

ORIGINAL

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

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In re:	:	Chapter 11
	:	
COLT HOLDING COMPANY LLC, <i>et al.</i> , ¹	:	Case No. 15-11296 (LSS)
	:	
Debtors.	:	Jointly Administered
	:	
	:	Re: D.I. 8

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**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY
PREPETITION CLAIMS OF CRITICAL VENDORS AND
(II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an interim order (this “**Order**”) (i) authorizing the Debtors, in their sole discretion, to pay prepetition obligations of certain vendors, suppliers, service providers, and similar entities that provide goods or services critical to the ongoing operation of the Debtors’ businesses (collectively, the “**Critical Vendors,**” whose claims are the “**Critical Vendor Claims**”) in the ordinary course in an amount not to exceed \$10.6 million on an interim basis and (ii) granting certain related relief, all as more fully set forth in the Motion; and due and sufficient notice of the Motion having been provided under the particular circumstances, and it appearing that no other or further notice need be provided; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are Colt Holding Company LLC (0094); Colt Security LLC (4276); Colt Defense LLC (1950); Colt Finance Corp. (7687); New Colt Holding Corp. (6913); Colt’s Manufacturing Company LLC (9139); Colt Defense Technical Services LLC (8809); Colt Canada Corporation (5534); Colt International Coöperatief U.A. (6822); and CDH II Holdco Inc. (1782). The address of the Debtors’ corporate headquarters is: 547 New Park Avenue, West Hartford, Connecticut 06110.

² Capitalized terms used but not defined in this Order have the meanings used in the Motion.

relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and a hearing having been held to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the Maib Declaration, the record of the Hearing, and all of the proceedings before the Court; and the Court having found and determined that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates, as contemplated by Bankruptcy Rule 6003, and that such relief is in the best interests of the Debtors, their estates and creditors, and any parties in interest; and that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation thereon and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing (the “**Final Hearing**”) on the Motion will be held on July 8, 2015, at 1:00 a.m. (Eastern Daylight Time). Any objections or responses to entry of a final order on the Motion must be filed on or before 4:00 p.m. (Eastern Daylight Time) on July 1, 2015, and served on the following parties: (i) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, 844 North King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Tiiara Patton, Esq.); (ii) O’Melveny & Myers LLP, Times Square Tower, Seven Times Square, New York, New York 10036 (Attn: John J. Rapisardi, Esq. and Joseph Zujkowski, Esq.), proposed co-counsel for the Debtors; (iii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Jason M. Madron, Esq.), proposed co-counsel for the Debtors; (iv) Cortland Capital Market Services LLC, 225 W. Washington Street, Suite 2100, Chicago, Illinois 60606 (Attn: Ryan Morick and Legal Department), as Prepetition Senior

Loan Agent; (v) counsel to the Prepetition Senior Loan Agent; (vi) Wilmington Savings Fund Society, FSB, 500 Delaware Avenue, 11th Floor, Wilmington, Delaware 19801 (Attn: Kristin Moore), as Term Loan Agent; (vii) counsel to the Term Loan Agent; (viii) Wilmington Trust FSB, 246 Goose Lane, Suite 105, Guilford, Connecticut 06437, as Senior Notes Indenture Trustee; (ix) counsel to the Senior Notes Indenture Trustee; (x) Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038 (Attn: Brett Lawrence, Esq. and Sayan Bhattacharyya, Esq.) and Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801 (Attention: Matthew B. Lunn, Esq. and Robert F. Poppiti, Jr., Esq.), co-counsel to the DIP Senior Loan Lenders and Prepetition Senior Loan Lenders; (xi) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 19919 (Attn: John Longmire, Esq.) and Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, 16th Floor, Wilmington, Delaware 19899 (Attn: Robert Dehney, Esq.), co-counsel to the DIP Term Loan Lender and Prepetition Term Loan Lender; (xii) the Internal Revenue Service and Canada Revenue Agency; (xiii) the Securities and Exchange Commission; and (ix) the Pension Benefit Guaranty Corporation. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized, but not directed, in their sole discretion and business judgment, to pay all or part of, on a case-by-case basis, Critical Vendor Claims in an amount not to exceed \$6.8 million on an interim basis, absent further order of the Court.

4. Notwithstanding anything to the contrary in this Order, any payment made or to be made under this Order, and any authorization contained in this Order, shall be subject to the requirements imposed on the Debtors under any order(s) of this Court approving the Debtors' debtor in possession financing facilities and use of cash collateral and any budget in connection

therewith.

5. The form of Trade Agreement, as it appears in the attached Exhibit 1, is approved in its entirety, and the Debtors are authorized to negotiate, modify, or amend the form of Trade Agreement in their reasonable business judgment.

6. The Debtors are authorized to condition payment of Critical Vendor Claims on the execution of a Trade Agreement, and the Debtors are authorized to enter into such Trade Agreements, when and if the Debtors determine, in the exercise of their reasonable business judgment, that doing so is appropriate, and conditioned upon the waiver and release by any Critical Vendor of any asserted lien against property of the Debtors or any customer of the Debtors to the extent its Critical Vendor Claim is satisfied or otherwise (including, without limitation, by executing such documentation evidencing such release as the Debtors, in their reasonable business judgment, may reasonably deem necessary), in each case within 15 days of receipt of payment by such Critical Vendor.

7. The Debtors are also authorized to pay Critical Vendor Claims in the event that no Trade Agreement is executed, if the Debtors determine, in their business judgment, that a formal Trade Agreement is unnecessary to ensure a Critical Vendor's continued performance on Customary Trade Terms.

8. If a Critical Vendor accepts payment, whether or not under a Trade Agreement, and does not continue supplying goods or services to the Debtors in accordance with trade terms consistent with those practices and programs (including credit limits, pricing, timing of payments, and availability) in place in the 12 months before the Petition Date (collectively, the "**Customary Trade Terms**") or as otherwise set forth in a Trade Agreement or as otherwise agreed, or such Critical Vendor refuses to waive and release, to the extent its Critical Vendor

Claim is satisfied, a lien against any property of the Debtors or any customer of the Debtors within 15 days following such Critical Vendor's receipt of payment, then, so long as the Critical Vendor receives notice and opportunity for a hearing, the Debtors may take any and all appropriate steps to cause such Critical Vendor to repay payments made to it on account of its prepetition claim to the extent that such payments exceed the postpetition amounts then owing to such Critical Vendor.

9. The Debtors' banks and financial institutions are authorized to receive, process, honor, and pay all checks, drafts, electronic fund transfers, or other forms of payment drawn or issued on the Debtors' bank accounts prior to the Petition Date for Critical Vendor Claims that had not been honored and paid as of the Petition Date (or to reissue checks, drafts, electronic fund transfers, or other forms of payment drawn or issued on the Debtors' bank accounts, as may be necessary), and are authorized to rely on the Debtors' representations as to which checks, drafts, transfers, or other forms of payment drawn or issued on the Debtors' bank accounts are subject to this Order; *provided that* sufficient funds are on deposit in the applicable bank accounts to cover such payments.

10. Nothing in the Motion or this Order or the relief granted herein (including any actions taken or payments made by the Debtors) shall be construed as (i) an admission of the validity of any claim against the Debtors; (ii) an admission with respect to the validity, extent, or perfection of any lien; (iii) a waiver of the Debtors' rights or those of any party in interest to dispute, contest, setoff, or recoup any claim, or assert any rights, claims, or defenses related thereto; (iv) a waiver of the Debtors' rights or those of any party in interest over the validity, extent, perfection, or possible avoidance of any lien; or (v) an approval or assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code.

11. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

12. Notwithstanding the applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

14. This Court shall retain jurisdiction over all matters arising from or related to the implementation or interpretation of this Order.

Dated: June 16, 2015
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE