**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE DISTRICT OF DELAWARE**

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| In re: | Chapter 11 |
| NOBLE SUPPLY & LOGISTICS, LLC, *et al.*,[1] | Case No. 26-11369 (CTG) |
| | (Jointly Administered) |
| Debtors. | **Hearing Date**: **September 28, 2026, at 11:00 a.m. (ET)** |
| | **Ref. Docket No. 13, 73** |

**RESERVATION OF RIGHTS OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN CONNECTION WITH THE DEBTORS' CASH COLLATERAL AND BID PROCEDURES MOTIONS**

The Official Committee of Unsecured Creditors (the "Committee") of Noble Supply & Logistics, LLC and its affiliated debtors and debtors-in-possession (collectively, "Noble" or the "Debtors") in the above-captioned cases (these "Cases") hereby submits this omnibus reservation of rights (the "Reservation of Rights") in connection with the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Limited Use of Cash Collateral, (II) Granting Adequate Protection Liens and Superpriority Administrative Expense Claims to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 13] (the "Cash Collateral Motion") and the *Debtors' Motion for Entry of Orders (I)(A) Approving Bidding Procedures For the Sale of Substantially All of the Debtors' Assets, (B) Authorizing the Debtors to Designate a Stalking Horse Bidder and to Provide Bid Protections, (C)*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Noble Supply & Logistics, LLC (7926); COTS Solutions, LLC (4477); Federal Resources Supply Company, LLC (3636); FRS Holdings, LLC (2327); K.D. Analytical Consulting, LLC (6637); KDA Acquisition, LLC (5870); Noble Defense Corporation (N/A); Noble Equity Holdings, LLC (0851); Noble.com, LLC (4712); Noble Mission Support, LLC (7908); and Tactical & Survival Specialties, LLC (2266). The location of the Debtors' principal place of business and the Debtors' service address in these chapter 11 cases is 1 Marina Park Drive, Suite 220, Boston, MA 02210.



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*Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* (the "Bidding Procedures Motion") [Docket No. 91].[2] The Committee states as follows:

1. The Committee has been in discussion with the Debtors and Blue Torch regarding entry of a second interim order on the Cash Collateral Motion, and an agreed form of order on the Bid Procedures Motion. As of the time of this filing, there appears to be general agreement on forms of order. These forms reflect good faith negotiations during the one week since the Committee's appointment, and commitment to further discussions pending any final hearing on authority for use of cash collateral. The Committee has not been provided a proposed final budget for cash collateral usage, and for this and other reasons discussed below, accordingly cannot extend its full support to cash collateral usage at this time.

2. The Committee's position on the Bid Procedures Motion is, in sum, that if a sale process is worth doing, it is worth doing right. The Committee has submitted to the Debtors informally certain comments to the Bidding Procedures and form of order, some of which have been accepted and others that remain subject to continuing discussion. These comments generally go to (a) maximizing value through process flexibility, (b) addressing technical inconsistencies, and (c) ensuring the Committee's participation through consultation rights and preservation of objection and litigation rights pertaining to discrete matters. The Committee specifically and

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Cash Collateral Motion.

without limitation reserves its rights and ability to challenge any credit bid within the Challenge Period, to challenge the scope of adequate protection obligations included in any credit bid, and to seek milestone extensions and related cash collateral relief as circumstances may warrant.

3. The remainder of the Committee's outstanding concerns relate to requested authority to use cash collateral.

4. In the weeks and months before the Petition Date, the Debtors paid down many millions of dollars of their Prepetition ABL Debt. At the same time, they "agreed to a budget that contemplated limited vendor payments and other critical disbursements necessary to effectuate" that paydown.[3] The Debtors then commenced these cases and informed the inventory providers they could expect no recovery. The Debtors now seek permission to liquidate their remaining inventory obtained on credit in these cases and collect accounts receivable generated from sales of goods supplied by unsecured creditors. The Prepetition Secured Parties, led by Blue Torch, claim proceeds from this inventory and accounts receivable as their collateral and seek to obtain its value through weekly cash sweeps and sale entitlements.

5. In other words: unsecured creditors, not the putative secured creditor, are financing these cases. As the Debtors seek authority to use Blue Torch's purported cash collateral, what they truly seek is the ability to use cash generated by selling unsecured creditors' inventory provided on credit and collecting on related accounts receivable, to finance a sale of the business and perhaps a plan confirmation process, through which Blue Torch has asserted that all remaining value must be swept into its accounts. The Bankruptcy Code and applicable nonbankruptcy law impose checks and balances on this dynamic.

[3] *See Declaration of Robert Albergotti, Chief Transformation Officer of Noble Equity Holdings, LLC, in Support of the Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 15] (the "Albergotti First Day Decl.") ¶ 54.

6. Talks are ongoing and professionals retained by the Committee, Debtors, Blue Torch and others are racing to revise budgets and adjust both interim and final forms of order. At the time of this filing, the Committee understands that cash collateral authority is sought on an interim basis, and all parties' powder is dry pending a hearing on a final form of order, and certain features of the now-interim form of order proposed and discussed herein have not been made public and may be further amended prior to submission. On the basis of that understanding and the parties' agreement to certain revised provisions of the proposed order, and subject to ongoing discussions concerning the proposed budget and related terms, the Committee may consent to entry of this second interim cash collateral order.

7. Even so: the Committee's view after just a week in these cases is that there is a struggle brewing to maintain case balance in the face of pressure from Blue Torch. The Committee will not consent to condition further use of cash collateral upon lender control over the conduct of these cases. Items of particular concern include termination events and budget provisions that would allow Prepetition Secured Lender agent Blue Torch to call a default and force conversion of the proceedings if operational targets are not met, or if estate professionals, in furtherance of their fiduciary duties, either act against Blue Torch's perceived interests, or simply incur fees or costs outside of a budget dictated by Blue Torch in the face of strong grounds for Challenge. Indeed, the Debtors' budget to actual reporting for the two weeks ended September 11 already noted a breach of covenant. There is simply too much instability in the Debtors' business, and too much litigation at the heart of creditor value recoveries (including any Challenge but also the DLA and other potential litigation that must be assessed to formulate and prosecute any plan), for these constraints to so limit fiduciary activity.

8. Moreover, while the Committee generally supports a value-maximizing sale process and progress toward plan confirmation, under no circumstances will it tolerate Chapter 11 activity that further victimizes unsecured creditors. The Committee engaged in many discussions with the Debtors over the past week regarding their post-petition procurement and contracting practices, and believes the Debtors are attempting in good faith to maintain administrative solvency. But these attempts fall short of assurance that *all* vendors are receiving cash for their goods post-petition, and that the estates are retaining cash to satisfy post-petition obligations even as Blue Torch sweeps purported excess cash from Debtor accounts. The Debtors have yet to provide the Committee with a complete understanding of potential administrative claims that have accrued to date or are expected to be accrued in the future, and there is no agreed budget for the interim cash collateral period, meaning that the Committee is not able to fully assess this risk yet.

9. Blue Torch wants its supposed collateral liquidated in these cases; that much is clear. It wants cash sweeps on a weekly basis while that happens, and the budget shows millions going out the door to Blue Torch in the next 13 weeks. Some assurances of administrative solvency and continuation to a plan of reorganization have been given under the agreed second interim order on cash collateral; others have been and will continue to be demanded under any final form of order.

10. There is a better path to recoveries in these cases than forcing a trial on cash collateral. All of the parties know it. The Committee is endeavoring to preserve that path with the Debtors and Blue Torch ahead of a further hearing. Success will require that Blue Torch relax its controls and accept incentives to participate in a process that protects post-petition creditors, preserves the Debtors' limited liquidity and incentivizes all of the parties to prosecute a plan of reorganization that complies with the Bankruptcy Code.

**RESERVATION OF RIGHTS**

11. The Committee reserves all rights in connection with the Cash Collateral Motion and Bid Procedures Motion, including the right to object in connection with any material modifications of agreed forms of order prior to and at any hearing and in connection with any proposed final forms of order thereon.

Dated: September 24, 2026

**MORRIS JAMES LLP**

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