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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re:	)	Chapter 11
MULTI-COLOR CORPORATION, *et al.*,	)	Case No. 26-10910 (MBK)
Debtors.[1]	)	(Jointly Administered)
BTG Pactual Asset Management US, LLC, BTG Pactual Absolute Return Master Fund, L.P., Canyon Capital Advisors LLC, The Canyon Value Realization Master Fund, L.P., River Canyon Fund Management LLC, River Canyon Total Return Bond Fund, Owl Creek Asset Management, L.P., Owl Creek Credit Opportunities Master Fund, L.P., Shenkman Opportunistic Credit Master Fund LP, Third Point LLC, and Third Point Master Fund LP ,	)	Adv. Pro. No. 26-01041 (MBK)

[1] The last four digits of Debtor Multi-Color Corporation's tax identification number are 5853. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://www.veritaglobal.net/MCC. The location of the Debtors' service address for purposes of these chapter 11 cases is: 3284 Northside Parkway NW, Suite 400, Atlanta, Georgia 30327.

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Plaintiffs,	)
v.	)
Barclays Bank PLC	)
Defendant.	)

THE SECURED AD HOC GROUP'S REPLY IN SUPPORT OF MOTION TO INTERVENE IN ADVERSARY PROCEEDING

The *ad hoc* group of secured first-lien lenders and noteholders (the "Secured Ad Hoc Group") hereby submits this reply (the "Reply") to the *Omnibus Limited Objection to Motions to Intervene* [Docket No. 20] (the "Objection") in the above-captioned action (the "Adversary Proceeding"). The Secured Ad Hoc Group respectfully states as follows:

REPLY

1. Neither Plaintiffs nor Defendant oppose the Secured Ad Hoc Group's intervention in this Adversary Proceeding. Plaintiffs, however, are demanding that the Secured Ad Hoc Group must immediately—and prematurely—file a pleading in response to the Complaint. (Objection ¶ 1). Plaintiffs make this demand based on Rule 24(c) of the Federal Rules of Civil Procedure ("Federal Rules"), made applicable to this Adversary Proceeding by Rule 7024 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). But courts in the Third Circuit routinely waive compliance with Rule 24(c), and it would be appropriate to do so here, where the Secured Ad Hoc Group promptly sought to intervene, well in advance of the deadline to respond to the Complaint, the Secured Ad Hoc Group's position is already clear from its motion to intervene [Docket No. 5] (the "Motion"), and no party is prejudiced. Regardless, the Secured Ad Hoc Group

is prepared to respond to the Complaint, consistent with Federal Rule 12, made applicable by Bankruptcy Rule 7012 on or before March 16, 2026, unless the Court orders otherwise.

2. Courts in the Third Circuit "have not required strict compliance with Rule 24(c)" and grant motions to intervene "despite a movant's failure to adhere precisely to the requirements of Rule 24(c), where the purpose of intervening was sufficiently clear." *Conforti v. Hanlon*, No. CV 20-8267 (ZNQ), 2023 WL 2744020 at *3 (D.N.J. Mar. 31, 2023). That decision is "within the sound discretion of the district court." *Cmty. Vocational Schs. of Pittsburgh, Inc. v. Mildon Bus Lines*, Inc., No. CV 09-1572, 2017 WL 1376298 at *3 (W.D. Pa. Apr. 17, 2017); *see also U.S. ex rel. Frank M. Sheesley Co. v. St. Paul Fire & Marine Ins. Co.*, 239 F.R.D. 404, 410 (W.D. Pa. 2006) ("Despite the compulsory language of the rule, some federal circuits have held that whether 'to permit a procedurally defective motion to intervene is within the sound discretion of the district court.'") (collecting cases)). Rule 24(c)'s pleading requirement may be waived "if the court finds that the other parties will not be prejudiced by the failure to have a proposed pleading along with the motion for intervention." *Cmty. Vocational,* 2017 WL 1376298 at *3 (waiving Rule 24(c) pleading requirement because plaintiff offered no evidence that it was prejudiced by movant's failure to attach pleading to motion to intervene); *see also In re Endo Internat'l PLC*, Adv. P. No. 23-07007 (JLG), 2023 WL 3260141, *5 (Bankr. S.D.N.Y. May 4, 2023) (waiving Rule 24(c) requirement where creditors sought to intervene in adversary proceeding). And critically, "even among courts adhering to. . . [a] strict reading of Rule 24, it is rare that only procedural grounds are proffered for denial." *Sheesley*, 239 F.R.D. at 410; *see also PPL Energyplus, LLC v. Solomon*, No. CV 11-745 (PGS), 2011 WL 13128622 at *3 (D.N.J. July 19, 2011) (holding that omission of pleading in accordance with Rule 24(c) "is not fatal" and is "a purely technical defect which does not result in the disregard of any substantial right").

3. The Secured Ad Hoc Group's position is already clear, and Plaintiffs cannot claim prejudice. The purpose of Rule 24(c) is "to ensure that parties have advance notice of the claims that an intervenor plans to make." *SEC v. Investors Sec. Leasing Corp.*, 610 F.2d 175, 178 (3d Cir. 1979). Courts therefore "dispens[e] with the pleading requirement when the proposed intervenor's position is 'clearly articulated' in its motion papers." *Barry's Cut Rate Stores Inc. v. Visa, Inc.*, No. 05-MD-1720, 2021 WL 2646349, at *13 (E.D.N.Y. Jun. 28, 2021) (collecting cases); *see also PPL Energyplus,* 2011 WL 13128622, at *3 (D.N.J. July 19, 2011) ("excus[ing]" the requirement to attach a pleading, where the "moving papers contain considerable detail that puts Plaintiffs on notice as to CPV's desired role in this litigation").[2] Here, the Motion plainly states the Secured Ad Hoc Group's position: it seeks to intervene as a defendant to protect its members' economic interests in the liens and collateral at issue. This is not a case where existing parties "had absolutely no way to know the claims" for intervention. *Investors Sec. Leasing Corp.*, 610 F.2d at 178. Plaintiffs filed this lawsuit; they know exactly what is at stake. But more importantly, Plaintiffs have not claimed, and cannot claim, any prejudice from the lack of a pleading at this stage.

4. Furthermore, it is premature to require the Secured Ad Hoc Group to submit a pleading at this early stage of the case. The Secured Ad Hoc Group responsibly sought

[2] *See also Associated Builders & Contractors of W. Pennsylvania v. Cnty. of Westmoreland*, No. 2:19-CV-01213-LPL, 2020 WL 571691, at *3 (W.D. Pa. Jan. 21, 2020), *report and recommendation adopted sub nom. Associated Builders & Contractors of W. Pennsylvania v. Cnty. of Westmoreland*, No. 2:19-CV-01213-LPL, 2020 WL 571031 (W.D. Pa. Feb. 5, 2020) (This Court considers [the memorandum of law accompanying the motion to intervene] to comply with Rule 24(c), in that it provides enough notice to Plaintiffs as to the reason for intervention."); *Philadelphia Recycling & Transfer Station, Inc. v. City of Philadelphia*, No. CIV. A. 95-4597, 1995 WL 517644, at *3 (E.D. Pa. Aug. 29, 1995) (finding that the motion to intervene and a motion to dissolve a temporary restraining order "provided adequate notice to the parties and sufficiently set forth the nature of [the intervening party's] position and its interest in the litigation*"); Sheesley*, 239 F.R.D. at 412 ("Though no pleading-as that term is strictly defined in Fed. R. Civ. P. 7-accompanies MCDS' motion, Applicant has included its Motion to Compel and Stay, and the purpose of the intervention and the Applicant's conduct that the parties can expect going forward are quite clear").

intervention only nine days after the Complaint was filed. Federal Rule 12 allows named parties to respond to the Complaint within thirty days. Accordingly, no responsive pleading or motion should be due from any party before March 16, 2026. The Secured Ad Hoc Group does not waive its rights under Bankruptcy Rule 7012 merely by intervening promptly. *See Auxin Solar, Inc. v. United States*, 698 F. Supp. 3d 1353, 1374 n.21 (Ct. Int'l Trade 2024) ("Proposed defendant-intervenors cannot be expected to file an Answer prior to the defendants they seek to join. Further, to effectively preclude proposed defendant-intervenors from utilizing Rule 24 such that their motions to intervene may be considered would narrow the opportunities for intervention provided under Rule 24"). The Secured Ad Hoc Group is willing, if required by this Court, to respond to the Complaint, by motion or otherwise, on or before March 16, 2026.[3] Plaintiffs' Objection is purely technical, and courts do not deny intervention on purely procedural grounds. *See Sheesley*, 239 F.R.D. at 410.

5. Prematurity of the Plaintiff's request is exacerbated by the fact that Defendant Barclays has filed the *Motion of Defendant Barclays Bank PLC Under Federal Rules of Bankruptcy Procedure 7012(b)(1) and 7012(b)(6) to Stay, Abstain, or Dismiss the Adversary Proceeding* (the "Motion to Stay") [Adv. Dkt. No. 16]. By that Motion to Stay, Barclays asks that this Court stay the Adversary Proceeding pending confirmation of a reorganization plan, so that the entirely overlapping issues may be resolved in one proceeding, or to dismiss the Complaint entirely. It makes no sense to require the Secured Ad Hoc Group to file a pleading now when the

[3] Plaintiffs concede that a pleading as required by Federal Rule 24 would include responsive pleadings, like a motion to dismiss. *See* Obj. ¶ 2.

appropriate response depends on the resolution of this pending threshold motion.[4] Accordingly, the Secured Ad Hoc Group should not unreasonably be held to an arbitrarily early or unnecessary deadline.

6. It is undisputed that the Secured Ad Hoc Group is entitled to participate in this Adversary Proceeding as a matter of right. *See In re Marin Motor Oil, Inc.*, 689 F.2d 445, 453 (3d Cir. 1982) (section 1109(b) grants parties in interest an "unqualified right" to intervene in adversary proceedings). The members of the Secured Ad Hoc Group are creditors in the Debtors' chapter 11 cases and are the economic interest holders under the Cash Flow Credit Agreement, for which Defendant Barclays is administrative and collateral agent. The Plaintiffs do not contend otherwise.

7. Although the Secured Ad Hoc Group believes that Rule 24(c)'s pleading requirement should be waived, the Secured Ad Hoc Group is willing to file a response to the Complaint on or before March 16, 2026, unless this Court orders otherwise.

[4] Indeed, filing an answer would "needlessly expend resources" that would not help to "efficiently resolve a dispute" where the Secured Ad Hoc Group's subsequent filing would be in support of staying or dismissing the Adversary Proceeding. *Sheesley*, 239 F.R.D. at 412 (holding that to require a "proper pleading" where the party would be seeking merely to compel arbitration would not "efficiently resolve the dispute"). "To do so would make of Rule 24(c) a class elevation of form over substance." *Id*.

CONCLUSION

WHEREFORE, the Secured Ad Hoc Group respectfully requests that the Court authorize the Secured Ad Hoc Group to intervene in the Adversary Proceeding.

Dated: March 2, 2026.

/s/ Thomas M. Walsh

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