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*Counsel for Excluded First Lien Lenders*

**UNITED STATES DISTRICT COURT**
**FOR THE DISTRICT OF NEW JERSEY**

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|---|---|
| In re:<br>MULTI-COLOR CORPORATION, *et al.*,<br>Debtors. | |
| CROSS-HOLDER AD HOC GROUP,<br>Appellant,<br>v.<br>MULTI-COLOR CORPORATION,<br>Appellee. | Case No. 3:26-cv-01061-ZNQ |
| EXCLUDED FIRST LIEN LENDERS,<br>Appellant,<br>v.<br>MULTI-COLOR CORPORATION,<br>Appellee. | Case No. 3:26-cv-01152-ZNQ |

**APPELLANTS' MOTION TO CONSOLIDATE APPEALS**
**OF THE INTERIM DIP ORDER AND SET UNIFIED BRIEFING SCHEDULE**

Appellants, the Excluded First Lien Lenders, by and through their undersigned counsel, respectfully move this Court for an order consolidating and setting a unified briefing schedule for the above-captioned appeal and the appeal filed by the Cross-Holder Ad Hoc Group (Case No. 26-cv-01061 (ZNQ)) (together, the "Appeals"), both of which challenge the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Bankr. Dkt. No. 106] (the "Interim DIP Order"), entered by the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court") on February 2, 2026. In support of this Motion, the Excluded First Lien Lenders state as follows:

## INTRODUCTION

1. On January 29, 2026, Multi-Color Corporation and its debtor affiliates (the "Debtors") commenced chapter 11 cases in the Bankruptcy Court. On the same day, the Debtors filed a motion (the "DIP Motion") seeking authority to enter into a debtor-in-possession financing facility in an aggregate principal amount of up to $657.5 million, including a $250 million roll-up of prepetition secured debt (the "DIP Facility"). Both the Excluded First Lien Lenders and the Cross-Holder Ad Hoc Group objected to the DIP Motion. After a hearing, on February 2, 2026, the Bankruptcy Court entered the Interim DIP Order, authorizing the Debtors to enter into the first tranche of the DIP Facility.

2. Both the Cross-Holder Ad Hoc Group and the Excluded First Lien Lenders timely filed notices of appeal from this Interim DIP Order. The two Appeals raise substantially overlapping issues of law and fact, including challenges to the propriety of the DIP Facility's roll-up structure, the adequacy of the Debtors' marketing process, compliance with section 364 of the

Bankruptcy Code, and whether the DIP Facility constitutes an impermissible *sub rosa* plan. The Excluded First Lien Lenders' opening brief is currently due on April 6, 2026, and the Cross-Holder Ad Hoc Group's opening brief is currently due on April 20, 2026. To avoid the burden and inefficiency of duplicative briefing on substantially identical issues arising from the same order, the Excluded First Lien Lenders respectfully request that the Court consolidate the Appeals and permit the filing of a single consolidated opening brief due on April 20, 2026.

3. All parties to both Appeals consent to the relief sought herein.

**BACKGROUND**

4. On January 29, 2026, the Debtors filed the DIP Motion, seeking authority to enter into the DIP Facility—a senior secured superpriority debtor-in-possession loan proposed by the Debtors, their private equity sponsor Clayton, Dubilier & Rice, LLC (the "Sponsor"), and certain favored first lien lenders (the "Secured Ad Hoc Group"). The DIP Facility consists of $250 million of new money loans, a $250 million roll-up of prepetition first lien debt, a $7.5 million backstop premium, and up to $150 million in incremental new money loans.

5. On January 30, 2026, the Excluded First Lien Lenders filed a preliminary objection to the DIP Motion, arguing, among other things, that the roll-up violates the pro rata sharing provisions of two prepetition agreements—an Intercreditor Agreement and a Cash Flow Credit Agreement—and that the DIP Facility amounts to a *sub rosa* plan because it improperly locks participants into disproportionate recoveries under the proposed plan of reorganization.

6. On the same date, the Cross-Holder Ad Hoc Group filed its own omnibus objection to the DIP Motion, arguing, among other things, that the DIP Facility fails to satisfy section 364 of the Bankruptcy Code because a non-priming alternative DIP facility was available on superior economic terms; that the entire fairness standard, rather than the business judgment rule, applies because the Sponsor is a statutory insider; that the $250 million roll-up improperly elevates

undersecured deficiency claims at the expense of unsecured creditors; and that the DIP Facility constitutes a prohibited *sub rosa* plan.

7. Following hearings on January 30, 2026 and February 2, 2026, the Bankruptcy Court entered the Interim DIP Order on February 2, 2026. The Court added language to the Interim DIP Order preserving the Excluded First Lien Lenders' litigation claims related to the prepetition Intercreditor Agreement and Cash Flow Credit Agreement, but otherwise overruled all objections on the merits.

8. The Cross-Holder Ad Hoc Group filed its Notice of Appeal on February 2, 2026 [Bankr. Dkt. No. 107], and the Excluded First Lien Lenders filed their Notice of Appeal on February 4, 2026 [Bankr. Dkt. No. 120]. Both Appeals challenge the same Interim DIP Order.

## ARGUMENT

### I. The Appeals Are Interrelated and Should Be Consolidated.

9. This Court has broad discretion to consolidate related appeals. *See* Fed. R. Bankr. P. 8003(b)(2); Fed. R. Civ. P. 42(a)(2); *In re Mock*, 398 F. App'x 716, 718 (3d Cir. 2010) (applying Rule 42 to bankruptcy appeals); Advisory Committee Note to Fed. R. Bankr. P. 8002 ("The district courts and bankruptcy appellate panels have inherent authority to consolidate appeals."). Moreover, District Courts in New Jersey routinely consolidate bankruptcy appeals when the appeals involve common issues of law or fact. *See, e.g., In re Eric S. Gilbert*, No. 22-cv-05274-GC, Dkt. 28 (D.N.J. Aug. 23, 2023); *In re Ariel Barel,* No. 19-cv-16054-PGS, Dkt. 25 (D.N.J. Sept. 22, 2020); *In re Perona Bros*., No. 94-cv-02784-SSB, Dkt. 15 (D.N.J. Dec. 1, 1994).

10. Here, the Appeals should be consolidated because they involve common issues. Both the Excluded First Lien Lenders and the Cross-Holder Ad Hoc Group appeal from a single order—the Interim DIP Order—and their respective statements of issues on appeal share significant common ground, including challenges to the propriety of the $250 million roll-up of

prepetition debt, the standard of review applied by the Bankruptcy Court, whether the DIP Facility satisfies section 364 of the Bankruptcy Code in light of a non-priming alternative DIP proposal, whether the DIP Facility constitutes a *sub rosa* plan, the Bankruptcy Court's finding of good faith, and the reasonableness of the backstop fees and other DIP terms.

11. Moreover, the interests of judicial economy and efficiency favor consolidation. Both Appeals are already pending before the Honorable Zahid N. Quraishi, so consolidation would not add a case to the Court's docket, but would instead reduce by one the number of cases the Court must separately adjudicate. Were the Appeals to proceed on separate dockets, the parties would need to file duplicative briefs on different timelines and potentially appear for two oral arguments. Consolidation would permit the filing of a single set of briefs on a unified timeline, and allow the parties to make only one oral argument—thereby saving the Court's and the parties' time and resources. No party would be prejudiced by consolidation; to the contrary, consolidation would allow the Appellees to respond to all Appellants' arguments in a single brief.

**II. The Court Should Set a Unified Briefing Schedule.**

12. The Excluded First Lien Lenders further request that the Court set a unified briefing schedule for the consolidated appeal. The Excluded First Lien Lenders' opening brief is currently due on April 6, 2026, and the Cross-Holder Ad Hoc Group's opening brief is currently due on April 20, 2026. The Excluded First Lien Lenders request that the consolidated opening brief be due on April 20, 2026—the later of the two currently applicable deadlines—to afford the parties adequate time to prepare a single comprehensive brief. The Appellants do not seek an enlarged word limit; the consolidated brief will comply with the standard word limit applicable to a single party's merits brief. And all subsequent briefing deadlines could be calculated from the filing date of the consolidated opening brief in accordance with the applicable rules.

## CONCLUSION

13. For the foregoing reasons, the Excluded First Lien Lenders respectfully request that the Court enter an order (a) consolidating the Excluded First Lien Lenders' appeal (Case No. 26-cv-01152) with the Cross-Holder Ad Hoc Group's appeal (Case No. 26-cv-01061), and (b) establishing a unified briefing schedule with a consolidated opening brief due on April 20, 2026. A proposed form of order is attached hereto as Exhibit A.

Dated: April 2, 2026

**ROLNICK KRAMER SADIGHI LLP**

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**[PROPOSED] ORDER GRANTING APPELLANTS' MOTION TO CONSOLIDATE**

Upon the motion of the Excluded First Lien Lenders (the "Motion") for an order consolidating the appeal filed by the Excluded First Lien Lenders (Case No. 26-cv-01152) with

the appeal filed by the Cross-Holder Ad Hoc Group (Case No. 26-cv-01061), both arising from the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Bankr. Dkt. No. 106] (the "Interim DIP Order"), entered by the United States Bankruptcy Court for the District of New Jersey on February 2, 2026; and the Court having reviewed the Motion and any responses thereto; and the Court finding that consolidation is appropriate and in the interests of judicial economy; it is hereby,

It is, on this _____ day of _____, 2026,

**ORDERED THAT:**

1. The Motion is GRANTED.

2. The appeal filed by the Excluded First Lien Lenders (Case No. 26-cv-01152) and the appeal filed by the Cross-Holder Ad Hoc Group (Case No. 26-cv-01061) are hereby consolidated for all purposes.

3. The consolidated opening brief of the Excluded First Lien Lenders and the Cross-Holder Ad Hoc Group shall be filed on April 20, 2026.

4. All subsequent briefing deadlines shall be calculated from the filing date of the consolidated opening brief in accordance with the applicable rules.

5. The Court retains jurisdiction to hear and determine all matters arising from or related to this Order.

6. The Movants shall serve a copy of this Order within five (5) days of entry.

_____
The Honorable Zahid N. Quraishi
United States District Judge

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**CERTIFICATE OF SERVICE**

I, NICOLE T. CASTIGLIONE, of full age, hereby certify as follows:

1. I am an attorney at law of the State of New Jersey and a partner of the law firm of Rolnick Kramer Sadighi LLP, counsel for Appellant Excluded First Lien Lenders in the above-captioned action.

2. On April 2, 2026, I caused a copy of (i) Appellants' Motion to Consolidate Appeals of the Interim DIP Order and Set Unified Briefing Schedule; (ii) [Proposed] Order Granting Appellants' Motion to Consolidate; and (iii) this Certificate of Service to be served on all counsel of record by filing these documents through the Court's ECF system.

Dated: April 2, 2026

/s/ *Nicole T. Castiglione*

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