

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

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In re:	)	
	)	Chapter 11
	)	
WELLMADE FLOOR COVERINGS	)	Case No. 25-58764-sms
INTERNATIONAL, INC., <i>et al.</i> , <sup>1</sup>	)	
	)	(Jointly Administered)
Debtors.	)	
	)	Re: Docket No. 244
	)	
	)	

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STATEMENT OF THE COMMITTEE OF CREDITORS HOLDING UNSECURED  
CLAIMS REGARDING LABOR PLAINTIFFS' MOTION FOR RULE 2004  
EXAMINATION AND PRODUCTION OF DOCUMENTS BY  
DEBTORS AND ALLEN CHEN

The Committee of Creditors Holding Unsecured Claims (the "Committee") of the above-captioned debtors and debtors in possession (the "Debtors") files this Statement regarding the *Labor Plaintiffs' Motion for Rule 2004 Examination and Production of Documents by Debtors and Allen Chen* (the "Rule 2004 Motion") [Docket No. 244], which has been set for hearing by the Court on November 5, 2025 at 2:30 p.m.<sup>2</sup>

1. The Committee helped to negotiate and supported the Debtors' private sale motion, which was approved by this Court on October 8, 2025, resulting in a remarkable 45% increase in the purchase price over the initial stalking horse bid. The sales proceeds are expected to be sufficient to satisfy the DIP obligations and administrative claims in full, with significant funds remaining thereafter to satisfy general unsecured claims in full, with interest, while also

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

<sup>2</sup> Defined terms not set forth herein shall have the meaning set forth in the Rule 2004 Motion.



providing a return to equity. That said, these positive results for the Debtors and the Committee will only come to fruition if these cases do not get bogged down in litigation that eats away at recoveries and delays distributions to key stakeholders. While the Committee takes no position on the Labor Plaintiffs' motion, the Committee is concerned that the Labor Plaintiffs and the Debtors are getting entrenched in their respective positions.

2. Accordingly, the Committee has been speaking with the Debtors and Labor Plaintiffs in an attempt to help them bridge the gap to a commercial resolution that will provide a recovery to the Labor Plaintiffs, while allowing the unsecured creditors to get paid in full with interest (and also providing a recovery to equity). The Committee has suggested to both of those parties that they engage in judicial mediation to potentially avoid the risk of expensive litigation delaying the bankruptcy and creating unnecessary administrative expenses that will threaten for all stakeholders the value-maximizing sale achieved by the Debtors and the Committee.

*[remainder of page left blank]*

Dated: November 4, 2025

**PACHULSKI STANG ZIEHL & JONES LLP**

/s/ Bradford J. Sandler

*Signed w/express permission by Benjamin S. Klehr*

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***Counsel to the Committee  
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-and-

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***Local Counsel to the Committee of  
Creditors Holding Unsecured Claims***

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WELLMACED FLOOR COVERINGS	)	Case No. 25-58764-sms
INTERNATIONAL, INC., <i>et al.</i> ,	)	
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**CERTIFICATE OF SERVICE**

I, Benjamin S. Klehr, certify that I am over the age of 18 and on this date I filed and served copies of the foregoing *Statement Of The Committee Of Creditors Holding Unsecured Claims Regarding Labor Plaintiffs' Motion for Rule 2004 Examination and Production of Documents by Debtors and Allen Chen* by using the Court's Electronic Case Filing program, which sends a notice of the above-listed document and an accompanying link to the document to the parties who have appeared in this case under the Court's Electronic Case Filing program, as indicated in **Exhibit A.**

This 4<sup>th</sup> day of November 2025.

**SMALL HERRIN, LLP**

*Local Counsel to the Committee of Creditors  
Holding Unsecured Claims*

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**Exhibit A**

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