

Brian S. Lennon
Daniel I. Forman
Andrew S. Mordkoff
WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

*Proposed Counsel for the Debtors and
Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: : Chapter 11
 :
Glansaol Holdings Inc., et al.,¹ : Case No. 18-_____ ()
 :
 : Debtors. : (Joint Administration Pending)
-----X

**DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS:
(A) AUTHORIZING PAYMENT OF CERTAIN PREPETITION TAXES AND
REGULATORY AND OTHER FEES; AND (B) GRANTING RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) hereby move for entry of an interim order, substantially in the form attached hereto as Exhibit A (the “**Interim Order**”), and a final order, substantially in the form attached hereto as Exhibit B (the “**Final Order**”), pursuant to sections 105(a), 363(b), 507(a)(8) and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”): (a) authorizing, but not directing, the Debtors to pay prepetition amounts owing in respect of Taxes and Fees (each as

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s federal taxpayer identification number are as follows: Clark’s Botanicals, Inc. (0754); Glansaol Holdings Inc. (9485); Glansaol LLC (2012); Glansaol Management LLC (6879); Julep Beauty, Inc. (7984); Laura Geller Beauty, LLC (1706); Laura Geller Brands, LLC (7428); and Laura Geller Holdings, LLC (7388). The Debtors’ executive headquarters are located at 575 Lexington Avenue, New York, NY 10022.

defined herein); and (b) granting related relief (the “**Motion**”). In support of the Motion, the Debtors rely upon and incorporate by reference the Declaration of Nancy Bernardini in Support of Chapter 11 Petitions and First Day Pleadings (the “**First Day Declaration**”), which was filed with the Court concurrently herewith, and respectfully represent:

BACKGROUND

1. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors intend to continue in the possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors have requested that these chapter 11 cases be consolidated for procedural purposes only. As of the date hereof, no trustee, examiner or official committee has been appointed in any of the Debtors’ cases.

2. The events leading up to the Petition Date and the facts and circumstances supporting the relief requested herein are set forth in the First Day Declaration.

JURISDICTION

3. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief requested herein are sections 105(a), 363(b), 507(a)(8), and 541 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004.

RELIEF REQUESTED

4. The Debtors are subject to a wide variety of taxes, including federal, state, local and other governmental taxes, and regulatory, license and other fees in the jurisdictions in which they operate. Some of these taxes constitute sales and use taxes (collectively, the “**Sales**

& Use Taxes”), which are collected or withheld by the Debtors and held in trust for the benefit of those third parties to whom payment is owed or on behalf of whom such payment is being made. Additionally, the Debtors have other tax obligations including, without limitation, franchise taxes and real property taxes (the “**Other Taxes**” and together with the Sales & Use Taxes, the “**Taxes**”) and certain business, licensing, permitting and regulatory fees (the “**Fees**”).

5. By this Motion, the Debtors seek entry of the Interim Order and the Final Order, pursuant to sections 105(a), 363(b), 507(a)(8) and 541 of the Bankruptcy Code:

(a) authorizing, but not directing, the Debtors, in their sole discretion, to pay the Taxes to various federal, state and local taxing authorities (each a “**Taxing Authority**” and collectively, the “**Taxing Authorities**”), and the Fees to certain federal, state and local government agencies (each a “**Regulatory Authority**” and collectively, the “**Regulatory Authorities**” and, together with the Taxing Authorities, the “**Applicable Authorities**”)² on a periodic basis, in each case, as and when such obligations become due; and (b) authorizing, in the Debtors’ discretion, all banks and other financial institutions on which such checks or other fund transfers to the Applicable Authorities are drawn to receive, process, honor and pay any and all such checks or other transfers, whether issued or presented prior to or after the Petition Date.

6. Payment of the Taxes and Fees is necessary for the Debtors to remain in good standing and operate in the various jurisdictions in which they do business. However, certain Applicable Authorities either have not been paid for prepetition amounts or may have been sent checks for Taxes or Fees that may not have been presented or cleared as of the Petition

² A non-exhaustive list of the Applicable Authorities is annexed hereto as Exhibit C. While the Debtors have exercised their reasonable best efforts to list all of the Applicable Authorities on Exhibit C, it is possible that certain Applicable Authorities may have been inadvertently omitted from this list. The Debtors’ failure to include a particular Applicable Authority is not intended to operate to exclude amounts payable to such Applicable Authority from the authority requested by the Debtors pursuant to the Motion.

Date. Similarly, in other cases, obligations may have accrued or are accruing, or are subject to audit or review, but may not have become due and payable.

A. Sales & Use Taxes

7. In the ordinary course of their businesses, the Debtors incur and collect from customers various sales and value-added taxes based on the Debtors' products and/or services and then hold them for a period of time before remitting them to the appropriate Taxing Authorities on a periodic basis. Depending on the nature and incurrence of each Sales & Use Tax, the Sales & Use Taxes are remitted quarterly, semi-annually or annually — some of which are paid in advance, while others are paid in arrears.

8. The Debtors believe they are current in their payments of Sales & Use Taxes to the Taxing Authorities, and estimate that, if amounts are due and owing as of the Petition Date, the total amount of prepetition Sales & Use Taxes owing to the Taxing Authorities is approximately \$400,000.

B. Other Taxes

9. The Debtors pay certain Other Taxes in the ordinary course of business. These taxes include various state and local taxes, franchise taxes, property taxes, value added taxes and commercial rent taxes (including, without limitation, any amounts required to be withheld, incurred or collected under applicable law).³ The Debtors typically pay the Other Taxes (some of which are paid in advance, others of which are paid in arrears) on a periodic basis as such amounts come due. The Debtors believe they are current in their payments of Other Taxes to the Taxing Authorities, and estimate that, if amounts are due and owing as of the

³ The Debtors are separately seeking authority to pay employee withholding taxes in the Debtors' employee wage motion, filed concurrently herewith.

Petition Date, the total amount of prepetition Other Taxes owing to the Taxing Authorities is approximately \$500,000.

C. Fees

10. In the ordinary course of business, the Debtors are subject to certain Fees, including certain business, licensing, permitting and regulatory fees, which they pay to the Regulatory Authorities on a periodic basis. For example, in order to operate their business in certain jurisdictions, the Debtors are required to pay business licensing fees. Some Fees are paid in advance, while others are paid in arrears. It is critical that the Debtors pay the Fees, as non-payment could result in additional fees and penalties or jeopardize the Debtors' ability to sell their products or otherwise operate in certain jurisdictions.

11. The Debtors believe they are current in their payments of Fees to the Regulatory Authorities, and estimate that, if amounts are due and owing as of the Petition Date, the total amount of prepetition Fees owing to the Regulatory Authorities is approximately \$10,000.

12. The Debtors request authority to pay all prepetition Taxes and Fees pursuant to the Interim Order and the Final Order, including prepetition Taxes and Fees that the Debtors later determine to be owed.

BASIS FOR RELIEF

A. Certain of the Taxes Constitute Priority Claims

13. Certain of the Taxes are afforded priority status under section 507(a)(8) of the Bankruptcy Code.⁴ Section 507(a)(8)(C) of the Bankruptcy Code provides priority status to a

⁴ Nothing contained herein shall be deemed an admission as to the appropriate classification of any Taxes or Fees and the Debtors reserve all rights to object to any claim, on any basis, with respect to the Taxes or Fees.

“tax required to be collected or withheld and for which the debtor is liable in whatever capacity.”
11 U.S.C. § 507(a)(8)(C).

14. Accordingly, it is likely that a significant portion of the Taxes that accrued or were incurred prior to the Petition Date are priority claims pursuant to section 507(a)(8) of the Bankruptcy Code. Taxes entitled to priority under the Bankruptcy Code must be paid in full under any chapter 11 plan. See 11 U.S.C. § 1129(a)(9)(C)(i)-(iii). Hence, if a plan is confirmed and goes effective, the payment of Taxes at this time would affect only the timing of the payments and not prejudice the rights of other unsecured creditors.

B. Certain of the Taxes Are Not Property of the Estate

15. The Debtors submit that the Taxes that have been collected or withheld by the Debtors are held in trust for the benefit of those third parties to whom payment is owed or on behalf of whom such payment is being made. Case law supports the proposition that such taxes are not property of the Debtors’ estates within the meaning of section 541 of the Bankruptcy Code. See Begier v. IRS, 496 U.S. 53, 65 (1990) (stating that taxes such as excise taxes, FICA taxes and withholding taxes are property held by debtor in trust for another and, as such, do not constitute property of estate); In re Al Copeland Enters., Inc., 133 B.R. 837, 842 (Bankr. W.D. Tex. 1991) (debtor obligated to pay sales taxes plus interest because such taxes were “trust fund” taxes), aff’d, 991 F.2d 233 (5th Cir. 1993); In re Am. Int’l Airways, Inc., 70 B.R. 102, 103 (Bankr. E.D. Pa. 1987) (holding that funds held in trust for federal excise and withholding taxes are not property of debtor’s estate and, therefore, not available for distribution to creditors); Shipley Co., Inc. v. Darr (In re Tap, Inc.), 52 B.R. 271, 278 (Bankr. D. Mass. 1985) (holding that funds paid by employer to debtor for payment of employer’s federal taxes were returnable to employer and not part of debtor’s estate).

16. To the extent the Taxes are considered “trust fund” taxes, payment of

those Taxes would not prejudice other unsecured creditors because such amounts would not be available for distribution. Notwithstanding the foregoing, to the extent certain of the Taxes are not property of the Debtors' estates, the Debtors seek the relief requested herein out of an abundance of caution.

C. Failure to Pay Certain Taxes and Fees Could Cause a Significant Distraction to Directors and Officers

17. Moreover, certain Applicable Authorities may seek to impose personal liability on the officers and directors of the Debtors for Taxes and Fees collected but not paid to such Applicable Authorities. Such proceedings would constitute a significant distraction for such officers and directors at a time when they should be focused on stabilizing postpetition business operations and implementing a successful sale process. Authorizing, but not directing, the Debtors to pay the Taxes and Fees would eliminate the potential for such distractions and eliminate any potential administrative claims for indemnification that directors and officers would assert against the Debtors if held personally liable for such Taxes and Fees (including penalties, interest and other related charges), as well as the time and expense of litigating such claims.

D. The Court May Authorize the Debtors to Pay the Taxes and Fees Under the Bankruptcy Code and Applicable Case Law

18. The Court may authorize the Debtors' payment of the Taxes and Fees under sections 105(a) and 363(b) of the Bankruptcy Code through the "necessity of payment" doctrine. Section 105(a) of the Bankruptcy Code, which codifies the equitable powers of bankruptcy courts, authorizes 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). Further, pursuant to section 363(b)(1) of the Bankruptcy Code, a debtor

may, in the exercise of its business judgment, use property of the estate outside of the ordinary course of business. See 11 U.S.C. § 363(b)(1).

19. Specifically, section 363(b)(1) of the Bankruptcy Code authorizes the Court, after notice and a hearing, to permit a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” See 11 U.S.C. § 363(b)(1). Although stated various ways, courts generally hold that a debtor’s decision to enter into a transaction outside of the ordinary course of business is governed by the business judgment standard. See Official Comm. of Unsecured Creditors v. Enron Corp. (In re Enron Corp.), 335 B.R. 22, 27–28 (S.D.N.Y. 2005); In re U.S. Airways Group, Inc., 287 B.R. 643, 645 (Bankr. E.D. Va. 2002).

20. When applying the “business judgment” rule, courts show great deference to the debtor’s decision making. See, e.g., Myers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996); In re Castre, Inc., 312 B.R. 426, 430-31 (Bankr. D. Colo. 2004); Murphy v. Howison (In re Murphy), 288 B.R. 1, 5 (D. Me. 2002); In re Bakalis, 220 B.R. 525, 532 (Bankr. E.D.N.Y. 1998). The Debtors submit that, because payment of the Taxes and Fees is not only critical to minimizing disruptions to the Debtors’ operations, but also necessary to prevent the irreparable harm that would result from non-payment of the Taxes and Fees (including, for example, if the Debtors were forced to cease doing business in certain jurisdictions), it is in the best interest of the Debtors’ estates, their creditors and all parties in interest for the Debtors to have discretion to pay such claims.

21. Further, in case law construing sections 105(a) and 363(b) of the Bankruptcy Code, it is well-established that bankruptcy courts have the equitable power to authorize the payment of prepetition claims where such payments are necessary to preserve the going concern value of a debtor’s business. See, e.g., In re Lehigh & New England Ry. Co., 657

F.2d 570, 581 (3d Cir. 1981); see also N.L.R.B. v. Bildisco & Bildisco, 465 U.S. 513, 528 (1984) (allowing payment of prepetition claims pursuant to sections 105(a) and 363(b) of the Bankruptcy Code where payment was critical to preserve debtor's business). To do so, "the debtor must articulate some business justification, other than the mere appeasement of major creditors." In re Ionosphere Clubs, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). Here, the Debtors' failure to pay the Taxes and Fees could have a material adverse impact on their ability to operate their business or consummate their sale process.

22. The relief requested is also supported by the "necessity of payment" doctrine. Numerous courts have used their section 105(a) powers under the "doctrine of necessity" to authorize payment of a debtor in possession's prepetition obligations where, as here, such payment is an essential element to the continuation of the debtors' business.⁵ See, e.g., Lehigh & New England Ry. Co., 657 F.2d at 581 (noting that "necessity of payment doctrine" provides that "if payment of a claim that arose prepetition is essential to the continued operation of the [debtor], payment may be authorized"); see also Michigan Bureau of Workers' Disability Compensation v. Chateaugay Corp. (In re Chateaugay Corp.), 80 B.R. 279 (S.D.N.Y. 1987), appeal dismissed, 838 F.2d 59 (2d Cir. 1988) (approving lower court order authorizing payment of prepetition wages, salaries, expenses and benefits); In re Penn Central Transp. Co., 467 F.2d 100, 102 n.1 (3d Cir. 1972) (holding that necessity of payment doctrine permits "immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims have been

⁵ The "doctrine of necessity" is an outgrowth of the "necessity of payment rule," first articulated in Miltenberger v. Logansport Ry. Co., 106 U.S. 286, 311-12 (1882) (payment of pre-receivership claim prior to completion of reorganization permitted to prevent "stoppage of . . . [crucial] business relations . . ."). While the "necessity of payment rule" was first applied to railroad reorganizations, the "doctrine of necessity" serves a similar function in chapter 11 cases. Each, however, recognizes the existence of judicial power to authorize a debtor in possession to pay prepetition claims if vital to its continued operations.

paid”); In re Columbia Gas Sys., Inc., 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (debtors may pay prepetition claims that are essential to continued operations).

E. The Equities Weigh in Favor of Payment of the Taxes and Fees

23. Payment of the Taxes and Fees is essential to the preservation of the Debtors’ business. The Debtors are required under federal, state and local law to pay the Taxes and Fees to operate and to conduct business in certain jurisdictions. Failure to pay the Taxes and Fees could subject the Debtors to substantial penalties and could impact the Debtors’ existing licenses and their ability to renew them, as well as their ability to maintain uninterrupted ownership rights to their intellectual property (subject to the Debtors’ rights under section 525 of the Bankruptcy Code). If the relief sought herein is granted, the total amount that would be paid to the Applicable Authorities is modest compared with the size of the Debtors’ estates. Because payment of the Taxes and Fees is essential to the Debtors’ business and their sale efforts, the Debtors believe that it is in the best interests of their estates, creditors and all parties in interest to permit the Debtors to honor payment of the Taxes and Fees.

24. Prior to the commencement of these cases, the Debtors diligently made efforts to pay all undisputed Taxes and Fees on a timely basis. While the Debtors believe they are substantially current in their payments of the Taxes and Fees, since the Debtors pay certain of the Taxes and Fees in arrears, the Debtors may currently owe undisputed and unpaid Taxes and Fees incurred prior to the Petition Date. Accordingly, the Debtors submit that the equities weigh heavily in favor of authorizing the Debtors to pay the Taxes and Fees.

25. Relief similar to that requested in the Motion has routinely been granted in other chapter 11 cases in this District. See, e.g., In re Cenveo, Inc., No. 18-22178 (RDD) (Bankr. S.D.N.Y. Mar. 8, 2018); In re Cumulus Media Inc., No. 17-13381 (SCC) (Bankr. S.D.N.Y. Dec. 21, 2017); In re Westinghouse Elec. Co. LLC, No. 17-10751 (MEW) (Bankr.

S.D.N.Y. May 24, 2017); In re SquareTwo Fin. Servs. Corp., No. 17-10659 (JLG) (Bankr. S.D.N.Y. Apr. 28, 2017); In re Avaya Inc., No. 17-10089 (SMB) (Bankr. S.D.N.Y. Feb. 10, 2017); In re DACCO Transmission Parts (NY), Inc., No. 16-13245 (MKV) (Bankr. S.D.N.Y. Dec. 22, 2016); In re Breitburn Energy Partners LP, No. 16-11390 (SMB) (Bankr. S.D.N.Y. June 15, 2016); In re Aéropostale, Inc., No. 16-11275 (SHL) (Bankr. S.D.N.Y. June 3, 2016); In re AOG Entertainment, Inc., No. 16-11090 (SMB) (Bankr. S.D.N.Y. May 2, 2016). The Debtors submit that the present circumstances warrant similar relief in these chapter 11 cases.

F. Request for Authority for Banks to Honor and Pay Checks Issued and Fund Transfers with Respect to the Taxes and Fees

26. In furtherance of the relief requested herein, the Debtors request that the Court authorize the banks with which the Debtors maintain disbursement and other accounts (the “**Banks**”) at the Debtors’ instruction to receive, honor, process and pay, to the extent of funds on deposit and in accordance with the agreements with the Banks governing such accounts, any and all checks or electronic funds transfers requested or to be requested by the Debtors relating to the Taxes and the Fees, including those checks or electronic funds transfers that have not cleared the Banks as of the Petition Date, without the need for further Court approval.

G. Requests for Immediate Relief and Waiver of Stay

27. Bankruptcy Rule 6003(b) allows the use of property of the estate, or the payment of prepetition claims, within twenty-one (21) days of the petition date if the relief is necessary to avoid “immediate and irreparable harm.” For the reasons set forth above and in the First Day Declaration, the Debtors submit that the payment of the Taxes and Fees is necessary to prevent immediate and irreparable harm to the Debtors and their estates. The Interim Order seeks payment only of amounts expected to come due prior to the hearing on the Final Order.

28. To successfully implement the relief the Debtors request in this Motion, the Debtors also request that the Court waive the notice requirements of Bankruptcy Rule 6004(a) and the stay imposed by Bankruptcy Rule 6004(h). As discussed above, the relief requested herein must be granted without delay in order for the Debtors to continue operating their business and for preservation of the estates. Therefore, the Debtors respectfully request that the notice and stay requirements imposed by Bankruptcy Rules 6004(a) and 6004(h), respectively, be waived.

NOTICE

29. Notice of this Motion will be provided to: (a) the United States Trustee for Region 2; (b) counsel to SunTrust Bank, as the administrative agent under the Debtors' proposed debtor-in-possession financing facility and under the Debtors' prepetition secured credit agreement; (c) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (d) Warburg Pincus Private Equity XII Funds, as majority shareholder of Glansaol LLC; (e) the minority shareholders of Glansaol LLC; (f) the United States Attorney's Office for the Southern District of New York; (g) the Internal Revenue Service, the Taxing Authorities and the Regulatory Authorities; and (h) the Banks. The Debtors submit that, under the circumstances, no other or further notice is required.

30. No previous motion for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and the Final Order, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: December 19, 2018
New York, New York

WILLKIE FARR & GALLAGHER LLP
*Proposed Counsel for the Debtors and
Debtors in Possession*

By: /s/ Brian S. Lennon

Brian S. Lennon
Daniel I. Forman
Andrew S. Mordkoff

787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

EXHIBIT A

Interim Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
 In re: : Chapter 11
 :
 Glansaol Holdings Inc., et al.,¹ : Case No. 18-_____ ()
 :
 Debtors. : (Jointly Administered)
 -----X

**INTERIM ORDER: (A) AUTHORIZING
PAYMENT OF CERTAIN PREPETITION TAXES AND
REGULATORY AND OTHER FEES; AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for an interim order and a final order, pursuant to sections 105(a), 363(b), 507(a)(8), and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003(b) and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”): (a) authorizing, but not directing, the Debtors to pay prepetition amounts owing in respect of taxes, and regulatory and other fees; and (b) granting related relief; and it appearing that this Court has jurisdiction to consider the Motion and the relief requested pursuant to 28 U.S.C §§ 157 and 1334; and it appearing that venue of the chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and a hearing having been held to consider the relief requested in the Motion; and

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s federal taxpayer identification number, if applicable, are as follows: Clark’s Botanicals, Inc. (0754); Glansaol Holdings Inc. (9485); Glansaol LLC (2012); Glansaol Management LLC (6879); Julep Beauty, Inc. (7984); Laura Geller Beauty, LLC (1706); Laura Geller Brands, LLC (N/A); and Laura Geller Holdings, LLC (6879). The Debtors’ executive headquarters are located at 575 Lexington Avenue, New York, NY 10022.

² Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Motion.

upon consideration of the First Day Declaration; and upon the record of the hearing; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and the legal and factual bases set forth in the Motion having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that:

1. The Motion is granted on an interim basis to the extent set forth herein.
2. The Debtors are authorized, but not directed, to remit all amounts owed for prepetition Taxes to the Taxing Authorities, in accordance with the Debtors' prepetition practice.
3. The Debtors are authorized, but not directed, to remit the prepetition Fees to the Regulatory Authorities, in accordance with the Debtors' prepetition practice.
4. In no event shall the Debtors pay any Taxes or Fees to the Applicable Authorities before such amounts are due and payable, and nothing in this Interim Order shall be deemed to allow the Debtors to accelerate payment of any amounts for Taxes or Fees that may be due and owing by the Debtors.
5. Subject to the terms of the Cash Management Order, each Bank is authorized, when requested by the Debtors in their sole discretion, to receive, process, honor and pay all prepetition and postpetition checks and fund transfers on account of the Taxes and Fees that had not been honored and paid as of the Petition Date; provided, however, that no Bank shall be obligated to process, honor or pay any such check or fund transfer if there are insufficient funds on deposit in the applicable account to cover such payment or the request is otherwise not

in compliance with the terms of any agreement between such Bank and any Debtor governing such account.

6. Notwithstanding anything to the contrary in this Interim Order, the authority of the Debtors to make any payments under this Interim Order is subject to the terms and conditions of the DIP Credit Agreement and the interim and final orders of this Court approving the financing provided thereunder, including, without limitation, that such payments must comply with the DIP Budget under, and as defined in, the DIP Credit Agreement. Neither the entry of this Interim Order nor any pre-petition or post-petition agent's or lender's failure to object to the entry of this Interim Order is intended, or shall be construed, as a consent or waiver of any objection to any payment under this Interim Order or otherwise in excess of the amount authorized under the DIP Credit Agreement and the DIP Budget.

7. Nothing in this Interim Order or the Motion shall be construed as impairing or prejudicing the Debtors' rights to contest the amount, classification or allowability of any Taxes or Fees asserted in these cases.

8. Authorization to pay prepetition Taxes shall not create any additional obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay such Taxes or Fees, and nothing in this Interim Order shall be deemed to increase, reclassify, elevate to administrative expense status, or otherwise affect the prepetition Taxes or Fees to the extent they are not paid.

9. Within five (5) business days of the entry of this Interim Order, notice of the Motion and the Interim Order will be given to: (a) the United States Trustee for Region 2; (b) counsel to SunTrust Bank, as the administrative agent under the Debtors' proposed debtor-in-possession financing facility and under the Debtors' prepetition secured credit agreement; (c) the

Debtors' thirty (30) largest unsecured creditors on a consolidated basis or any official committee of unsecured creditors; (d) Warburg Pincus Private Equity XII Funds, as majority shareholder of Glansaol LLC; (e) the minority shareholders of Glansaol LLC; (f) the United States Attorney's Office for the Southern District of New York; (g) the Internal Revenue Service, the Taxing Authorities and the Regulatory Authorities; and (h) the Banks.

10. Any responses or objections to the Motion and entry of an order granting the relief requested in the Motion on a final basis (the "**Final Order**") must: (a) be made in writing; (b) state with particularity the grounds therefor; (c) conform to the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York; (d) be filed with the United States Bankruptcy Court for the Southern District of New York; and (e) be served upon: (i) Glansaol Holdings Inc., 575 Lexington Ave, New York, NY 10022; (ii) proposed counsel to the Debtors, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Brian S. Lennon, Esq., Daniel I. Forman, Esq. and Andrew S. Mordkoff, Esq.); (iii) counsel to SunTrust Bank, as the administrative agent under the Debtors' proposed debtor-in-possession financing facility and under the Debtors' prepetition secured credit agreement, Parker, Hudson, Rainer & Dobbs LLP, 303 Peachtree Street, N.E., Suite 3600, Atlanta, Georgia 30308 (Attn: Rufus T. Dorsey, Esq. and Eric W. Anderson, Esq.); (iv) counsel to any official committee of unsecured creditors; and (v) counsel to the U.S. Trustee for Region 2, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Serene Nakano, Esq. and Greg M. Zipes, Esq.) (collectively, the "**Notice Parties**"). The deadline by which objections to the Motion and the Final Order must be filed and received by the Notice Parties is [], 2019 at 4:00 p.m. (prevailing Eastern Time) (the "**Objection Deadline**").

11. A final hearing, if required, on the Motion will be held on [], 2019 at

[] [] .m. (prevailing Eastern Time). If no objections are filed and served to the Motion and entry of the Final Order on or before the Objection Deadline, the Court may enter the Final Order without further notice or hearing.

12. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

13. The requirements of Bankruptcy Rule 6004(a) are waived.

14. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon its entry.

15. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Interim Order.

16. This Interim Order, and all acts taken in furtherance of or reliance upon this Interim Order, shall be effective notwithstanding the filing of an objection.

17. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Interim Order.

Dated: _____, 2018
New York, New York

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Final Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
 In re: : Chapter 11
 :
 Glansaol Holdings Inc., et al.,¹ : Case No. 18-_____ ()
 :
 Debtors. : (Jointly Administered)
 -----X

**FINAL ORDER: (A) AUTHORIZING
PAYMENT OF CERTAIN PREPETITION TAXES AND
REGULATORY AND OTHER FEES; AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for an interim order and a final order, pursuant to sections 105(a), 363(b), 507(a)(8) and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”): (a) authorizing, but not directing, the Debtors to pay prepetition amounts owing in respect of taxes, and regulatory and other fees; and (b) granting related relief; and the Court having entered the *Interim Order: (A) Authorizing Payment of Prepetition Taxes and Regulatory and Other Fees; and (B) Granting Related Relief* [Docket No. ___]; and it appearing that this Court has jurisdiction to consider the Motion and the relief requested pursuant to 28 U.S.C §§ 157 and 1334; and it appearing that venue of the chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s federal taxpayer identification number, if applicable, are as follows: Clark’s Botanicals, Inc. (0754); Glansaol Holdings Inc. (9485); Glansaol LLC (2012); Glansaol Management LLC (6879); Julep Beauty, Inc. (7984); Laura Geller Beauty, LLC (1706); Laura Geller Brands, LLC (N/A); and Laura Geller Holdings, LLC (6879). The Debtors’ executive headquarters are located at 575 Lexington Avenue, New York, NY 10022.

² Capitalized terms used but not otherwise defined herein have the meanings given to such term in the Motion.

notice of the Motion has been given and that no other or further notice is necessary; and a hearing having been held to consider the relief requested in the Motion; and upon consideration of the First Day Declaration; and upon the record of the hearing; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and the legal and factual bases set forth in the Motion having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that:

1. The Motion is granted on a final basis to the extent set forth herein.
2. The Debtors are authorized, but not directed, to remit all amounts owed for prepetition Taxes to the Taxing Authorities.
3. The Debtors are authorized, but not directed, to remit the prepetition Fees to the Regulatory Authorities.
4. Subject to the terms of the Cash Management Order, each Bank is authorized, when requested by the Debtors in their sole discretion, to receive, process, honor and pay all prepetition and postpetition checks and fund transfers on account of the Taxes and Fees that had not been honored and paid as of the Petition Date; provided, however, that no Bank shall be obligated to process, honor or pay any such check or fund transfer if there are insufficient funds on deposit in the applicable account to cover such payment or the request is otherwise not in compliance with the terms of any agreement between such Bank and any Debtor governing such account.
5. Notwithstanding anything to the contrary in this Final Order, the authority of the Debtors to make any payments under this Final Order is subject to the terms and

conditions of the DIP Credit Agreement and the interim and final orders of this Court approving the financing provided thereunder, including, without limitation, that such payments must comply with the DIP Budget under, and as defined in, the DIP Credit Agreement. Neither the entry of this Final Order nor any pre-petition or post-petition agent's or lender's failure to object to the entry of this Final Order is intended, or shall be construed, as a consent or waiver of any objection to any payment under this Final Order or otherwise in excess of the amount authorized under the DIP Credit Agreement and the DIP Budget.

6. In no event shall the Debtors pay any Taxes or Fees to the Applicable Authorities before such amounts are due and payable and nothing in this Final Order shall be deemed to allow the Debtors to accelerate payment of any amounts that may become due and owing by the Debtors.

7. Nothing in this Final Order or the Motion shall be construed as impairing or prejudicing the Debtors' rights to contest the amount, classification or allowability of any Taxes or Fees asserted in these cases.

8. Authorization to pay prepetition Taxes or Fees shall not create any additional obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay such Taxes and Fees, and nothing in this Final Order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise affect the prepetition Taxes and Fees to the extent they are not paid.

9. The requirements of Bankruptcy Rule 6004(a) are waived

10. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon its entry.

11. The Debtors are authorized to take all such actions as are necessary or

appropriate to implement the terms of this Final Order.

12. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Final Order.

Dated: _____, 2019
New York, New York

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

Taxing and Regulatory Authorities

Arizona	Department of Revenue	1600 W. Monroe	Phoenix , AZ 85007-2650		
California	Franchise Tax Board	P.O. Box 942840	Sacramento, CA 94240-0040		
Colorado	Department of Revenue	PO Box 17087	Denver, CO 80217-0087		
Florida	Department of Revenue	5050 West Tennessee Street	Tallahassee, FL 32399-0100		
Georgia	Department of Revenue	1800 Century Center Blvd., N.E., Suite 12000	Atlanta, GA 30345-3205		
Illinois	Department of Revenue	James R. Thompson Center - Concourse Level	100 West Randolph Street	Chicago, IL 60601-3274	
Iowa	Department of Revenue	PO Box 10471	Des Moines, IA 50306-0471		
Kansas	Department of Revenue	915 SW Harrison Street	Topeka, KS 66699-4000		
Maryland	Comptroller of Maryland	State Office Bldg.	301 W. Preston Street	Room 206	Baltimore, MD 21201-2384
Michigan	Department of Treasury	Lansing, MI 48922			
Minnesota	Department of Revenue	600 North Robert St.	St. Paul, MN 55101		
Missouri	Department of Revenue	Harry S Truman State Office Building	301 West High Street	Jefferson City, MO 65101	
New Jersey	Division of Taxation	Bankruptcy Section	P.O. Box 245	Trenton, NJ 08695-0245	
New York	Department of Taxation and Finance	Bankruptcy Section	PO Box 5300	Albany, NY 12205-0300	
North Carolina	Department of Revenue	P.O. Box 25000	Raleigh, NC 27640-0640		
Ohio	Department of Taxation	4485 Northland Ridge Blvd.	Columbus, OH 43229		
Pennsylvania	Department of Revenue	110 N 8th St, Suite 204A	Philadelphia, PA 19107-2412		
South Carolina	Department of Revenue	300A Outlet Pointe Boulevard	Columbia, SC 29210		
Texas	Texas Comptroller of Public Accounts	P.O. Box 13528	Capitol Station	Austin, TX 78711-3528	
Virginia	Department of Taxation	Office of Customer Services	P.O. Box 1115	Richmond, VA 23218-1115	
Washington	Department of Revenue	PO Box 47464	Olympia, WA 98504-7464		
	Internal Revenue Service	P.O. Box 7346	Philadelphia, PA 19101-7346		
OVERNIGHT	Internal Revenue Service	2970 Market Street	Mail Stop 5-Q30.133	Philadelphia, PA 19104-5016	
Arizona	Arizona Department of Revenue	P.O. Box 29010	Phoenix, AZ 85038		
California	CA Dept of Tax & Fee Administration	450 N Street	Sacramento, CA 95814		
Colorado	Colorado Department of Revenue	Sales and Use Tax	Denver, CO 80261-0013		
Florida	Department of Revenue	Sales and Use Tax	5050 West Tennessee Street	Tallahassee, FL 32399-0120	
Georgia	Georgia Dept. of Revenue	Sales and Use Tax	P.O. Box 105408	Atlanta, GA 30348-5408	
Illinois	Department of Revenue	Sales and Use Tax	P.O. Box 19013	Springfield, IL 62794-9013	
Iowa	Iowa Department of Revenue	Sales and Use Tax	P.O. Box 10412	Des Moines, IA 50306-0412	
Kansas	Department of Revenue	Sales and Use Tax	P.O. Box 750680	Topeka, KS 66675-0680	
Maryland	Revenue Administration Division	Taxpayer Service Section	110 Carroll Street	Annapolis, MD 21411-0001	
Michigan	Department of Treasury	P.O. Box 30401	Lansing, MI 48909-7901		
Minnesota	Minnesota Department of Revenue	Sales and Use Tax	Mail Station 6330	St. Paul, MN 55146-6330	
Missouri	Missouri Department of Revenue	Sales and Use Tax	Harry S Truman State Office Building	301 West High Street	Jefferson City, MO 65101
New Jersey	N.J. Division of Taxation	Bankruptcy Section	PO Box 245	Trenton, NJ 08695-0245	
New York	NY Department of Taxation	Sales Tax Registration Unit	W A Harriman Campus	Albany, NY 12227	

North Carolina	Department of Revenue	Sales and Use Tax	P.O. Box 2500	Raleigh, NC 27640-0700	
Ohio	Ohio Dept of Taxation	PO Box 182131	Columbus, Oh 43218-2131		
Pennsylvania	PA Department of Revenue	B.I.D.M.	P.O. Box 280406	Harrisburg, PA 17128-0406	
South Carolina	South Carolina Department of Revenue	Sales Tax	P.O. Box 125	Columbia, SC 29214-0400	
Texas	Comptroller of Public Accounts	111 E. 17th St.	Austin, TX 78774-0100		
Virginia	Virginia Dept of Taxation	P.O. Box 1115	Richmond, VA 23218-1115		
Washington	Washington State Department of Revenue	Taxpayer Services	PO Box 47478	Olympia, WA 98504-7478	