

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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|---|---|-------------------------|
| In re:  | ) | Chapter 11              |
|   | ) |                         |
| DISTRIBUTOR HOLDINGS LLC (f/k/a                           | ) | Case No. 11-13292 (SCC) |
| ARCHBROOK LAGUNA HOLDINGS LLC) <i>et al.</i> <sup>1</sup> | ) |                         |
|   | ) |                         |
| Debtors.  | ) | Jointly Administered    |
|   | ) |                         |

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**ORDER APPROVING DEBTORS' MOTION  
FOR ENTRY OF AN ORDER (I) DISMISSING  
THE DEBTORS' CHAPTER 11 CASES PURSUANT TO  
BANKRUPTCY CODE SECTION 1112(B); (II) AUTHORIZING THE PAYMENT  
OF EXISTING FUNDS TO CERTAIN CREDITORS; AND (III) ESTABLISHING  
DISBURSEMENT PROCEDURES FOR ADDITIONAL POST-DISMISSAL RECEIPTS**

Upon the motion (the "*Motion*")<sup>2</sup> of the above-captioned debtors (collectively, the "*Debtors*") for entry of an order (i) dismissing the Debtors' chapter 11 cases pursuant to section 1112(b) of title 11 of the United States Code (the "*Bankruptcy Code*"); (ii) authorizing the payment of funds currently held in the Debtors' possession for (1) payment of professionals of the Debtors' estates and (2) payment of the costs associated with the final winddown of the Debtors' estates, including the filing of final tax returns; and (iii) establishing procedures for the disbursement to the DIP Agent of any funds that the Debtors may receive post-dismissal; and the Court having heard statements of counsel in support of the relief requested by the Debtors in the Motion at a hearing before the Court on February 1, 2012; and it appearing that this Court has

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer identification number, are: Distributor LLC (f/k/a ArchBrook Laguna LLC (6166)); Distributor Holdings LLC (f/k/a ArchBrook Laguna Holdings LLC (6156)); Distributor CM LLC (f/k/a Chimerica Global Logistics LLC (3745)); Distributor West LLC (f/k/a ArchBrook Laguna West LLC (9631)); Distributor LH LLC (f/k/a Lehrhoff ABL LLC (6386)); Distributor EW LLC (f/k/a Expert Warehouse LLC (4487)); and Distributor NY I LLC (f/k/a ArchBrook Laguna New York LLC (5385)).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and notice of the Motion appearing to be adequate and appropriate under the circumstances; and any objections to the requested relief having been withdrawn, overruled on the merits or sustained to the extent provided herein; and after due deliberation and sufficient cause appearing therefor

IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.
2. Pursuant to Bankruptcy Code section 1112(b), the Debtors' chapter 11 cases are hereby dismissed.
3. The Official Committee of Unsecured Creditors is hereby dissolved.
4. Pursuant to the Sale APA (as amended by the Purchaser Settlement Order) and this Order, all proceeds received by the Debtors pursuant to the Proceeds Sharing Mechanisms shall be paid directly to the DIP Agent to pay down the DIP Facility until all DIP Obligations are indefeasibly paid in full in cash.
5. The DIP Lenders' liens on and security interests in all assets of the Debtors, including, but not limited to, all amounts received by the Debtors after entry of this Order, whether pursuant to the Proceeds Sharing Mechanisms or otherwise, shall remain in full force and effect and shall not be extinguished unless and until all DIP Obligations are indefeasibly paid in full in cash.
6. The Amount Objection of Meadowland Partners, LLC [Docket No. 402] (the "*Meadowland Objection*") is sustained in part and overruled in part. The Meadowland

Objection is sustained with respect to its request for allowance as an administrative expense the cost of attorney's fees incurred postpetition in connection with the collection of postpetition rent in the amount of \$26,973.18. The Meadowlands Objection is overruled with respect to its request for allowance as an administrative expense rent and related expenses for the post-rejection period.

7. Oracle America, Inc. shall have an allowed administrative expense claim in the amount of \$20,525.00. Any additional administrative expense claims asserted by Oracle America, Inc. in excess of \$20,525.00 are hereby disallowed.

8. Subject to this Court's entry of final orders approving the final fee applications of the professionals of the Debtors and the Committee, the Debtors are authorized to distribute from the Accounts such amounts as are required to make the Final Professional Fee Payments, up to the amounts set forth on Exhibit 1 hereto.

9. The Debtors shall pay to the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930, with interest under 31 U.S.C. section 3717, within ten (10) days of the entry of this Order and simultaneously provide to the U.S. Trustee an appropriate affidavit indicating the cash disbursements for the relevant period.

10. The Debtors are further authorized to retain in the Accounts the Winddown Holdback in the amount of \$87,841, which amount shall be used to fund all of the Debtors' remaining expenses, including fees and expenses incurred by Hawkwood Consulting LLC and the Debtors' accounting firm in connection with the filing of final tax returns and the winding down of the Debtors' estates (collectively, the "*Winddown Costs*").

11. Upon payment in full of the Winddown Costs and the Final Professional Fee Payments, the Debtors shall promptly release any funds remaining in the Accounts to the DIP Agent to pay down the DIP Obligations.

12. Any check(s) distributed by the Debtors that have not been claimed and/or cashed after ninety days from the date of such check(s) shall be deemed void.

13. Any funds that remain in the Accounts on the date that is ninety days after the date of the last check distributed by the Debtors, including, but not limited to, any funds held in connection with the Winddown Holdback or the Proceeds Sharing Mechanisms, shall, after payment of any costs of administration of the funds, be turned over to the DIP Agent to pay down the DIP Obligations.

14. Within five (5) business days of receipt by the Debtors of any additional monies (the "*Additional Amounts*"), including, but not limited to, any amounts received in connection with (i) the refund of vendor credits pursuant to the Purchaser Settlement Order, (ii) the Debtors' portion of any refund of insurance premiums received on account of insurance policies cancelled in connection with the final winddown of the Debtors' estates, and (iii) the escrow account established by the Debtors to provide adequate assurance of payment to certain postpetition utility service providers, which providers are no longer providing services to the Debtors, the Debtors shall remit such Additional Amounts to the DIP Agent to pay down the DIP Obligations.

15. Nothing herein shall be deemed to amend or otherwise modify (i) the terms of that certain order, entered by this Court on August 3, 2011, authorizing the Debtors to obtain the DIP Facility [Docket No. 143] (the "*Final DIP Order*"), (ii) the Winddown Stipulation or, (iii) the rights and protections of the DIP Agent and the DIP Lenders under the Final DIP Order and the Winddown Stipulation.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

17. All parties are forever barred from asserting any claims against the Accounts, or against (i) the Debtors, (ii) the DIP Lenders, (iii) the DIP Agent, (iv) the Committee, and (v) the respective attorneys, consultants, advisors and agents (acting in such capacity) of any of the foregoing with respect to any act or omission taken in connection with the Motion or this Order.

18. Notwithstanding the terms of this Order, nothing herein (i) shall be deemed to amend or otherwise modify the terms of the Sale APA (as amended by the Purchaser Settlement Order), or the rights and obligations of the Purchaser, the Debtors, the DIP Agent or the DIP Lenders thereunder; or (ii) shall affect (a) the Debtors' obligation to pursue and turnover to the Purchaser any amounts related to insurance reimbursement in accordance with the terms of the TSA or (b) bar the Purchaser's claim related thereto.

19. Notwithstanding the possible applicability of Bankruptcy Rules 6004(a) and 6004(h), or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

20. Notwithstanding section 349 of the Bankruptcy Code, prior Orders of the Court shall survive the dismissal of these cases.

21. The Court retains exclusive jurisdiction (i) to enforce the terms of this Order, (ii) to decide any claims or disputes that may arise from or be connected to the terms and provisions of the Sale APA (as amended by the Purchaser Settlement Order), and (iii) with respect to any matters, claims, rights or disputes arising from or relating to the implementation of any Order of the Court.

22. This Order shall be filed on each of the separate dockets of these jointly administered cases.

New York, New York  
Dated: February 3, 2012

/s/ Shelley C. Chapman  
HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Distributor Holdings LLC, et al.**  
**Projected Payment Amounts of Professional Fees**  
**(As of 2/3/2012)**

| <u><b>NAME OF PROFESSIONAL</b></u> | <u><b>AMOUNT DUE</b></u> |
|------------------------------------|--------------------------|
| Akin Gump Strauss Hauer & Feld LLP | \$192,045.30             |
| Macquarie Capital (USA) Inc.       | \$60,000.00              |
| The Garden City Group, Inc.        | \$102,201.69             |
| Cooley LLP                         | \$37,271.25              |
| Loughlin Meghji + Company, Inc.    | \$12,299.40              |
| <br>                               |                          |
| <b>TOTAL</b>                       | <b>\$403,817.64</b>      |