

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
NORTHERN DIVISION**

In re:

REMINGTON OUTDOOR COMPANY, INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 20-81688-11

Joint Administration Requested

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE OPERATING CASH
MANAGEMENT SYSTEM AND BANK ACCOUNTS, (B) HONOR CERTAIN
PREPETITION OBLIGATIONS RELATED THERETO, (C) CONTINUE
PERFORMING AND GRANTING ADMINISTRATIVE PRIORITY FOR
INTERCOMPANY TRANSACTIONS, (II) WAIVING CERTAIN BANKRUPTCY
ADMINISTRATOR REQUIREMENTS, (III) GRANTING THE DEBTORS AN
EXTENSION TO COMPLY WITH THE REQUIREMENTS OF SECTION 345(b) OF
THE BANKRUPTCY CODE, AND (IV) GRANTING RELATED RELIEF**

Remington Outdoor Company, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, hereby file this motion seeking entry of interim and final orders, pursuant to sections 105, 345, 363, and 503(b)(1) of title 11 of the United States Code, 11 U.S.C. § 101, *et. seq.* (the “**Bankruptcy Code**”) and rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, (i) authorizing but not directing the Debtors to (a) continue operating the Cash Management System (as defined below), (b) honor and pay the Bank Fees (as defined below) in the normal course, including any prepetition

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Remington Outdoor Company, Inc. (4491); FGI Holding Company, LLC (9899); FGI Operating Company, LLC (9774); Remington Arms Company, LLC (0935); Barnes Bullets, LLC (8510); TMRI, Inc. (3522); RA Brands, L.L.C. (1477); FGI Finance, Inc. (0109); Remington Arms Distribution Company, LLC (4655); Huntsville Holdings LLC (3525); 32E Productions, LLC (2381); Great Outdoors Holdco, LLC (7744); and Outdoor Services, LLC (2405). The Debtors’ corporate headquarters are located at 100 Electronics Boulevard SW, Huntsville, AL 35824.

Bank Fees, (c) continue the Intercompany Transactions (as defined below) in the ordinary course of business and provide administrative expense priority to the Intercompany Transactions, (ii) waiving certain bank account and related requirements of the Office of the Bankruptcy Administrator for the Northern District of Alabama (the “**Bankruptcy Administrator**”), (iii) granting the Debtors a 45-day extension to comply with the requirements of section 345(b) of the Bankruptcy Code, and (iv) granting certain related relief, as described more fully herein. In support of this motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

GENERAL BACKGROUND

3. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner and no committee has been appointed or designated in these chapter 11 cases. The Debtors’ request for joint administration of these chapter 11 cases for procedural purposes only is currently pending.

4. The Debtors are one of America’s oldest and largest manufacturers of firearms, ammunition, and related products for commercial, military, and law enforcement customers throughout the world. The Debtors employ approximately 2,100 full-time employees and operate seven manufacturing facilities located across the United States. The Debtors’ headquarters are

located in Huntsville, Alabama.

5. Additional information regarding the Debtors' businesses, assets, capital structure, and the circumstances leading to the filing of these chapter 11 cases is set forth in the *Declaration of Ken D'Arcy in Support of Chapter 11 Petitions and First Day Pleadings of Remington Outdoor Company, Inc. and its Affiliated Debtors and Debtors in Possession* (the "**First Day Declaration**"),² filed contemporaneously herewith and incorporated by reference herein.

A. Cash Management System

6. In the ordinary course of business, the Debtors utilize an integrated and centralized cash management system (the "**Cash Management System**") to collect, manage, and disburse funds used in their operations. The Cash Management System is essential to the efficient execution and achievement of the Debtors' business objectives, and to maximizing the value of their estates.

7. As of the Petition Date, the Debtors maintained 21 bank accounts (collectively, the "**Bank Accounts**") at several banks (each, a "**Bank**" and, collectively, the "**Banks**") in the United States. The Debtors primarily operate their Cash Management System through 14 active Bank Accounts maintained at Cadence Bank. Money is transferred between the Bank Accounts, and payments to creditors are made from the Bank Accounts, in a variety of manners, including checks, drafts, wire transfers, and automated clearinghouse ("**ACH**") transfers. Attached as **Exhibit 1** to the proposed orders attached hereto is a schedule that identifies each of the Debtors' Bank Accounts, the last four digits of each account number, and the related Bank and contact information. Attached to this motion as **Exhibit C** is a diagram that illustrates the structure of the Cash Management System (the "**Cash Management Chart**").

8. Except as otherwise noted below, all funds on deposit in the Debtors' Bank

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Day Declaration.

Accounts are insured by the Federal Deposit Insurance Corporation to the extent provided by law. The Debtors do not invest any of their excess cash on hand.

9. Operating Accounts. The Debtors maintain a centralized operating account at Cadence Bank (the “**Main Operating Account**”) in the name of Debtor Remington Arms Company, LLC (“**RAC**”) that is used to meet the Debtors’ working capital needs. The Main Operating Account receives transfers from the Debtors’ other “receivables” accounts (described further below). The Main Operating Account funds substantially all of the Debtors’ disbursements (either directly or through linked disbursement accounts, including the Accounts Payable Account), including the Debtors’ vendor obligations, payroll, certain tax obligations, and certain insurance and benefits programs. As of the Petition Date, there was approximately \$5.4 million in cash in the Main Operating Account.

10. The Debtors also maintain an operating account at Cadence Bank (the “**RAD Operating Account**”) in the name of Debtor Remington Arms Distribution Company, LLC (“**RAD**”), which receives transfers from the Chain Customer Receipt Account (as defined below), which deposits are held in the RAD Operating Account until they are manually transferred to the Main Operating Account. As of the Petition Date, the RAD Operating Account had a zero balance.

11. The Debtors also maintain an operating account at Cadence Bank (the “**ROC Operating Account**”) in the name of Debtor Remington Outdoor Company, Inc. (“**ROC**”), which receives transfers from the FGI Operating Account (as defined below) and funds disbursements for corporate tax payments via check or ACH draw. As of the Petition Date, the ROC Operating Account had a balance of approximately \$6,061.

12. Accounts Payable Account. The Debtors maintain a zero-balance accounts payable account at Cadence Bank in the name of RAC (the “**Accounts Payable Account**”) that is used to

fund checks and ACH draws for the majority of the Debtors' disbursements. Funds are automatically transferred to the Accounts Payable Account from the Main Operating Account once daily as checks or ACH draws are presented on this account.

13. Chain Customer Receipts Accounts. The Debtors maintain a zero-balance depository account at Cadence Bank in the name of RAD that is used to collect payments from the Debtors' chain customers (the "**Chain Customer Receipts Account**"). Receipts from chain customers are deposited into the Chain Customer Receipts Account and are automatically swept into the RAD Operating Account on a daily basis. The Chain Customer Receipts Accounts do not make any payments to third parties and are used solely as an intake system.

14. Non-Chain Customer Receipts Accounts. Similar to the Chain Customer Receipts Accounts, the Debtors maintain a zero-balance depository account at Cadence Bank in the name of RAC to collect payments from non-chain customers (the "**Non-Chain Customer Receipts Account**").³ Funds from the Non-Chain Customer Receipts Account are swept automatically on a daily basis into the Main Operating Account. Like the Chain Customer Receipts Accounts, no third party disbursements are made from the Non-Chain Customer Receipts Account.

15. Licensing Account. The Debtors maintain an account at Cadence Bank in the name of Debtor RA Brands, L.L.C., which is used to collect fees paid from licensees under licensing agreements for certain of the Debtors' brands and make *de minimis* tax payments on behalf of RA Brands, L.L.C. (the "**Licensing Account**"). Licensing fees are deposited to the Licensing Account and held there until the account balance reaches approximately \$50,000, at which time the funds are manually swept into the Main Operating Account. Other than occasional *de minimis* tax

³ In addition to the deposit accounts, the Debtors maintain lockbox arrangements in connection with the Chain Customer Receipts Accounts and the Non-Chain Customer Receipts Account, which are reflected in the Cash Management Chart.

payments, the Licensing Account does not make any disbursements to third parties. As of the Petition Date, there was approximately \$8,653 in cash in the Licensing Account.

16. FGI AP Account. The Debtors maintain a zero-balance accounts payable account at Cadence Bank (the “**FGI AP Account**”) in the name of Debtor FGI Operating Company, LLC (“**FGI**”) that is used to make certain specialized disbursements, including insurance premium payments, payments to the Debtors’ directors, legal fees, and invoices in the name of FGI. Funds are transferred to the FGI AP Account from the FGI Operating Account automatically as checks and ACH draws are presented.

17. FGI Operating Account. The Debtors maintain an operating account at Cadence Bank in the name of FGI (the “**FGI Operating Account**”) that is used to make interest payments on the Debtors’ prepetition debt facilities and fund specialized disbursements either directly or through the FGI AP Account. The Debtors transfer money out of the FGI Operating Account on an as-needed basis to fund the FGI AP Account, the FGI LOC Account (as defined below), and the FGI Dominion Account (as defined below). Funds are transferred to the FGI Operating Account from the Main Operating Account as needed. As of the Petition Date, the FGI Operating Account had a balance of approximately \$140,923.

18. Priority Term Loan Accounts. The Debtors maintain one bank account at Cadence Bank that is primarily used in connection with the Debtors’ prepetition priority term loan facility (the “**Priority Term Loan**”). Until the obligations under the Priority Term Loan are repaid in full, the Debtors are required to maintain a cash balance of at least \$2.5 million, which is held in a dominion account in the name of FGI (the “**FGI Dominion Account**”). Additionally, if the Debtors fail to maintain the designated borrowing base floor under the Priority Term Loan, the Debtors may cure such deficiency by depositing cash collateral in the amount of the deficiency

into the FGI Dominion Account. Funds are manually transferred into the FGI Dominion Account from the FGI Operating Account as needed. Once funds are deposited into the FGI Dominion Account, the written consent of the administrative agent under the Priority Term Loan is required to transfer funds out of the account. As of the Petition Date, there was approximately \$40.4 million in cash in the FGI Dominion Account.

19. The Debtors also maintain a bank account at Cadence Bank in the name of FGI to cash collateralize letters of credit issued under the Debtors' prepetition debt facilities (the "**FGI LOC Account**"). Funds are manually transferred into the FGI LOC Account from the FGI Operating Account as needed. Upon expiration or termination of a letter of credit, the funds used to collateralize such letter of credit are transferred back to the FGI Operating Account. As of the Petition Date, there was approximately \$4.3 million in cash in the FGI LOC Account.

20. Local Accounts. The Debtors maintain four local accounts at various Banks (collectively, the "**Local Accounts**"), which manage deposits and credit card transactions for the Ilion country store, Lonoke country store, and Huntsville country store.⁴ The Ilion Local Account, the Lonoke Local Account, and the Huntsville Store Account (as designated on the Cash Management Chart) provide petty cash to the Debtors' manufacturing facilities and locally operated businesses. Each of these accounts holds a *de minimis* amount of funds ranging from \$5,000 to \$50,000 at any given time.

21. Dakota and Storm Lake Accounts. The Debtors maintain an account at Cadence Bank in the name of RAC (the "**Dakota Account**"), which is managed separately from the rest of the Cash Management System and has its own set of receipts and payables that are distinct from

⁴ The Debtors no longer use the Huntsville country store account at Wells Fargo Bank, and are in the process of closing this account. As of the Petition Date, all deposits related to the Huntsville country store are made to the Huntsville country store account at Cadence Bank.

the Debtors' centralized account payables system. The Dakota Account receives approximately \$100,000 on a monthly basis from the RAC Operating Account to cover payables.

22. The Debtors also maintain an account at Cadence Bank in the name of Debtor TMRI, Inc. (the "**Storm Lake Account**"), which is managed separately from the rest of the Cash Management System and has its own set of payables that are distinct from the Debtors' centralized account payables system. The Storm Lake and Dakota Accounts were established in connection with the Debtors' lines of business associated with those two manufacturing facilities. On occasion, the Storm Lake Account is swept into the Main Operating Account. As of the Petition Date, the combined account balance for the Storm Lake and Dakota Accounts was approximately \$131,241.

23. Chapter 11 Accounts. Shortly before the Petition Date and in anticipation of the commencement of the chapter 11 cases and the sale of substantially all of the Debtors' assets under section 363 of the Bankruptcy Code, the Debtors opened the following four new bank accounts at Cadence Bank: (i) the Performance Deposit Account, which will hold deposits related to the sale, if required; (ii) the DIP Deposit Account, which will hold funds from a debtor-in-possession lender (to be used only if such financing is obtained); (iii) the Professional Fee Reserve Account, which will hold funds reserved for payment of the Debtors' professionals during the chapter 11 cases; and (iv) the Adequate Assurance Utility Deposit Account, which will hold any utility deposits for adequate assurance of future performance pursuant to section 366 of the Bankruptcy Code. As of the Petition Date, each of the above accounts holds a *de minimis* amount of funds that were necessary to open the accounts.

24. Corporate Charge Card Programs. The Debtors maintain a corporate charge card program for certain of their corporate employees, which is primarily used for travel expenses and

miscellaneous administrative expenses (together with the Expense Cards (as defined below) and the Ghost Card (as defined below), the “**Corporate Charge Card Programs**”). The principal corporate charge cards for the Corporate Charge Card Programs are issued by Divvy and any expenses charged on those cards, together with interest and other fees associated therewith, are the secured obligations of the Debtors.⁵ The Debtors have approximately seven active charge cards that are used by employees for miscellaneous business and administrative expenses (the “**Expense Cards**”). These cards are used infrequently and the combined monthly balance is typically less than \$30,000, which is paid to Divvy on a monthly basis. As of the Petition Date, the combined outstanding balance on the Expense Cards was approximately \$18,000.

25. In addition, the Debtors maintain a virtual charge card through Divvy (the “**Ghost Card**”) that is used to charge certain travel-related expenses (*e.g.*, airfare) for the Debtors’ employees. The average outstanding balance on the Ghost Card is approximately \$15,000 per month. As of the Petition Date, the outstanding balance on the Ghost Card was approximately \$14,000.

26. The Debtors also maintain two American Express charge cards that are used to charge certain travel expenses incurred by the Debtors’ Chief Executive Officer (the “**American Express Cards**”).⁶ The combined monthly balance on the American Express Cards typically range from \$5,000 to \$40,000 per month. As of the Petition Date, the combined outstanding balance on the American Express Cards was approximately \$5,000.

27. Vendor Charge Card Program. The Debtors also maintain a virtual vendor charge

⁵ The Debtors’ expense cards and the Vendor Charge Card Program (as defined below) previously were issued by Regions Banks. In March 2020, the Debtors switched providers to Divvy.

⁶ In addition, the Debtors issue credit cards through American Express to employees for business use (if an employee elects to receive one). These cards are in the employees’ names and the employees bear all responsibility for payment and can seek reimbursement from the Debtors for reimbursable expenses. The Debtors do not guarantee these cards.

card program through Divvy, which is used by certain vendors to pay outstanding invoices (the “**Vendor Charge Card Program**” and together with the Corporate Charge Card Programs, the “**Charge Card Programs**”). The Debtors’ vendors have the option to sign up for the Vendor Charge Card Program through which they can receive a unique monthly credit card number to which they can charge their outstanding invoices to the Debtors. The Vendor Charge Card Program helps streamline the Debtors’ payment of invoices while at the same time providing the Debtors with additional liquidity. The average combined monthly balance owed to Divvy for the Vendor Charge Card Program is approximately \$15,000. As of the Petition Date, the outstanding balance owed under the Vendor Charge Card Program was approximately \$15,000.

B. Bank Fees

28. The Debtors incur certain fees and charges in connection with the ordinary course operation of the Cash Management System (collectively, the “**Bank Fees**”). The Bank Fees include account maintenance charges, charges relating to ACH and wire transfers, lockbox and depository service charges, fees for maintaining various letters of credit with the Banks, credit card processing fees, and other customary miscellaneous charges. On average, the Debtors incur approximately \$12,320 in Bank Fees per month. In the ordinary course of business, the Banks charge, and the Debtors pay, honor, or allow the deduction from the appropriate bank accounts, certain service charges, and other fees, costs, and expenses. The Debtors estimate that there was approximately \$69,000 in prepetition Bank Fees outstanding on the Petition Date.

C. Business Forms

29. The Debtors utilize numerous preprinted business forms in the ordinary course of their businesses (including, without limitation, letterhead, purchase orders, invoices, and checks). The Debtors request that they be authorized to use their pre-existing business forms without reference to the Debtors’ status as debtors in possession in order to minimize expenses to the

estates of ordering entirely new business forms. The Debtors submit that parties in interest will not be prejudiced if such relief is granted because parties doing business with the Debtors will likely be aware of their status as debtors in possession and, therefore, changing business forms is unnecessary and would be unduly burdensome.

D. Intercompany Transactions

30. In connection with the operation of the Cash Management System, at any given time there may be intercompany claims owing by one Debtor to another. The Debtors track all fund transfers in their accounting system and can ascertain, trace, and account for all intercompany transactions (the “**Intercompany Transactions**”). The Intercompany Transactions include transfers between RAD and RAC that allow the Debtors to isolate certain sales for excise tax savings and transfers between RAC and FGI to fund the FGI Dominion Account and FGI payables (e.g., board fees, insurance premiums, legal fees, financing fees, etc.) as needed.⁷ Under the Debtors’ existing procedures for recording Intercompany Transactions, the Debtors will be able to track and segregate postpetition Intercompany Transactions. If the Intercompany Transactions were to be discontinued, the Cash Management System would be unnecessarily disrupted and the Debtors could lose valuable tax savings, to the detriment of the Debtors and their estates.

RELIEF REQUESTED

31. The Debtors seek entry of interim and final orders, pursuant to sections 105, 345, 363, and 503(b)(1) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, (i) authorizing but not

⁷ In addition, RAC and FGI Holding Company, LLC (“**FGI Holding**”) are parties to that certain Amended and Restated Promissory Note dated April 18, 2019 (the “**Intercompany Note**”), whereby FGI Holding assumed a \$100 million loan from FGI to RAC pursuant to the original promissory note between RAC and FGI dated December 30, 2018. No cash is transacted between the Debtors on account of the Intercompany Note and the Debtors are not seeking any relief under this motion with respect to the Intercompany Note, but reserve the right to seek such relief at a later date.

directing the Debtors to (a) continue operating the Cash Management System, (b) honor and pay the Bank Fees in the normal course, including any prepetition Bank Fees, and (c) continue the Intercompany Transactions in the ordinary course of business and provide administrative expense priority to the Intercompany Transactions, (ii) waiving certain requirements of the Bankruptcy Administrator, (iii) granting the Debtors a 45-day extension to comply with the requirements of section 345(b) of the Bankruptcy Code, and (iv) granting certain related relief, as described more fully herein.

BASIS FOR RELIEF REQUESTED

A. The Debtors Should Be Authorized to Use Their Existing Cash Management System and Bank Accounts Under Sections 363(c) and 105(a) of the Bankruptcy Code

32. Section 363(c)(1) of the Bankruptcy Code permits a debtor to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). In doing so, section 363(c)(1) provides a debtor flexibility to operate its business without unnecessary creditor or court oversight. *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.” (internal quotation omitted)). Section 363(c) facilitates a debtor’s ability to continue the “routine transactions” a debtor’s cash management system requires. *Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996) (indicating that a debtor is “generally authorized to continue operating its business,” including performing “routine transactions necessitated by the [existing] cash management system”); *see also Charter Co. v. Prudential Ins. Co. of Am. (In re Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (indicating that an order authorizing the debtor to employ its “usual and customary” cash management system was “entirely consistent” with section 363(c)(1)). Additionally, section

105(a) of the Bankruptcy Code empowers the court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a).

33. The Debtors’ ability to maintain the Cash Management System and implement necessary changes to such system is important to maintaining the Debtors’ businesses and maximizing the value of their estates. Requiring the Debtors to adopt entirely new cash management systems and liquidate all existing bank accounts would be expensive, onerous, and disruptive. Continued use of the Cash Management System will facilitate the chapter 11 cases by, among other things, avoiding administrative inefficiencies and expenses associated with disrupting this system and minimizing delays in the payment of postpetition obligations. The Debtors respectfully submit that parties in interest will not be harmed by the maintenance of the existing Cash Management System because the Debtors employ appropriate mechanisms and internal control procedures to prevent unauthorized payments on account of obligations incurred before the Petition Date.

34. Accordingly, maintaining the Cash Management System and the Bank Accounts on the terms set forth herein is in the best interests of the Debtors, their estates, and all parties in interest. Based on the foregoing, the Court should grant the Debtors the authority under sections 363(c) and 105(a) of the Bankruptcy Code to maintain their prepetition Cash Management System, while also granting the Debtors the flexibility to implement changes to the Cash Management System in the ordinary course of business, including, without limitation, the opening of any new bank accounts and the closing of any existing bank accounts they may deem necessary and appropriate

B. The Debtors Should Be Granted a Waiver of Certain Requirements of the Bankruptcy Administrator Under Sections 363 and 105(a) of the Bankruptcy Code

35. The Debtors further request that the Court grant a waiver of certain bank account and related requirements of the Bankruptcy Administrator, including, among other things, any requirements that the Debtors must:

- (a) close all existing bank accounts;
- (b) open new bank accounts in a Bankruptcy Administrator-approved depository that are designated as debtor in possession accounts (“**DIP Accounts**”), with separate DIP Accounts established for an operating account, a tax account, and a payroll account;
- (c) obtain and utilize new checks for all DIP Accounts that bear the designation “Debtor In Possession” and contain other information about the debtor’s chapter 11 case; and
- (d) deposit all business revenues into the general operating DIP Account, with amounts needed to fund the other accounts being transferred to those accounts as necessary.

36. Although the requirements of the Bankruptcy Administrator are designed to provide a clear line of demarcation between a debtor’s prepetition and postpetition transactions and operations, and to prevent inadvertent postpetition payment of prepetition claims, they risk interfering with the efficient administration of the Debtors’ Cash Management System.

37. Pursuant to sections 363 and 105(a) of the Bankruptcy Code, the Debtors seek a waiver of the requirements of the Bankruptcy Administrator that they close the Bank Accounts and open new DIP Accounts. The Debtors believe it would be efficient and beneficial to all parties in interest to maintain the Bank Accounts and not undergo the time and expense of liquidating such accounts at the outset of these cases.

38. The Debtors also seek a waiver of the requirements of the Bankruptcy Administrator to establish specific DIP Accounts for payroll and tax payments and to deposit into the tax accounts sufficient funds to pay any payroll tax liability (when incurred). The Debtors

believe that they can meet their tax obligations and payroll obligations most efficiently through the existing Bank Accounts, and requiring new payroll and tax DIP Accounts would be both unnecessary and disruptive to their businesses.

39. To minimize expense, the Debtors seek authority but not direction to continue using checks, substantially as they existed immediately before the Petition Date, without reference to the Debtors' status as debtors in possession. The Debtors also seek authority but not direction to use all correspondence and other business forms, including, but not limited to, purchase orders, multicopy checks, letterhead, envelopes, promotional materials, and other business forms, substantially as they existed immediately before the Petition Date without reference to the Debtors' status as debtors in possession. To the extent the Debtors exhaust their existing supply of checks, each Debtor will reorder checks with the designation "Debtor-in-Possession" and the corresponding case number.

40. The Debtors are providing notice of the commencement of these cases, as required, to creditors and parties in interest. Parties doing business with the Debtors will, therefore, be aware of the Debtors' status as debtors in possession. Changing the Debtors' existing checks, correspondence, and other business forms would be expensive, unnecessary, and burdensome to the Debtors' estates. Further, such changes would be disruptive to the Debtors' business operations and would not confer any benefit upon those dealing with the Debtors. For these reasons, the Debtors request that they be authorized but not directed to use existing check stocks and all correspondence and business forms without being required to label them "Debtor In Possession."

41. The Cash Management System is an ordinary-course and essential business practice. Compelling the Debtors to further alter their current cash management practices to

comply with the requirements of the Bankruptcy Administrator outlined above would risk disruption to the Debtors' business and jeopardize the Debtors' ability to maximize value for any parties in interest. Courts have recognized that an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash." *In re Columbia Gas Sys.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff'd in part and rev'd in part*, 997 F.2d 1039 (3d Cir. 1993); *see also Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1114 (5th Cir. 1995) (finding cash management system allows a debtor "to administer more efficiently and effectively its financial operations and assets"); *In re Columbia Gas Sys.*, 997 F.2d at 1061 (emphasizing that requiring a debtor to maintain separate accounts "would be a huge administrative burden and economically inefficient").

C. Authorizing (i) Banks to Continue to Maintain, Service, and Administer the Bank Accounts and (ii) the Debtors to Pay Bank Fees, Each in the Ordinary Course of Business, Is Warranted

42. The Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks should be authorized to receive, process, honor, and pay any and all checks, ACH transfers, other instructions, and drafts payable through, drawn, or directed on such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto; *provided, however*, that any check, advise, draft, or other notification that the Debtors advised the Banks to have been drawn, issued, or otherwise presented before the Petition Date may be honored by the Banks only to the extent authorized by order of the Court.

43. The Debtors further request that the Court authorize the Banks to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be

honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated before or subsequent to the Petition Date. The Debtors also request that, to the extent a Bank honors a prepetition check or other item drawn on any account either (i) at the direction of the Debtors, (ii) in a good-faith belief that the Court has authorized such prepetition check or item to be honored, or (iii) as a result of an innocent mistake made despite the above-described protective measures, such Bank will not be deemed to be liable to the Debtors or their estates on account of such prepetition check or other item honored postpetition. The Debtors respectfully submit that such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise.

44. The Debtors further request that the Court authorize but not direct them to pay the Bank Fees and authorize the Banks to (i) continue to charge the Bank Fees and (ii) charge-back returned items to the Bank Accounts, whether such items are dated before, on, or subsequent to the Petition Date, in the ordinary course of business. The Debtors' inability to pay the prepetition Bank Fees or to continue to pay the Bank Fees in the ordinary course of business postpetition could hinder their ability to manage the Cash Management System to the detriment of the Debtors' estates.

D. The Debtors Should Be Authorized to Continue Their Deposit Practices Under Section 345 of the Bankruptcy Code

45. Section 345(a) of the Bankruptcy Code governs a debtor's deposit of cash during a chapter 11 case and authorizes deposits of estate money that "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit." 11 U.S.C. § 345(a). If a deposit is not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,"

section 345(b) of the Bankruptcy Code requires the debtor to obtain from the entity with which the money is deposited a bond in favor of the United States that is secured by the undertaking of an adequate corporate surety. *Id.*, § 345(b). Alternatively, the estate may require the entity to deposit governmental securities under 31 U.S.C. § 9303, which permits a person who is required by law to give a surety bond to instead provide a governmental obligation.

46. While the Debtors believe they are substantially in compliance with section 345(b) of the Bankruptcy Code, to the extent they are not, the Debtors submit that given their limited liquidity and need to conserve cash, incurring administrative expense complying with section 345(b) would unnecessarily drain scarce resources. As noted above, each of the Bank Accounts is insured by the Federal Deposit Insurance Corporation and thus complies with section 345(b) of the Bankruptcy Code. The Debtors also believe that all deposits and investments are made into deposit accounts that in turn invest only in assets, securities, or other instruments insured or guaranteed or collateralized by the United States, or by a department, agency, or instrumentality of the United States, or backed by the full faith and credit of the United States. The Debtors request that such deposit practices be deemed to satisfy section 345(b) of the Bankruptcy Code.

47. The Debtors understand that their principal bank, Cadence Bank, has been used by another debtor in a chapter 11 case before this Court. The Debtors will work with the Bankruptcy Administrator to ensure that Cadence Bank is in compliance with all requirements of the Bankruptcy Administrator. To the extent that any other Bank at which the Debtors maintain accounts is not approved by the Bankruptcy Administrator and/or a Uniform Depository Agreement has not been signed and to the extent the Debtors, as of the Petition Date, do not otherwise comply with deposit and investment guidelines under section 345(b) of the Bankruptcy Code, the Debtors request a 45-day extension to achieve compliance. During the extension period,

the Debtors propose to engage the Bankruptcy Administrator in discussions to determine if compliance with section 345(b)—to the extent not already met—and other requirements of the Bankruptcy Administrator (to the extent not waived) is necessary or appropriate.

48. The Debtors believe that the benefits of the requested extension far outweigh any potential harm to the estates. *See generally In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (noting that one of the factors to consider in determining whether cause exists for “relief from the strictures of § 345(b)” is whether benefits to the debtor outweigh the harm, if any, to the estate). During the proposed extension period, the Debtors will contact each of the Banks that is party to a Uniform Depository Agreement with the Bankruptcy Administrator, provide such banks with each of the Debtors’ tax identification numbers, and identify each of their Bank Accounts at the Banks as being held by a debtor in possession. For Banks not party to a Uniform Depository Agreement with the Bankruptcy Administrator, the Debtors will use good-faith efforts to cause the Banks to execute a Uniform Depository Agreement in a form prescribed by the Bankruptcy Administrator. The Debtors’ deposits and investments are prudent and designed to yield the maximum reasonable net return on the funds deposited, taking into account the safety of such deposits. The Debtors operate a sophisticated business and hold their funds at reputable, stable banking institutions and monitor their cash flows and positions on a daily basis.

49. Requiring the Debtors to modify their Cash Management System to strictly adhere with the deadline to comply with section 345(b)’s requirements will only distract the Debtors’ management and cause the Debtors’ estates to needlessly incur potentially substantial costs to the detriment of all creditors. Based on the foregoing, the Debtors submit that the relief requested is in the best interests of their estates and any interested parties, and, therefore, should be granted.

E. The Court Should Authorize the Debtors to Continue Conducting Intercompany Transactions in the Ordinary Course and Grant Administrative Expense Priority to

Postpetition Intercompany Claims Among the Debtors

50. As noted above, the Intercompany Transactions are made between and among the Debtors in the ordinary course as part of the Cash Management System, and at any given time, there may be intercompany claims owing by one Debtor to another.⁸ The Debtors track (and will continue to track) in their accounting system all fund transfers and all intercompany payables and receivables and the Debtors can ascertain, trace, and account for all such transactions. If the Intercompany Transactions were to be discontinued, the Cash Management System would be disrupted and the Debtors could lose valuable tax savings to the detriment of the Debtors' estates. Accordingly, the Debtors respectfully submit that the continued performance of Intercompany Transactions in the ordinary course is in the best interest of the estates and, therefore, the Debtors should be permitted but not directed to continue such performance without need for further order from this Court.

51. Furthermore, to ensure each individual Debtor entity will not, at the expense of its creditors, fund the operations of another Debtor entity, the Debtors respectfully request, pursuant to section 503(b)(1) of the Bankruptcy Code, that all payments between or among the Debtors on account of a postpetition Intercompany Transaction be accorded administrative expense priority. This relief will ensure that each Debtor entity receiving payments from another Debtor entity will continue to bear ultimate repayment responsibility for such ordinary course transactions.

52. Courts in this district have granted administrative expense status to postpetition

⁸ Because the Debtors engage in Intercompany Transactions on a regular basis and such transactions are common among enterprises such as those of the Debtors, the Debtors submit that the Intercompany Transactions are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code and thus do not require this Court's approval. Nonetheless, out of an abundance of caution, the Debtors are seeking express authority but not direction to engage in such transactions on a postpetition basis. Moreover, the continued performance of the ordinary course Intercompany Transactions is integral to ensure the Debtors' ability to operate their businesses as debtors in possession.

intercompany transfers in large chapter 11 cases for similar reasons. *See, e.g., In re Mission Coal Co., LLC*, No. 18-04177-TOM11 (Bankr. N.D. Ala. Nov. 21, 2018) [Doc. 312]; *In re Walter Energy, Inc.*, No. 15-02741-TOM11 (Bankr. N.D. Ala. July 15, 2015) [Doc. 60].

F. Interim Relief Is Necessary to Avoid Immediate and Irreparable Harm

53. Under Bankruptcy Rule 6003, the Court may grant a motion to “use . . . property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” within 21 days after the chapter 11 case’s commencement to the extent “relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. Here, the relief requested is necessary to avoid immediate and irreparable harm to the Debtors and their estates, as set forth in the First Day Declaration, and relief on an interim basis is therefore appropriate under Bankruptcy Rule 6003, if applicable.⁹

54. The need for the requested relief is urgent and justifies immediate action. To ensure the relief requested is implemented immediately, the Debtors request that the Court waive the notice requirements under Bankruptcy Rule 6004(a), if applicable, and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

RESERVATION OF RIGHTS

55. Nothing contained in this motion is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors’ or any other party’s rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their right to contest any claim related to the relief requested in this motion. Likewise, if the Court grants the relief requested in this motion, any Court-authorized payment is not intended to be, nor should it be, construed as an

⁹ See First Day Declaration filed concurrently with this motion.

admission as to the validity of any claim or a waiver of the Debtors' or any other party's rights to subsequently dispute such claim. In addition, authorization to pay the claims described in this motion will not be deemed a direction to the Debtors to pay such claims; rather, the Debtors will make such payments in their discretion.

NOTICE

56. Notice of the hearing on the relief requested in this motion will be provided by the Debtors in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as applicable local bankruptcy rules, and is sufficient under the circumstances. The Debtors will provide notice of this motion to the following parties-in-interest: (i) the Bankruptcy Administrator; (ii) the Debtors' consolidated list of creditors holding the forty largest unsecured claims; (iii) counsel Whitebox Advisors LLC, as Priority Term Loan Lender; (iv) counsel to Cantor Fitzgerald Securities, as Priority Term Loan Agent under the Debtors' prepetition Priority Term Loan Credit Agreement; (v) counsel to Ankura Trust Company, as FILO Agent under the Debtors' prepetition FILO Term Loan Agreement, and as Exit Term Loan Agent under the Debtors' prepetition Exit Term Loan Agreement; (vi) counsel to Franklin Advisors, Inc., as FILO Lender; (vii) the United States Internal Revenue Service; (viii) counsel to the United Mine Workers of America; (ix) the Banks listed on **Exhibit 1** to the proposed orders; and (x) all parties entitled to notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary under the circumstances.

NO PRIOR REQUEST

57. The Debtors have not previously sought the relief requested herein from this or any other Court.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the proposed interim and final

orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, granting the relief requested herein and such other relief as may be just and proper under the circumstances.

Dated: July 28, 2020

/s/ Derek F. Meek

BURR & FORMAN LLP

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- and -

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Proposed Attorneys for the Debtors and Debtors in Possession

EXHIBIT A

Proposed Form of Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
NORTHERN DIVISION**

In re:

REMINGTON OUTDOOR COMPANY, INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 20-81688-11

Joint Administration Requested

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE OPERATING CASH MANAGEMENT SYSTEM AND BANK ACCOUNTS, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, (C) CONTINUE PERFORMING AND GRANTING ADMINISTRATIVE PRIORITY FOR INTERCOMPANY TRANSACTIONS, (II) WAIVING CERTAIN BANKRUPTCY ADMINISTRATOR REQUIREMENTS, (III) GRANTING THE DEBTORS AN EXTENSION TO COMPLY WITH THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE, AND (IV) GRANTING RELATED RELIEF

Upon consideration of the motion (the “**Motion**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), seeking entry of an interim order (this “**Interim Order**”),² pursuant to sections 105, 345, 363, 503(b)(1) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing but not directing the Debtors to (a) continue operating the Cash Management System, (b) honor and pay the Bank Fees in the normal course, including any prepetition Bank Fees, (c) continue the Intercompany Transactions in the ordinary course of business and provide administrative expense priority to the Intercompany Transactions, (ii) waiving certain Bankruptcy Administrator requirements, (iii) granting the Debtors a 45-day

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Remington Outdoor Company, Inc. (4491); FGI Holding Company, LLC (9899); FGI Operating Company, LLC (9774); Remington Arms Company, LLC (0935); Barnes Bullets, LLC (8510); TMRI, Inc. (3522); RA Brands, L.L.C. (1477); FGI Finance, Inc. (0109); Remington Arms Distribution Company, LLC (4655); Huntsville Holdings LLC (3525); 32E Productions, LLC (2381); Great Outdoors Holdco, LLC (7744); and Outdoor Services, LLC (2405). The Debtors’ corporate headquarters are located at 100 Electronics Boulevard SW, Huntsville, AL 35824.

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

extension to comply with the requirements of section 345(b) of the Bankruptcy Code, (iv) scheduling a final hearing, and (iv) granting certain related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is granted on an interim basis as set forth herein.
2. The Debtors are authorized but not directed, in their sole discretion, to continue operating the Cash Management System and to honor their prepetition obligations related thereto.
3. The Debtors are further authorized but not directed to (i) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those accounts identified on **Exhibit 1** attached hereto, (ii) use, in their present form, all business forms, including letterhead, purchase orders, invoices, checks, and other documents related to the Bank

Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; *provided, however*, that to the extent the Debtors exhaust their existing supply of checks during these chapter 11 cases, they shall reorder checks with the designation "Debtor-in-Possession" and the applicable case number; *provided, further*, that with respect to checks that the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend and the bankruptcy case number on such items within ten days following the date of entry of this Interim Order, (iii) treat the Bank Accounts for all purposes as DIP Accounts, (iv) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, debits, or other similar means, (v) honor and pay any ordinary course prepetition or postpetition Bank Fees incurred in connection with the Bank Accounts, and (vi) otherwise perform their obligations under the documents governing the Bank Accounts.

4. The Debtors are further authorized to continue the Charge Card Programs (which, for the avoidance of doubt, shall include all cards (whether physical or "ghost cards") issued by Divvy, or any of its respective affiliates and used by the Debtors or the Debtors' employees in connection with their employment by the Debtors) and pay all obligations and fees under the Charge Card Programs, including, but not limited to, any prepetition amounts.

5. Each of the Banks on which checks were drawn or electronic payment requests, drafts, or other forms of payment were made, drawn, or issued in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when processed for payment (or to reissue checks, electronic payment requests, drafts, or other forms of payment made, drawn, or issued on the Debtors' accounts, as applicable and necessary); *provided*, in each case, that sufficient funds are on deposit in the

applicable account to cover such payment. All Banks are authorized to rely on the Debtors' designation of any particular check, electronic payment request, draft, or other form of payment as approved by this Interim Order.

6. Immediately upon entry of this Interim Order, each of the Banks at which Bank Accounts that are subject to automatic transfers or "sweeps" as part of the Cash Management System is authorized, without further order of this Court, to recommence such transfers or sweeps without regard to whether the funds swept and/or transferred include funds deposited prior to the Petition Date.

7. All Banks provided with notice of this Interim Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

8. Notwithstanding any other provision of this Interim Order, the Banks may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and no bank shall have any liability to any party for relying on such representations, and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtors, (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake despite implementation of customary handling procedures shall not be deemed to be, nor shall be, liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Interim Order. The Debtors' Banks shall not have any liability to any party for relying on such directions

of the Debtors. Further, the Banks may rely, without a duty of inquiry, upon the failure of the Debtors to issue a stop payment order with respect to any item, whether such item is issued prepetition or postpetition, as a direction by the Debtors that such item be paid.

9. Notwithstanding anything to the contrary set forth herein, the Debtors are authorized but not directed to continue performing Intercompany Transactions between the Debtors arising from or related to the operation of their businesses in the ordinary course. All payments from any Debtor entity to or on account of any other Debtor entity under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense priority under section 503(b)(1) of the Bankruptcy Code. The Debtors shall maintain accurate and detailed current records with respect to Intercompany Transactions so that such transactions may be readily ascertained, traced, properly recorded, and distinguished between prepetition and postpetition transactions.

10. The Debtors and the Banks may, without further Order of this Court, agree to and implement non-material changes to the Cash Management System and procedures in the ordinary course of business. The Debtors may open and close Bank Accounts without further order from this Court; *provided*, that, prior to opening any new bank accounts or closing any of the Bank Accounts, the Debtors shall provide at least 15 days' notice of their intentions with respect thereto, to (i) the Bankruptcy Administrator and (ii) and counsel to any official committee appointed in these chapter 11 cases; *provided, further*, that that Debtors shall only open any such new accounts at banks that have executed a Uniform Depository Agreement (“UDA”) with the Bankruptcy Administrator or at such banks that are willing to promptly execute such an agreement.

11. With regard to the Debtors' Banks that are parties to a UDA with the Bankruptcy Administrator, within 15 days from the entry of this Interim Order, the Debtors shall (i) contact

each Bank, (ii) provide each Debtor's employer identification number, and (iii) identify each Bank Account held at such Banks as being held by a Debtor.

12. For Banks that have not signed a UDA with the Bankruptcy Administrator, the Debtors shall have 45 days from the Petition Date (the "**Extension Period**") within which to comply with section 345(b) of the Bankruptcy Code or to make arrangements to which the Bankruptcy Administrator agrees, and such extension is without prejudice to the Debtors' right to request a further extension of the Extension Period or waiver of the requirements of section 345(b) of the Bankruptcy Code in these cases. For Banks that have signed a UDA with the Bankruptcy Administrator, all Bank Accounts with such Banks are deemed to satisfy section 345(b) of the Bankruptcy Code.

13. With regard to any of the Debtors' Banks that are not a party to a UDA with the Bankruptcy Administrator, within 30 days of the entry of this Interim Order, the Debtors shall use their good-faith efforts to cause such Bank to execute a UDA in a form prescribed by the Bankruptcy Administrator. The Bankruptcy Administrator's right to seek further relief from this Court on notice in the event that the aforementioned Banks are not willing to execute a UDA in a form prescribed by the Bankruptcy Administrator is fully preserved.

14. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors in the ordinary course of business after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Bank.

15. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any

claim or lien against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or lien, or the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

16. Notwithstanding the Debtors' authorized use of their Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each particular Debtor, regardless of which Debtor remits payment for those disbursements.

17. The final hearing on the Motion shall be held on _____, 2020, at ___:___ __.m. Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m. Central Time on _____, 2020, and served on the following parties: (a) proposed counsel to the Debtors, O'Melveny & Myers LLP, 400 South Hope Street, Los Angeles, CA, 90071 (Attn: Stephen H. Warren and Karen Rinehart) (Emails: swarren@omm.com; krinehart@omm.com) and Burr & Forman LLP, 420 20th Street, Suite 3400, Birmingham, AL, 35203 (Attn: Derek F. Meek and Hanna Lahr) (Emails: dmeek@burr.com; hlahr@burr.com); (b) the Bankruptcy Administrator (Attn: Richard Blythe) (Email: richard_blythe@alnb.uscourts.gov); (c) counsel to Whitebox Advisors LLC, as Priority Term Loan Lender, Brown Rudnick LLP, One Financial Center, Boston MA, 02111 (Attn: Andreas Andromalos, Esq. and Tia C. Wallach, Esq.) (Emails: aandromalos@brownrudnick.com; twallach@brownrudnick.com), and Balch & Bingham LLP, 1901 Sixth Avenue North, Suite 1500, Birmingham, AL 35203 (Attn: Jeremy Retherford, Esq.) (Email: jretherford@balch.com); (d) counsel to Cantor Fitzgerald Securities, as Priority Term Loan Agent under the Debtors' prepetition Priority Term Loan Credit Agreement, Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103 (Attn: Kathleen LaManna and Nathan Plotkin) (Emails: klamanna@goodwin.com; nplotkin@goodwin.com), and Balch & Bingham LLP, 1901 Sixth

Avenue North, Suite 1500, Birmingham, AL 35203 (Attn: Jeremy Retherford, Esq.) (Email: jretherford@balch.com); (e) counsel to Ankura Trust Company, as FILO Agent under the Debtors' prepetition FILO Term Loan Agreement, and as Exit Term Loan Agent under the Debtors' prepetition Exit Term Loan Agreement, Davis, Polk & Wardwell, 450 Lexington Avenue, New York, NY 10017 (Attn: Donald Bernstein and Joanna McDonald) (Emails: donald.bernstein@davispolk.com; joanna.mcdonald@davispolk.com), and Hand Arendall Harrison Sale, 1810 5th Avenue North, Suite 400, Birmingham, AL 35203 (Attn: Benjamin S. Goodman) (Email: bgoldman@handfirm.com); (f) counsel to Franklin Advisors, Inc., as FILO Lender, Pillsbury Winthrop Shaw Pittman LLP, Four Embarcadero Center, 22nd Floor, San Francisco, CA 94111-5998 (Attn: Joshua Morse, Esq. and Andrew Alfano, Esq.) (Emails: joshua.morse@pillsburylaw.com; andrew.alfano@pillsburylaw.com), and Christian & Small LLP, 505 North 20th Street, Suite 1800, Birmingham, AL 35203 (Attn: Daniel Sparks, Esq. and Bill Bensinger, Esq.) (Emails: ddsparks@csattorneys.com; bdbensinger@csattorneys.com); and (g) counsel to any official committee appointed in these chapter 11 cases. In the event no objections to the entry of a final order on the Motion are timely filed, this Court may enter a final order without need for a hearing thereon.

18. Entry of this Interim Order is necessary to avoid immediate and irreparable harm. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

19. Adequate notice of the Motion has been provided under the circumstances. Such notice satisfies the requirements of Bankruptcy Rule 6004(a).

20. Notwithstanding Bankruptcy Rule 6004(h), 7062, and 9014, the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

21. The Debtors are authorized to take all actions necessary to effectuate the relief

granted in this Interim Order in accordance with the Motion.

22. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

23. The Debtors shall serve a copy of this Interim Order upon all parties who were served with the Motion.

Dated: _____, 2020

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Bank Accounts

Remington Outdoor Company, Inc.
Schedule of Debtors' Bank Accounts

Provider Name	Last Four Digits of Account Number	Account Holder	Account Description
Cadence Bank	0946	RA Brands, L.L.C.	Licensing Account
Cadence Bank	0953	FGI Operating Company, LLC	FGI Operating Account
Cadence Bank	1431	FGI Operating Company, LLC	FGI AP Account
Cadence Bank	7078	FGI Operating Company, LLC	FGI Dominion Account
Cadence Bank	7490	FGI Operating Company, LLC	FGI LOC Account
Cadence Bank	0961	Remington Arms Company, LLC	Main Operating Account
Cadence Bank	0278	Remington Arms Company, LLC	Accounts Payable Account
Cadence Bank	0979	Remington Arms Distribution Company, LLC	RAD Operating Account
Cadence Bank	0987	Remington Arms Company, LLC	Storm Lake Account
Cadence Bank	1407	Remington Outdoor Company, Inc.	ROC Operating Account
Cadence Bank	1415	Remington Arms Distribution Company, LLC	Chain Customer Receipts Account
Cadence Bank	1423	Remington Arms Company, LLC	Non-Chain Customer Receipts Account
Cadence Bank	1449	Remington Arms Company, LLC	Huntsville Store Account
Cadence Bank	0193	Remington Arms Company, LLC	Dakota Account
Wells Fargo Bank	1084	Remington Arms Company, LLC	Huntsville Store Account
Adirondack Bank	5089	Remington Arms Company, LLC	Ilion Local Account
First State Bank	5273	Remington Arms Company, LLC	Lonoke Local Account
Cadence Bank	8437	Remington Outdoor Company, Inc.	Performance Deposit Account
Cadence Bank	8445	Remington Outdoor Company, Inc.	DIP Deposit Account
Cadence Bank	7611	Remington Outdoor Company, Inc.	Professional Fee Reserve Account
Cadence Bank	7629	Remington Outdoor Company, Inc.	Adequate Assurance Utility Deposit Account

EXHIBIT B

Proposed Form of Final Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
NORTHERN DIVISION**

In re:

REMINGTON OUTDOOR COMPANY, INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 20-81688-11

Joint Administration Requested

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE OPERATING CASH MANAGEMENT SYSTEM AND BANK ACCOUNTS, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, (C) CONTINUE PERFORMING AND GRANTING ADMINISTRATIVE PRIORITY FOR INTERCOMPANY TRANSACTIONS, (II) WAIVING CERTAIN BANKRUPTCY ADMINISTRATOR REQUIREMENTS, (III) GRANTING THE DEBTORS AN EXTENSION TO COMPLY WITH THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE, AND (IV) GRANTING RELATED RELIEF

Upon consideration of the motion (the “**Motion**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), seeking entry of an order (this “**Order**”),² pursuant to sections 105, 345, 363, 503(b)(1) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing but not directing the Debtors to (a) continue operating the Cash Management System, (b) honor and pay the Bank Fees in the normal course, including any prepetition Bank Fees, (c) continue the Intercompany Transactions in the ordinary course of business and provide administrative expense priority to the Intercompany Transactions, (ii) waiving certain Bankruptcy Administrator requirements, (iii) granting the Debtors a 45-day

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Remington Outdoor Company, Inc. (4491); FGI Holding Company, LLC (9899); FGI Operating Company, LLC (9774); Remington Arms Company, LLC (0935); Barnes Bullets, LLC (8510); TMRI, Inc. (3522); RA Brands, L.L.C. (1477); FGI Finance, Inc. (0109); Remington Arms Distribution Company, LLC (4655); Huntsville Holdings LLC (3525); 32E Productions, LLC (2381); Great Outdoors Holdco, LLC (7744); and Outdoor Services, LLC (2405). The Debtors’ corporate headquarters are located at 100 Electronics Boulevard SW, Huntsville, AL 35824.

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

extension to comply with the requirements of section 345(b) of the Bankruptcy Code, and (iv) granting certain related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at hearings before this Court (the "**Hearings**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearings establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is granted as set forth herein.
2. The Debtors are authorized but not directed, in their sole discretion, to continue operating the Cash Management System and to honor their prepetition obligations related thereto.
3. The Debtors are further authorized but not directed to (i) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those accounts identified on **Exhibit 1** attached hereto, (ii) use, in their present form, all business forms, including letterhead, purchase orders, invoices, checks, and other documents related to the Bank

Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; *provided, however*, that to the extent the Debtors exhaust their existing supply of checks during these chapter 11 cases, they shall reorder checks with the designation "Debtor-in-Possession" and the applicable case number; *provided, further*, that with respect to checks that the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend and the bankruptcy case number on such items within ten days following the date of entry of this Order, (iii) treat the Bank Accounts for all purposes as DIP Accounts, (iv) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, debits, or other similar means, (v) honor and pay any ordinary course prepetition or postpetition Bank Fees incurred in connection with the Bank Accounts, and (vi) otherwise perform their obligations under the documents governing the Bank Accounts.

4. The Debtors are further authorized but not directed to continue the Charge Card Programs (which, for the avoidance of doubt, shall include all cards (whether physical or "ghost cards") issued by Divvy, or any of its respective affiliates and used by the Debtors or the Debtors' employees in connection with their employment by the Debtors) and pay all obligations and fees under the Charge Card Programs, including but not limited to any prepetition amounts.

5. Each of the Banks on which checks were drawn or electronic payment requests, drafts, or other forms of payment were made, drawn, or issued in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when processed for payment (or to reissue checks, electronic payment requests, drafts, or other forms of payment made, drawn, or issued on the Debtors' accounts, as applicable and necessary); *provided*, in each case, that sufficient funds are on deposit in the

applicable account to cover such payment. All Banks are authorized to rely on the Debtors' designation of any particular check, electronic payment request, draft, or other form of payment as approved by this Order.

6. Immediately upon entry of this Order, each of the Banks at which Bank Accounts that are subject to automatic transfers or "sweeps" as part of the Cash Management System is authorized without further order of this Court, to recommence such transfers or sweeps without regard to whether the funds swept and/or transferred include funds deposited prior to the Petition Date.

7. All Banks provided with notice of this Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

8. Notwithstanding any other provision of this Order, the Banks may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and no bank shall have any liability to any party for relying on such representations, and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtors, (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake despite implementation of customary handling procedures shall not be deemed to be, nor shall be, liable to the Debtors, their estates or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Order. The Debtors' Banks shall not have any liability to any party for relying on such directions of the

Debtors. Further, the Banks may rely, without a duty of inquiry, upon the failure of the Debtors to issue a stop payment order with respect to any item, whether such item is issued prepetition or postpetition, as a direction by the Debtors that such item be paid.

9. Notwithstanding anything to the contrary set forth herein, the Debtors are authorized to continue performing Intercompany Transactions between the Debtors arising from or related to the operation of their businesses in the ordinary course. All payments from any Debtor entity to or on account of any other Debtor entity under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense priority under section 503(b)(1) of the Bankruptcy Code. The Debtors shall maintain accurate and detailed current records with respect to Intercompany Transactions so that such transactions may be readily ascertained, traced, properly recorded, and distinguished between prepetition and postpetition transactions.

10. The Debtors and the Banks may, without further Order of this Court, agree to and implement non-material changes to the Cash Management System and procedures in the ordinary course of business. The Debtors may open and close Bank Accounts without further order from this Court; *provided*, that, prior to opening any new bank accounts or closing any of the Bank Accounts, the Debtors shall provide at least 15 days' notice of their intentions with respect thereto, to (i) the Bankruptcy Administrator and (ii) and counsel to any official committee appointed in these chapter 11 cases; *provided, further*, that that Debtors shall only open any such new accounts at banks that have executed a Uniform Depository Agreement (“UDA”) with the Bankruptcy Administrator or at such banks that are willing to promptly execute such an agreement.

11. For Banks that have not signed a UDA with the Bankruptcy Administrator, the Debtors shall have 45 days from the Petition Date (the “**Extension Period**”) within which to

comply with section 345(b) of the Bankruptcy Code or to make arrangements to which the Bankruptcy Administrator agrees, and such extension is without prejudice to the Debtors' right to request a further extension of the Extension Period or waiver of the requirements of section 345(b) of the Bankruptcy Code in these cases. For Banks that have signed a UDA with the Bankruptcy Administrator, all Bank Accounts with such Banks are deemed to satisfy section 345(b) of the Bankruptcy Code.

12. The relief granted in this Order is extended to any new bank account opened by the Debtors in the ordinary course of business after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Bank.

13. The Debtors are not required to close existing bank accounts and open new DIP Accounts. The Bank Accounts are deemed DIP Accounts.

14. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Order or any payment made pursuant to this Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim or lien against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or lien, or the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

15. Notwithstanding the Debtors' authorized use of their Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each particular Debtor, regardless of which Debtor remits payment for those disbursements.

16. Adequate notice of the Motion has been provided under the circumstances. Such notice satisfies the requirements of Bankruptcy Rule 6004(a).

17. Notwithstanding Bankruptcy Rule 6004(h), 7062, and 9014, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

19. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2020

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Bank Accounts

Remington Outdoor Company, Inc.
Schedule of Debtors' Bank Accounts

Provider Name	Last Four Digits of Account Number	Account Holder	Account Description
Cadence Bank	0946	RA Brands, L.L.C.	Licensing Account
Cadence Bank	0953	FGI Operating Company, LLC	FGI Operating Account
Cadence Bank	1431	FGI Operating Company, LLC	FGI AP Account
Cadence Bank	7078	FGI Operating Company, LLC	FGI Dominion Account
Cadence Bank	7490	FGI Operating Company, LLC	FGI LOC Account
Cadence Bank	0961	Remington Arms Company, LLC	Main Operating Account
Cadence Bank	0278	Remington Arms Company, LLC	Accounts Payable Account
Cadence Bank	0979	Remington Arms Distribution Company, LLC	RAD Operating Account
Cadence Bank	0987	Remington Arms Company, LLC	Storm Lake Account
Cadence Bank	1407	Remington Outdoor Company, Inc.	ROC Operating Account
Cadence Bank	1415	Remington Arms Distribution Company, LLC	Chain Customer Receipts Account
Cadence Bank	1423	Remington Arms Company, LLC	Non-Chain Customer Receipts Account
Cadence Bank	1449	Remington Arms Company, LLC	Huntsville Store Account
Cadence Bank	0193	Remington Arms Company, LLC	Dakota Account
Wells Fargo Bank	1084	Remington Arms Company, LLC	Huntsville Store Account
Adirondack Bank	5089	Remington Arms Company, LLC	Ilion Local Account
First State Bank	5273	Remington Arms Company, LLC	Lonoke Local Account
Cadence Bank	8437	Remington Outdoor Company, Inc.	Performance Deposit Account
Cadence Bank	8445	Remington Outdoor Company, Inc.	DIP Deposit Account
Cadence Bank	7611	Remington Outdoor Company, Inc.	Professional Fee Reserve Account
Cadence Bank	7629	Remington Outdoor Company, Inc.	Adequate Assurance Utility Deposit Account

EXHIBIT C

Cash Management Chart

Other Miscellaneous Accounts

Entity: FGI Operating Co., LLC
 Account Number: #7078
 Bank: Cadence
 Purpose: Priority Term Loan Collateral Account

Entity: FGI Operating Co., LLC
 Account Number: #7490
 Bank: Cadence
 Purpose: Cash Collateral for Letters of Credit

Petty Cash and Local Accounts

Entity: Remington Arms Co., LLC
 Account Number: #0193
 Bank: Cadence
 Purpose: Dakota

Entity: Remington Arms Co., LLC
 Account Number: #1084
 Bank: Wells Fargo
 Purpose: Huntsville Store

Entity: Remington Arms Co., LLC
 Account Number: #0987
 Bank: Cadence
 Purpose: Storm Lake

Entity: Remington Arms Co., LLC
 Account Number: #5089
 Bank: Adirondack Bank
 Purpose: Ilion Local Account

Entity: Remington Arms Co., LLC
 Account Number: #1449
 Bank: Cadence
 Purpose: Huntsville Store

Entity: Remington Arms Co., LLC
 Account Number: #5273
 Bank: First State Bank
 Purpose: Lonoke Local Acct.

Chain Customer Receipts

Entity: Remington Arms Distribution Co. LLC
 Lockbox Number: #100
 Bank: Cadence
 Purpose: Houston Lockbox

Entity: Remington Arms Distribution Co. LLC
 Account Number: #1415
 Bank: Cadence
 Purpose: Depository Account

Entity: Remington Arms Distribution Co. LLC
 Account Number: #0979
 Bank: Cadence
 Purpose: Operating Account

Entity: Remington Outdoor Co., LLC
 Account Number: #1407
 Bank: Cadence
 Purpose: Operating Account

Entity: Remington Arms Co., LLC
 Account Number: #0278
 Bank: Cadence
 Purpose: Disbursement Account

Customer Receipts

Entity: Remington Arms Co., LLC
 Lockbox Number: #200
 Bank: Cadence
 Purpose: Houston Lockbox

Entity: Remington Arms Co., LLC
 Account Number: #1423
 Bank: Cadence
 Purpose: Depository Account

Entity: Remington Arms Co., LLC
 Account Number: #0961
 Bank: Cadence
 Purpose: Main Operating

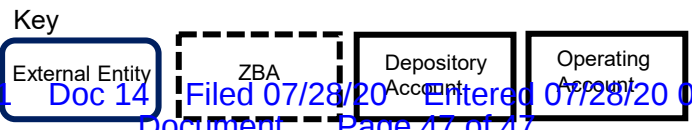
Entity: FGI Operating Company, LLC
 Account Number: #0953
 Bank: Cadence
 Purpose: Operating Account

Entity: FGI Operating Company, LLC
 Account Number: #1431
 Bank: Cadence
 Purpose: Disbursement Account

Licensing Fee Receipts

Entity: RA Brands LLC
 Account Number: #0946
 Bank: Cadence
 Purpose: Licensing Account

Disbursements



Other Accounts

Entity: Remington Outdoor Co. LLC
 Account Number: #8437
 Bank: Cadence
 Purpose: Performance Deposit Act.

Entity: Remington Outdoor Co. LLC
 Account Number: #8445
 Bank: Cadence
 Purpose: DIP Deposit Account

Entity: Remington Outdoor Co. LLC
 Account Number: #7611
 Bank: Cadence
 Purpose: Professional Fee Reserve

Entity: Remington Outdoor Co. LLC
 Account Number: #7629
 Bank: Cadence
 Purpose: Adequate Assurance Utility Deposit Account