMITED

VIETNAM YUNJIA DECORATION  
MATERIAL COMPANY

Wage Works

Westlake Vinyls Inc.

Wexford International Inc.

Xfinity

XPO LTL

YRC Freight

Yschem New Materials Company

Zamma Corporation

#### **Parties to Leases**

Busch Drive B1 Owner, LLC

Verity Properties, Inc.

#### **Professionals**

Aurora Management Partners

Greenberg Traurig, LLP

Hilco Corporate Finance

Kurtzman Carson Consultants, LLC, dba

Verita Global

#### **Lenders**

AHF IC, LLC

AFCO Credit Corporation

Flooring Investments LLC

#### **Counsel to Lenders**

King & Spalding LLP

#### **Litigation Claimants**

Anthony Davis

Can Gen Han

Jiayi Chen a/k/a Morgan Chen

Jian Jun Lu

Weems Construction LLC

Yixiang Zhang

Yu Cong Liu

#### **Litigation (Attorneys)**

Clifton Larson Allen LLP

Davis Wright Tremaine LLP

Gilfillan Law LLC

Hall Booth Smith, P.C.

JacksonLewis

Robbins Litigation and Regulatory Law

Venable LLP

**United States Trustee/Atlanta Office**

Adriano O. Iqbal

Alan Hinderleider

Allison Cleary

Anne Cabrera

Beth Brown

Chevonne Ducille

David Weidenbaum

Deborah R. Jackson

Donavan Slack

Jonathan S. Adams

Lindsay Kolba

Lisa Smoot

Martin P. Ochs

Mary Ida Townson, U.S. Trustee

Michele Stephens-Taylor

R. Jeneane Treace, Assistant U.S. Trustee

Randal D. Ennever

Roslyn Dowdy

Roxana Peterson

Scarlett L. Aldaz

Tara Kelly

**Utilities**

Bartow Country Water Department

City of Cartersville

City of Tualatin

Georgia Power

NW Natural

Portland General Electric (PGE)

Republic Services

Republic Services (Allied Waste)

Ziply Fiber

**ATTACHMENT 2**

**DISCLOSURES REGARDING POTENTIALLY INTERESTED PARTIES**

This information is being provided in connection with the *Debtors' Application Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to (I) Retain Aurora Management Partners Inc. to Provide Certain Additional Personnel; and (II) Designate David M. Baker as Chief Restructuring Officer for the Debtors and Debtors in Possession, Effective as of the Petition Date.* Aurora has or had business relationships with, currently renders or has previously rendered services during the past two (2) years in matters unrelated to these Chapter 11 Cases for the following entities or their affiliates:

| <b>Name of Potentially Interested Parties Searched</b> | <b>Relationship to Debtors</b> | <b>Name of Entity that is an Aurora Client</b> | <b>Relationship to Aurora</b> |
|--|--------------------------------|--|-------------------------------|
| None   |                                |  |                               |
|  |                                |  |                               |
|  |                                |  |                               |

**EXHIBIT C**

**Engagement Letter**



Aurora Management Partners Inc.  
112 South Tryon St. Ste 1770  
Charlotte, NC 28284  
Office: 704-377-6010  
www.auroramp.com

July 3, 2025

Mr. Allen Chen  
Wellmade Floor Coverings International, Inc.  
Wellmade Industries MFR. N.A. LLC  
19150 SW 125th Court  
Tualatin OR 97062

Dear Mr. Chen:

This letter along with the attached schedules (the “Agreement”) sets forth the agreement between Wellmade Floor Coverings International, Inc. and Wellmade Industries MFR. N.A. LLC (collectively and individually, the “Company”), on the one hand, and Aurora Management Partners Inc. (“Aurora”), on the other, (the Company and Aurora each, a “Party”) under which the Company is engaging Baker (as defined below) to serve as Chief Restructuring Officer.

Aurora will provide Mr. David Baker (“Baker”) to serve as the Company's Chief Restructuring Officer (the “CRO”) in which capacity he will, among other things, have the exclusive authority to manage the business operations of the Company (including the Company’s liquidity and finances), oversee a marketing and sale process of the Company’s assets, and ultimately negotiate and authorize any definitive sale transactions, negotiate and implement any debt restructurings, and authorize any bankruptcy filing or other insolvency proceeding. As CRO, Baker will fulfill his fiduciary responsibilities to all stakeholders of each Company.

In his capacity as CRO, Baker will have the authority during this engagement to discuss directly with the Company’s lenders the Company’s business, finances and operations and other matters that come to the attention of the CRO, and to negotiate and transact with such lenders with respect to any restructuring or repayment with respect to the obligations owed to the Company’s lenders. The CRO will also have authority to speak with and discuss business matters and finances with the Company’s customers, trade suppliers and other stakeholders.

The level of authority granted to the CRO will include, but not be limited to, the management of the Company’s liquidity, including use of cash and cash equivalents, marketing and sale of Company’s plants and locations and related assets, authority to enter-into or modify any lease agreements or vendor contracts, hiring professionals, and hiring personnel as needed and terminating employment of any employee of the Company, subject to the conditions contained below.

Scope of Services. Aurora will provide services to assist Baker with fulfilling the Chief Restructuring Officer role and Aurora is authorized to perform all services and take all actions necessary or advisable to oversee, carry on, manage, care for, maintain, repair, insure, protect, and preserve the Company’s assets and operations, including, but not limited to, the following:

1. Liquidity:
  - a. Assess and evaluate weekly cash flow projections and related assumptions to determine liquidity availability.
  - b. Identify cost-saving and working capital opportunities that can be immediately implemented to improve liquidity.
  - c. Work with the management team to understand cash receipts and disbursement over a 13-week period to potentially adjust business decisions to free up liquidity.
  - d. Work with the management team to request accommodation and support from Company's major Customers.
  - e. Evaluate and analyze all aged account payable, taxes, rent, etc.
2. Business Operations:
  - a. Develop a business restructuring model (the "Plan") that provides scenario analysis to evaluate all strategic alternatives, including the ability to file for Chapter 11 Bankruptcy protection.
  - b. Decide on and execute the appropriate Plan.
  - c. Manage cash flow to protect creditors and equityholders.
  - d. With the approval of the Board, retain and manage special legal counsel, investment bankers and other professionals as required to execute the Plan.
  - e. Sell assets of the Company without the need for further approval of the Company's board of directors or board of managers, as applicable, or their respective equityholders or members.
3. Other normal and customary duties, authority and responsibility, typically provided to a CRO.
4. Other services as required or requested by the Company or the Board.

Compensation: Aurora's professional fees for the work performed under this Agreement will be billed by Aurora, and shall be paid by the Company, based on the number of hours worked and Aurora's standard hourly billing rates. Schedule A hereto sets forth the current ranges of rates for the professionals that may be involved in this matter. Aurora bills its time in increments of 1/10<sup>ths</sup> of an hour.

Aurora will invoice the Company, and the Company agrees to pay Aurora, based on the above method. The invoices will set forth detailed itemizations of the charges. Invoices will be provided to the Company on a weekly basis, or at other logical points during the engagement. Each invoice is due within five (5) days of presentation by Aurora. Aurora's fees are not contingent on the outcome of the matters.

In matters in which travel by Aurora is required, Aurora will bill, and the Company agrees to pay travel time calculated at 50% of Aurora's hourly rate of the travelling representative. The parties understand that Aurora's hourly rates are set at a level designed to compensate Aurora Management Partners fairly for the work of its professionals and to cover fixed and routine expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions (which adjustments will be reflected in the first Aurora invoice following any such adjustments) and are consistent with the rates charged elsewhere.

Expenses. Aurora's invoices will also include billings for all customary out-of-pocket expenses incurred by Aurora, billed at the actual cost incurred, and such expenses shall be reimbursed by the Company.



Retainer. The Company shall remit to Aurora a retainer in the amount of \$ \_\_\_,000, via wire transfer, upon the Company's execution of this Agreement. At the beginning of each weekly period in which Aurora's services are to be provided, the Company will replenish the retainer, via wire or ACH payment, so as to return the retainer to the above amount. Aurora reserves the right to increase the required retainer amount in the event the Parties agree to an increase in the scope of services for performance by Aurora. Aurora may apply retainer to its periodic billings, or it may reserve retainer for application to Aurora's final billing, and the timing of Aurora's application of retainer will be in Aurora's sole discretion.

The Company hereby grants Aurora a security interest in the funds that Aurora holds and will hold as a retainer, which shall secure all of the Company's obligations to Aurora, whether currently existing or hereinafter arising.

After Aurora has been indefeasibly paid all amounts owed and to be owed under the terms of this Agreement, any remaining balance on the retainer shall be refunded to the Company.

Certain Legal Expenses. Aurora shall also be entitled to reimbursement for all legal fees and legal expenses incurred by Aurora in connection with its performance under the Agreement, provided that the Company first consents to the retention of such counsel for such services (which consent shall not be unreasonably withheld or delayed). All such fees and costs will be reimbursed by the Company to Aurora upon the Company's receipt of invoices therefore, which shall be submitted to the Company promptly after Aurora receives the invoices from counsel. If Aurora so chooses, the Company shall pay such counsel directly in lieu of reimbursing Aurora. Any special legal, accounting, tax, or appraisal consultations that may be required will be the responsibility and obligation of the Company, unless Aurora otherwise agrees in writing.

The Parties further agree:

Indemnification; Contribution; Limitation of Liability. In connection with engagements of the type covered by this Agreement, Aurora requires the client to provide rights to indemnification and contribution, and a limitation of liability. Therefore, by signing this Agreement, the Company agrees to all provisions contained in Schedule B attached hereto, which provisions are expressly incorporated herein by this reference.

Term; Termination. The term of this Agreement shall commence as of the complete execution of this agreement by both parties and receipt of the Retainer, and the term continues until the engagement is completed, or earlier if the engagement is terminated by either Party as set forth herein.

This Agreement may be terminated by Aurora, in its sole discretion, for any reason. This Agreement may be terminated by the Company only with the prior written consent of AHF IC, LLC ("AHF"), its senior secured lender, which written consent must be produced to Aurora as part of any termination notice, or for Cause provided, however, that if the indebtedness owing to AHF has been paid in full, then the Company may terminate this Agreement without consultation with AHF. The termination is effective according to the terms set forth herein and immediately upon the other Party's receipt of written notice of the termination. Upon any termination of this Agreement, Aurora shall be entitled to all fees and expenses incurred pursuant to this Agreement prior to the Party's receipt of such notice, and all such fees and expenses will be immediately due and payable by the Company; however, this paragraph does not limit any payment obligations of the Company under this Agreement. For purposes of this Agreement, "Cause" means (1) any conviction of, or plea of guilty or nolo contendere by, Baker, or final adjudication by a court of competent jurisdiction of Baker, for fraud, embezzlement or a felony, (2) a court of competent jurisdiction determining





that Baker has been grossly negligent or engaged in intentional misconduct in his capacity as the CRO, or (3) any material breach by Baker or Aurora of this Agreement which materially and adversely affects the Company or its business; provided, however, that such breach shall not be considered a “Cause” event hereunder until the Company has provided written notice to Baker and Aurora of such breach and Baker or Aurora, as applicable, has not cured such breach (if such breach is curable) within 30 days following the receipt of such notice.

Client Cooperation; Reliance on Client’s Information. The Company acknowledges and agrees that the ability of Aurora to perform the engagement hereunder requires the full cooperation and assistance by the Company and its personnel. The Company therefore agrees to promptly amend its organizational documents and take such corporate governance actions as are necessary to appoint Baker as CRO.<sup>1</sup> The Company further agrees to furnish to Aurora all information, documents and other materials requested by Aurora and to make available to Aurora for meetings, conference calls and otherwise all personnel identified by Aurora. The Company will enable Aurora to receive on a timely basis all information requested by Aurora related to the engagement under this Agreement. The Company acknowledges and agrees that Aurora, in performance of the engagement hereunder, will be relying on the truth, completeness and accuracy of all written documentation delivered and the verbal communications made by the Company and its representatives, to Aurora.

Confidentiality. Aurora agrees to keep all sensitive information pertaining to the Company confidential and not to disclose to third parties such information (to the extent it has not become public without regard to disclosure by Aurora), absent the authorization of the Company. If Aurora receives a subpoena or other court process compelling disclosure of any information pertaining to the engagement under this Agreement, Aurora will provide the Company as much notice as is practicable in the circumstances so as to allow the Company to attempt to preclude or condition the disclosure of any confidential information.

Independent Contractor Relationship. Aurora shall serve as an independent contractor to the Company in rendering its services under this Agreement. This Agreement does not create, and shall not be construed to create, a relationship of principal/agent, joint venture, partnership, employer/employee, master/servant, or any comparable relationship, as between Aurora and the Company, and the Parties expressly deny the existence of any such relationship.

Income Tax. The Company will not pay any income taxes on account of Aurora. Nor will the Company be required to withhold any monies from the compensation of Aurora for tax purposes.

Governing Law; Right to Attorneys’ Fees. The laws of the State of Georgia shall govern this Agreement and any controversy arising under it, without regard to conflicts of laws principles. The prevailing party in any dispute arising under this Agreement shall be entitled to recover from the other all reasonable legal fees and costs, and the costs of any experts, incurred for or in any lawsuit on the dispute.

Waiver of Jury Trial. Each of the Parties to this Agreement hereby waives any right to a jury trial with respect to any claim, action, suit or proceeding made or brought by one of the Parties against the other in connection with or arising under this Agreement.

---

<sup>1</sup> Note to Company: For the amendment to the org docs to be satisfactory to AHF, such amendment must provide that Mr. Baker cannot be removed as CRO except (a) with the approval of AHF (for so long as the loan obligations are outstanding), or (b) for Cause. Such amendment must also provide that any replacement of Mr. Baker must have the same powers, must be acceptable to AHF, and must be appointed within three business days of Mr. Baker’s removal/resignation.



Conflicts of Interest. Nothing contained in this Agreement or otherwise shall diminish or impair the right of Aurora to accept engagements, directly or indirectly, from the Company's lender(s) or from other professionals or other third parties, provided that such engagements do not involve the relationship of the lender(s), the other professionals or the other third parties, with the Company.

Assignment and Modification. This Agreement may not be waived, amended, modified or assigned, in any way, in whole or in part, including by operation of law, without the prior written consent of both Parties.

Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the Parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings, both written and oral, with respect to the subject matter hereof.

Counterparts. This Agreement may be executed in multiple counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

Headings. Headings in this Agreement are set forth for convenience only and shall not be used to interpret or construe its provisions.

Authority. The undersigned represent that they have authority to enter into the Agreement on behalf of their respective Parties.

All communications to Aurora should be directed to:

Mr. David M. Baker, CTP  
Aurora Management Partners Inc.  
112 South Tryon Street, Suite 1770  
Charlotte, NC 28284  
Phone (828) 638-5744 (direct)  
Email: dbaker@auroramp.com

Thank you for allowing Aurora the opportunity to assist you. If the Company agrees to the terms of this Agreement, please sign below and return the signature to us via facsimile or electronic copy, retaining the original for your file.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

**AURORA MANAGEMENT PARTNERS INC.**

By: David Baker  
David Baker (Jul 3, 2025 14:49 EDT)  
**Managing Partner** [title]  
Dated: 07/03/2025

**WELLMADE FLOOR COVERINGS INTERNATIONAL, INC.**

By: Allen Chen  
Allen Chen (Jul 3, 2025 11:14 PDT)  
**President** [title]  
Dated: 07/03/2025

**WELLMADE INDUSTRIES MFR. N.A. LLC**

By: Allen Chen  
Allen Chen (Jul 3, 2025 11:14 PDT)  
**President** [title]  
Dated: 07/03/2025



**SCHEDULE A**

**AURORA MANAGEMENT PARTNERS, INC.  
FEE SCHEDULE**

|  |           |
|--|-----------|
| Managing Director/Sr. Managing Director/Managing Partner | \$500-820 |
| Associate Director, Director                             | \$375-500 |
| Consultant, Senior Consultant                            | \$250-375 |

Notes:

- 1) All billing will be submitted weekly and is due within 5 days of presentation.
- 2) All time billed in 1/10<sup>th</sup> of an hour increments.
- 3) All travel time will be billed at 50% of the applicable rate.



## **SCHEDULE B**

Unless otherwise noted, all capitalized terms used below shall have the meanings set forth above in the Agreement.

**Indemnification; Reimbursement.** As a material part of the consideration for the agreement by Aurora to provide services under the Agreement, the Company agrees:

(i) to indemnify and hold harmless Aurora and its affiliates, and their respective past, present and future directors, officers, shareholders, partners, members, employees, agents, representatives, advisors, consultants, analysts, subcontractors and controlling persons (collectively, the “**Indemnified Parties**”), to the fullest extent that applicable law permits, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, (A) arising out of or based on any untrue statement (or alleged untrue statement) of any material fact contained in materials or any other information (written or oral) provided to any third party by or on behalf of the Company, or the omission (or alleged omission) to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (B) otherwise arising out of and/or relating to the Agreement, any transaction or proposed transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Company in connection with the Agreement, however, the Company shall not be liable under clause (i)(B) for any loss, claim, damage or liability judicially determined by a court of competent jurisdiction to have resulted solely from the willful misconduct or gross negligence by such Indemnified Party; and

(ii) to reimburse each Indemnified Party for all expenses (including, without limitation, the fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling or compromising any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person (including, without limitation, any shareholder or derivative action), arising out of or relating to the Agreement, or such engagement, transaction or actions.

**Contribution.** If, for any reason, the foregoing indemnification or reimbursement is unavailable to any Indemnified Party, or insufficient to fully indemnify any such party or to hold it harmless regarding any losses, claims, damages, liabilities or expenses referred to in such indemnification or reimbursement provisions, then the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Aurora, on the other, in connection with the matters contemplated by the Agreement. If, however, the allocation provided by the preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by any Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault, of the Company, on the one hand, and such Indemnified Party, on the other, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Aurora from the Company under the Agreement. Relative benefits to the Company, on the one hand, and Aurora, on the other, shall be deemed to be in the same proportion as (i) the total value paid or received, or contemplated to be paid or received, by the Company, and its security holders, creditors, and other affiliates, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, and (ii) the fees received by Aurora under the Agreement.

Limitation of Liability. The Company further agrees that neither Aurora nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company, or any person or entity asserting claims on behalf of or in right of the Company, related to or arising out of the Agreement, any transaction or proposed transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Company in connection with the Agreement, except for losses, claims, damages or liabilities incurred by the Company finally judicially determined by a court of competent jurisdiction to have resulted solely from the willful misconduct or gross negligence of such Indemnified Party.

The indemnity and reimbursement and the other obligations and agreements of the Company set forth in this schedule (i) shall apply to any services provided by Aurora in connection with its engagement prior to the date hereof, and to any modifications or amendments to the Agreement, (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any Indemnified Party, (iii) shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Company or any Indemnified Party or any person controlling any of them, and (iv) shall survive the completion of the services under, and any termination of, the Agreement.

**THE BALANCE OF THIS PAGE IS LEFT INTENTIONALLY BLANK.**