

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.,<sup>1</sup> : Case No. 18-\_\_\_\_\_ ( )  
: :  
Debtors. : (Joint Administration Pending)  
-----X

**DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS AUTHORIZING:  
(A) CONTINUED USE OF DEBTORS’ CASH MANAGEMENT SYSTEM AND PROCEDURES; (B) MAINTENANCE AND CONTINUED USE OF EXISTING BANK ACCOUNTS; (C) MODIFICATION OF CERTAIN U.S. TRUSTEE OPERATING GUIDELINES RELATING TO BANK ACCOUNTS; (D) CONTINUATION OF INTERCOMPANY TRANSACTIONS AND ACCORDANCE OF ADMINISTRATIVE EXPENSE STATUS TO INTERCOMPANY CLAIMS; AND (E) 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 (the “**Motion**”) 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

<sup>1</sup> 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.

form attached hereto as Exhibit B (the “**Final Order**”), pursuant to sections 105(a), 345, 363, 364 and 503 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**”), authorizing and approving: (a) the Debtors’ continued use of their existing cash management system and procedures (the “**Cash Management System**”); (b) the Debtors’ maintenance and continued use of their existing bank accounts (the “**Bank Accounts**”) located at the banks (the “**Banks**”) listed on Exhibit C annexed hereto; (c) modification of certain operating guidelines relating to bank accounts set forth by the United States Trustee for Region 2 (the “**U.S. Trustee**”) pursuant to the U.S. Trustee’s Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (the “**U.S. Trustee Guidelines**”); (d) continuation of intercompany transactions in the ordinary course of business, consistent with the Debtors’ prepetition practices, including providing funding to, or payments on behalf of, other Debtors (the “**Intercompany Transactions**”), and accordance of administrative expense status to claims arising from such transactions (the “**Intercompany Claims**”); and (e) granting related relief. 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), 345, 363, 364 and 503 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004.

### **RELIEF REQUESTED**

4. By this Motion, the Debtors seek entry of the Interim Order and the Final Order, pursuant to sections 105(a), 345, 363, 364 and 503 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, authorizing and approving: (a) the continued use of the Debtors' Cash Management System; (b) the maintenance and continued use of their existing Bank Accounts; (c) modification of certain operating guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines; (d) continuation of Intercompany Transactions in the ordinary course of business, consistent with the Debtors' prepetition practices, and accordance of administrative expense status to claims for such transactions; and (e) granting related relief.

### **THE DEBTORS' EXISTING BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM**

5. The Debtors are one of the largest independent beauty and personal care companies in the United States. With a portfolio of three highly regarded product lines — Laura

Geller, Julep, and Clark's — the Debtors' primary source of revenue consists of receipts generated from the sale of various beauty products, from makeup to skin care.

6. Prior to the Petition Date, in the ordinary course of their business, the Debtors used the Cash Management system to efficiently collect and disburse the funds generated by the Debtors' business operations. The Cash Management System enables the Debtors to monitor the collection and disbursement of funds and control the administration of their Bank Accounts. Although many aspects of the Cash Management System are automated, the Debtors' finance personnel monitor all transfers and disbursements and are able to track all of the Debtors' receipts related to the sale of their prestige beauty products using software that the Debtors' employees can access to monitor such receipts. Additionally, the Debtors' employees regularly reconcile the Debtors' books and records to ensure that all receipts, transfers, and disbursements are properly recorded.

7. The Cash Management System has three main components: (a) cash collection; (b) cash concentration; and (c) cash disbursements. To support their operations, the Debtors maintain 14 bank accounts at SunTrust Bank ("**SunTrust**") and one bank account at Wells Fargo. On information and belief, the Debtors state that all of the Bank Accounts are held at financially stable banking institutions. All accounts are at banks that have been approved by the U.S. Trustee as an authorized bank depository in accordance with the U.S. Trustee Guidelines (defined below). The Debtors' Bank Accounts and cash flow are described below.<sup>2</sup>

A. Cash Collection and Concentration

---

<sup>2</sup> A schematic illustrating the general flow of funds through the Cash Management System is also attached hereto as Exhibit D.

8. Receipts generated from the Debtors' customers in the United States are deposited into one of three collection accounts maintained at SunTrust (the "**U.S. Collection Accounts**") — one for each of the Debtors' business lines (i.e., Laura Geller, Julep, and Clark's). At the close of each business day, receipts deposited into the U.S. Collection Accounts are zeroed out through an automatic sweep to a concentration account held at SunTrust (the "**Concentration Account**"), which serves as the ultimate collection point for the funds moving through the Cash Management System. The Debtors also maintain a collection account at Wells Fargo relating to receipts generated from the Debtors' Julep nail parlor operations in Seattle, Washington. Receipts from this account are manually transferred into the Concentration Account on a period basis.

9. On a daily basis, and pursuant to the terms of the Debtors' prepetition credit agreement, at the close of each business day, the collected available balance of the Concentration Account is zeroed out through an automatic sweep to reduce the balance on the Debtors' secured revolving line of credit facility.

B. **Cash Disbursements**

10. The Debtors disburse funds through six disbursement accounts at SunTrust (collectively, the "**Disbursement Accounts**") required to satisfy the Debtors' financial obligations associated with their business. The Disbursement Accounts are funded by drawing down on the Debtors' revolving line of credit facility on a daily basis in the amount of upcoming disbursements.

11. Two of the Disbursement Accounts relate to payroll. The Debtors pay their payroll and other compensation from two payroll accounts at SunTrust — one related to the Debtors' Julep business and the other related to the Debtors' Laura Geller business (collectively,

the “**Payroll Accounts**”).<sup>3</sup> Funds are manually transferred to the Payroll Accounts one business day prior to payroll. The Debtors’ payroll service provider, Paylocity Corporation, then debits the Payroll Accounts and issues checks and direct deposits to the Debtors’ employees.

12. Additional Disbursement Accounts are used to pay accounts payable, taxes and other disbursements.

C. European Operating Accounts

13. In addition, receipts generated from sales in Europe are deposited into two SunTrust operating accounts. These accounts function separately from the rest of the Debtors’ Cash Management System and are used solely to receive and make foreign currency payments related to the Debtors’ European operations.

D. Glansaol Holdco Account

14. Debtor Glansaol Holdings Inc. maintains a deposit account at SunTrust Bank ending in 8996 as reflected on Exhibit C attached hereto (the “**Holdco Account**”). As of the Petition Date, the Holdco Account is being used exclusively for the purpose of holding the deposit posted by AS Beauty LLC (the “**Stalking Horse Bidder**”) in connection with the Debtors’ proposed sale of all, or substantially all, of the Debtors’ assets. The Debtors propose to use the Holdco Account exclusively for the purpose of holding the bid deposit delivered by the Stalking Horse Bidder and deposits delivered by other bidders in connection with any alternative sale transactions.

E. Intercompany Transactions and Claims

---

<sup>3</sup> The Debtors’ employees working for the Clark’s brand are also paid through the Payroll Accounts.

15. While the Debtors maintain a centralized Cash Management System, they account for obligations that arise among the various legal entities (the “Intercompany Claims”) through book entries on the Debtors’ books and records.

16. The Debtors hereby request authority to continue their prepetition practices with respect to Intercompany Claims and further, pursuant to sections 364(b) and 503(b)(1) of the Bankruptcy Code, to accord superpriority administrative expense status to obligations arising out of the Intercompany Claims.

### **BASIS FOR RELIEF**

#### A. U.S. Trustee Guidelines

17. The U.S. Trustee Guidelines, which were adopted to assist the U.S. Trustee in supervising the administration of chapter 11 cases, require chapter 11 debtors to, among other things:

- (a) close all existing bank accounts;
- (b) open new debtor in possession operating, payroll and tax accounts; and
- (c) obtain and utilize new checks for all debtor in possession accounts which bear the designation “Debtor in Possession” and contain certain other information related to the chapter 11 cases.

18. The Debtors’ continued use of the Bank Accounts is essential to their smooth and orderly transition into chapter 11. All parties in interest will be best served by the continued use of the Bank Accounts, as it will minimize disruption of the Debtors’ business. Moreover, change is unnecessary because the Cash Management System allows the Debtors to differentiate between pre- and post-petition transactions, account balances and obligations. To ensure that the maintenance of the current Cash Management System does not prejudice parties in interest, the Debtors will separately record the balances of each of their Bank Accounts as of

the Petition Date so as to track postpetition activity and ensure that such transactions are adequately and promptly documented in their books and records. Accordingly, the Debtors request a modification of the U.S. Trustee Guidelines requiring that they close all existing Bank Accounts and open new debtor in possession accounts.

19. The Debtors further request that all Banks where the Debtors hold the Bank Accounts be authorized to: (a) continue to administer the Bank Accounts in the manner maintained prior to the Petition Date, without interruption, in the usual and ordinary course; and (b) receive, process and honor and pay any and all checks, drafts, wires or ACH transfers drawn on the Bank Accounts by the holders or makers thereof, as the case may be, to the extent of funds on deposit, drawn or issued by the Debtors and in accordance with the agreements entered into prepetition governing such Bank Accounts (i) after the Petition Date, or (ii) prior to the Petition Date, if such applicable Bank has been specifically authorized, and directed by the Debtors, to honor such payments by order of this Court.

20. The Debtors also request that, except for those checks that may be honored and paid to comply with any orders of this Court authorizing payment of certain prepetition claims (the “**Authorized Checks**”),<sup>4</sup> no checks or drafts issued on the Bank Accounts before the Petition Date but presented for payment after the Petition Date shall be honored or paid. To minimize confusion, the Debtors will provide the Banks with a list of outstanding Authorized Checks within five business days after the entry of the order authorizing payment of such Authorized Checks.

---

<sup>4</sup> Concurrently herewith, the Debtors have filed various motions seeking to pay prepetition amounts owed, as set forth in more detail in the First Day Declaration.



21. As part of the Cash Management System, the Debtors utilize preprinted checks and other business forms in the ordinary course of business, including business letterhead, purchase orders, invoices, envelopes, promotional materials and other business forms and correspondence (collectively, the “**Business Forms**”). The U.S. Trustee Guidelines require that the Debtors print “Debtor in Possession” and the Debtors’ jointly administered bankruptcy case number on checks issued after the Petition Date. To minimize expenses and avoid confusion on the part of employees, customers, vendors and suppliers during the pendency of the chapter 11 cases, the Debtors request that the Court authorize the continued use of all Business Forms as such forms were in existence immediately before the Petition Date, without reference to the Debtors’ status as debtors in possession. If the Debtors exhaust their existing supply of checks during these chapter 11 cases, the Debtors will print or order checks with the designation “Debtors in Possession” and the corresponding bankruptcy case number.

B. Section 345 Deposit and Investment Requirements

22. Section 345 of the Bankruptcy Code governs a debtor’s deposit and investment of cash during a chapter 11 case and authorizes the deposits or investments of money “as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a).

23. Section 345(b) of the Bankruptcy Code provides:

Except with respect to a deposit or investment that is 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, the trustee shall require from an entity with which such money is deposited or invested—

(1) a bond—

(A) in favor of the United States;

- (B) secured by the undertaking of a corporate surety approved by the United States trustee for the district in which the case is pending; and
- (C) conditioned on—
  - (i) a proper accounting for all money so deposited or invested and for any return on such money;
  - (ii) prompt repayment of such money and return; and
  - (iii) faithful performance of duties as a depository; or
- (2) the deposit of securities of the kind specified in section 9303 of title 31; unless the court for cause orders otherwise.

11 U.S.C. § 345(b) (emphasis added).

24. The purpose of section 345(b) of the Bankruptcy Code is to protect creditors of an estate against a loss of funds of the estate through deposit or investment. See 3 COLLIER ON BANKRUPTCY ¶ 345.04 (16th ed. 2009). Section 345(b) of the Bankruptcy Code further provides that a bankruptcy court may allow the use of alternatives to these approved guidelines “for cause.” 11 U.S.C. § 345(b); see also In re Serv. Merch. Co., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (finding “cause” exists for waiver of investment, deposit and reporting requirements where debtor is a large, sophisticated entity with complex cash management system).

25. In addition, the U.S. Trustee Guidelines generally require chapter 11 debtors to, among other things, deposit all estate funds into an account with an authorized depository approved by the U.S. Trustee.

C. The Debtors’ Bank Accounts Are in Compliance with Section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines

26. The Debtors submit that they are in compliance with section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines with respect to each of the Bank Accounts. All of the Bank Accounts are maintained at Banks that have been approved by the U.S. Trustee as an authorized bank depository in accordance with the U.S. Trustee Guidelines. Accordingly, the Debtors believe that any funds that are deposited in their Bank Accounts are secure and thus, the Debtors are in compliance with section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines.

D. Continued Use of the Cash Management System Is Warranted

27. Maintenance of the Cash Management System constitutes an ordinary course, essential business practice for the Debtors. The Cash Management System tracks all cash payments relating to the Debtors. The Cash Management System is similar to those commonly employed by corporate enterprises comparable to the Debtors in size and complexity. The widespread use of such systems, moreover, is attributable to the numerous benefits they provide, including the ability to: (a) control and monitor corporate funds; (b) deploy idle cash in the most effective manner possible; (c) ensure cash availability throughout the enterprise; and (d) reduce administrative expenses by facilitating the movement of funds and the development of timely and accurate account balance and presentment information. These controls are especially important here, given the significant volume of transactions managed through the Cash Management System and the importance of maintaining enterprise-wide access.

28. It would be difficult and unduly burdensome for the Debtors to immediately establish an entirely new system of accounts and a new cash management system and disbursement system for each separate legal entity. Thus, under the circumstances, the maintenance of the Cash Management System for these cases is not only essential, but is also in

the best interests of the Debtors' estates and their creditors.<sup>5</sup> If the Debtors are not permitted to continue to utilize the Cash Management System, their operations would be severely, and perhaps irreparably, disrupted. Accordingly, the Debtors respectfully request that the Court authorize the Debtors' continued use of the Cash Management System described herein.

29. Section 363(c)(1) of the Bankruptcy Code authorizes 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). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor with the flexibility to engage in those transactions that make up the bulk of its day-to-day operations without incurring the excessive monitoring costs that would result from the need to provide notice of, and obtain approval for, such ordinary course activities. See, e.g., Medical Malpractice Ins. Ass'n v. Hirsch (In re Lavigne), 114 F.3d 379, 384 (2d Cir. 1997); Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.), 207 B.R. 406, 409 (S.D.N.Y. 1997); In re Enron Corp., 2003 WL 1562202, at \*15 (Bankr. S.D.N.Y. Mar. 21, 2003). The Debtors' ability to continue using the Cash Management System and engaging in related routine transactions falls within the parameters of section 363(c)(1) of the Bankruptcy Code. See In re Amdura Corp., 75 F.3d 1447, 1453 (10th Cir. 1996); In re Charter Co., 778 F.2d 617, 621 (11th Cir. 1985) (holding that a debtor's request for authority to continue using its existing cash management system is consistent with section 363(c)(1) of the Bankruptcy Code).

30. Under the circumstances and because continued use of the Cash Management System is in the best interests of their estates, their creditors and other parties in

---

<sup>5</sup> As a matter of course, the Debtors will continue to maintain current records with respect to all transfers of cash, so that all postpetition transactions can be readily ascertained, traced and recorded properly.

interest, the Debtors request that the Court authorize the Debtors to continue using the Cash Management System.

31. Courts in this District have routinely granted such authority in other chapter 11 cases for similar reasons. 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. Jun. 9, 2017); In re SquareTwo Fin. Servs. Corp., No. 17-10659 (JLG) (Bankr. S.D.N.Y. Apr. 28, 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. Jun. 15, 2016).

D. The Debtors Should Be Authorized to Continue Using Their Existing Business Forms

32. To avoid disruption of the Cash Management System and unnecessary expense, the Debtors request that they be authorized to continue to use the Business Forms substantially in the form existing immediately before the Petition Date, without reference to their status as debtors in possession. The Debtors submit that parties in interest will not be prejudiced by this relief. Parties doing business with the Debtors undoubtedly will be aware of their status as debtors in possession and thus, changing Business Forms is unnecessary and would be unduly burdensome. If the Debtors exhaust their existing supply of checks during these chapter 11 cases, the Debtors will print or order checks with the designation “Debtors in Possession” and the corresponding bankruptcy case number.

E. Postpetition Intercompany Claims Should Be Treated as Administrative Expenses Pursuant to Sections 364(b) and 503(b)(1) of the Bankruptcy Code

33. To ensure that each individual Debtor will not, at the expense of creditors, fund the operation of an affiliated entity, the Debtors respectfully request that the Court, pursuant

to sections 364(b) and 503(b)(1) of the Bankruptcy Code, authorize the Debtors to treat all Intercompany Claims arising after the Petition Date in the ordinary course of business as administrative expenses. The Debtors account for the Intercompany Claims through book entries on the Debtors' books and records. If the Court authorizes the Debtors to treat the Intercompany Claims as administrative expenses, then each entity utilizing funds flowing through the Cash Management System and receiving services through intercompany arrangements should continue to bear ultimate repayment responsibility for such ordinary course transactions and their related share of the cost of services provided.

34. Based on the foregoing, the Debtors submit that the relief requested herein is necessary and appropriate, is in the best interests of their estates, their creditors and all other interested parties, and should be granted in all respects.

E. Request for Immediate Relief and Modification of Stay

35. The Debtors further submit that because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein, Bankruptcy Rule 6003 has been satisfied.

36. To successfully implement the foregoing, the Debtors respectfully seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay under Bankruptcy Rule 6004(h).

**NOTICE**

37. 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 Glansol 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; and (h) the Banks. The Debtors submit that, under the circumstances, no other or further notice is required.

38. 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 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.,<sup>1</sup> : Case No. 18-\_\_\_\_\_ ( )  
 :  
 Debtors. : (Jointly Administered)  
 -----X

**INTERIM ORDER AUTHORIZING: (A) CONTINUED USE OF DEBTORS’ CASH MANAGEMENT SYSTEM AND PROCEDURES; (B) MAINTENANCE AND CONTINUED USE OF EXISTING BANK ACCOUNTS; (C) MODIFICATION OF CERTAIN U.S. TRUSTEE OPERATING GUIDELINES RELATING TO BANK ACCOUNTS; (D) CONTINUATION OF INTERCOMPANY TRANSACTIONS AND ACCORDANCE OF ADMINISTRATIVE EXPENSE STATUS TO INTERCOMPANY CLAIMS; AND (E) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for entry of an interim order, pursuant to sections 105(a), 345, 363, 364 and 503 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**”), authorizing: (a) the continued use of the Debtors’ cash management system and procedures (the “**Cash Management System**”); (b) the maintenance and continued use of their existing bank accounts (the “**Bank Accounts**”); (c) modification of certain operating guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines; (d) continuation of intercompany transactions in the ordinary course of business, consistent with the Debtors’ prepetition practices, and accordance of administrative expense status to claims for such transactions; and (e) granting related relief; and upon the Declaration of Nancy Bernardini in

---

<sup>1</sup> 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.

Support of Chapter 11 Petitions and First Day Pleadings; and upon the record of the hearing on the Motion; and this Court having jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of these cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; 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. Capitalized terms not defined herein have the meanings given to such terms in the Motion.
3. The Debtors are authorized and empowered to continue to manage their cash pursuant to the Cash Management System they maintained prior to the Petition Date, to collect and disburse cash in accordance with the Cash Management System, and to use all existing Bank Accounts in accordance with and in furtherance of the Cash Management System.
4. The Debtors shall not be required to close all existing Bank Accounts and open new debtor in possession accounts, nor shall they be required to establish specific bank accounts for operating, payroll and tax payments.
5. The Debtors may disburse funds from the Bank Accounts by checks, drafts, wires, debits, ACH transfers or by any other means subject to the terms of the agreements governing such Bank Accounts entered into prepetition by the Debtors and the respective Banks.

6. The Debtors are authorized to continue using their existing Business Forms without reference to the Debtors' status as debtors in possession; provided, however that as soon as practicable after the entry of this Order, the Debtors shall use their reasonable best efforts to stamp or print their Business Forms with "Debtor-in-Possession" and the Chapter 11 case number under which these cases are administered and upon depletion of their existing supply of checks, the Debtors shall stamp or print their new check stock with "Debtor-in-Possession" and the chapter 11 case number under which these cases are being administered in compliance with the U.S. Trustee Guidelines.

7. All applicable Banks and other financial institutions are authorized to accept and hold or invest funds, at the Debtors' direction, in accordance with the Debtors' prepetition investment practices.

8. Each Bank where the Debtors maintain a Bank Account is authorized to continue to service and administer such Bank Account as an account of the Debtors as debtors in possession without interruption, in the usual and ordinary course, and in accordance with the agreements governing such Bank Account entered into prior to the Petition Date by the applicable Debtor and such Bank, including, without limitation, continuing: (a) to receive, process and honor and pay any and all checks, drafts, wires, ACH transfers or other payment items (collectively, the "**Bank Payments**") drawn or issued on such Bank Account by the holders or makers thereof, as the case may be, to the extent of funds on deposit, drawn or issued by the applicable Debtor (i) after the Petition Date, or (ii) prior to the Petition Date, if such applicable Bank has not received a specific stop payment order in compliance with this Interim Order; (b) to deduct, without further order of this Court, from the appropriate Bank Account such Bank's customary fees and expenses associated with the nature of the deposit, cash management

or custodial services rendered to the applicable Debtor, whether arising prior to or after Petition Date from such Bank Account; (c) to charge back to the appropriate Bank Account of the Debtors any amounts resulting from returned checks or other returned Bank Payments, including returned Bank Payments that resulted from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned Bank Payments were deposited or transferred prior to or after Petition Date and regardless of whether the returned Bank Payments relate to prepetition or postpetition items or transfers; and (d) upon the Debtors' request, to issue after the Petition Date checks, or to effect fund transfer requests, in replacement of any checks or other Bank Payment requests issued prior to Petition Date that are dishonored as a consequence of these Chapter 11 cases. The Banks shall continue to enjoy the rights, benefits, liens, offset rights, privileges and remedies afforded the Banks under the prepetition agreements governing the Bank Accounts except to the extent expressly modified by the terms of this Interim Order or any order approving Debtors' use of cash collateral and/or any postpetition debtor-in-possession financing (collectively the "**DIP Order**"). Notwithstanding anything to the contrary in this Interim Order or a DIP Order, (i) no Bank shall be obligated to extend credit to any Debtor or honor any check or other Bank Payment drawn on a Bank Account at such Bank unless there are sufficient and fully collected funds in such Bank Account, (ii) all requests for wire transfers and ACH requests must be prefunded by the Debtors; (iii) payments made by the Debtors pursuant to the authority granted in this Interim Order must be in compliance with, and shall be subject to, the requirements imposed on the Debtors under any DIP Order, and (iv) to the extent there is any inconsistency between the terms of a DIP Order and any action taken or proposed to be taken hereunder, the terms of any DIP Order shall control.

9. Any postpetition fees, costs, charges and expenses, including Bank Fees, or chargebacks, payable to the Banks under the Cash Management System that are not paid shall be entitled to priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code.

10. All Banks provided with notice of this Interim Order shall neither honor nor pay any Bank Payments drawn on the 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 in advance of presentment of the item subject to the stop payment order. Each of the Banks is otherwise authorized to debit the applicable Bank Account in the ordinary course of business without the need for further order of this Court for all Bank Payments drawn or issued on the Bank Accounts.

11. Subject to the terms of this Interim Order, any Bank may rely upon the representations and directions of the Debtors with respect to whether any Bank Payment drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and, notwithstanding any provision of this Interim Order, no Bank that honors a prepetition check or Bank Payment 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 the Court has authorized such prepetition check or Bank Payment; or (c) as the result of a good faith error made despite implementation of reasonable Bank Payment handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Interim Order.

12. The Debtors shall record the consolidated balances of each of their Bank Accounts so that all postpetition transfers and transactions respecting such Bank Accounts shall be adequately and promptly documented in, and readily ascertainable from, their books and

records, to the same extent maintained by the Debtors prior to the commencement of these chapter 11 cases.

13. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Accounts, as the Debtors may deem necessary and appropriate. The Banks are authorized to honor the Debtors' request to open or close, as applicable, such Bank Accounts or other bank accounts. The Debtors shall notify the U.S. Trustee of the opening of any new bank accounts or closing of any existing Bank Accounts by providing information regarding any such new or closed account in the Debtors' monthly operating reports. Any new bank accounts shall be opened at authorized S.D.N.Y. depositories. Any new account opened in accordance with this Interim Order shall be deemed a Bank Account subject to this Interim Order.

14. Debtors shall use the Holdco Account exclusively for the purpose of holding the bid deposit delivered by the Stalking Horse Bidder and deposits delivered by other bidders in connection with any alternative sale transactions and shall not transfer any funds or property of the Debtors into the Holdco Account.

15. The Debtors are authorized, but not directed, in their business judgment, to continue Intercompany Transactions in the ordinary course of business; provided, however, that the Debtors shall (a) keep records of any postpetition intercompany transfers that occur during the chapter 11 cases, and (b) put in place accounting procedures to identify and distinguish between the prepetition and postpetition Intercompany Claims and to track postpetition Intercompany Claims.

16. Intercompany Claims are granted administrative expense status pursuant to sections 364(b) and 503(b)(1) of the Bankruptcy Code.

17. Within five (5) business days of the entry of this Interim Order, 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 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; and (h) the Banks. The Debtors submit that, under the circumstances, no other or further notice is required.

18. Any responses or objections to entry of 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, IV, Esq. and Eric W. Anderson, Esq.); and (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**").



19. 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**”). A final hearing, if required, on the Motion will be held on [\_\_\_\_], [2019] at [\_\_\_\_] [\_\_\_\_].m. (prevailing Eastern Time). If no objections are filed 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 a hearing.

20. The relief, rights and responsibilities provided for in this Interim Order shall be deemed to apply to any and all Bank Accounts maintained in the Debtors’ names, whether or not such Bank Accounts are listed on Exhibit C annexed to the Motion.

21. Nothing in this Interim Order or the Motion shall be deemed to constitute the postpetition assumption or adoption of any agreement pursuant to section 365 of the Bankruptcy Code.

22. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied with respect to the relief granted by this Interim Order.

23. The notice requirements of Bankruptcy Rule 6004(a) are deemed waived.

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

25. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation 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.,<sup>1</sup> : Case No. 18-\_\_\_\_\_ ( )  
 :  
 Debtors. : (Jointly Administered)  
 -----X

**FINAL ORDER AUTHORIZING: (A) CONTINUED USE OF DEBTORS’ CASH MANAGEMENT SYSTEM AND PROCEDURES; (B) MAINTENANCE AND CONTINUED USE OF EXISTING BANK ACCOUNTS; (C) MODIFICATION OF CERTAIN U.S. TRUSTEE OPERATING GUIDELINES RELATING TO BANK ACCOUNTS; (D) CONTINUATION OF INTERCOMPANY TRANSACTIONS AND ACCORDANCE OF ADMINISTRATIVE EXPENSE STATUS TO INTERCOMPANY CLAIMS; AND (E) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for entry of a final order, pursuant to sections 105(a), 345, 363, 364 and 503 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**”), authorizing: (a) the continued use of the Debtors’ cash management system and procedures (the “**Cash Management System**”); (b) the maintenance and continued use of their existing bank accounts (the “**Bank Accounts**”); (c) modification of certain operating guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines; (d) the continuation of intercompany transactions in the ordinary course of business, consistent with the Debtors’ prepetition practices, and accordance of administrative expense status to claims for such transactions; and (e) granting related relief; and upon the Declaration of Nancy Bernardini in

---

<sup>1</sup> 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.

Support of Chapter 11 Petitions and First Day Pleadings; and upon the record of the hearing held on the Motion; and this Court having jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue of these cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; 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. Capitalized terms not defined herein have the meanings given to such terms in the Motion.
3. The Debtors are authorized and empowered to continue to manage their cash pursuant to the Cash Management System they maintained prior to the Petition Date, to collect and disburse cash in accordance with the Cash Management System, and use all existing Bank Accounts in accordance with and furtherance of the Cash Management System.
4. The Debtors shall not be required to close all existing Bank Accounts and open new debtor in possession accounts, nor shall they be required to establish specific bank accounts for operating, payroll and tax payments.
5. The Debtors may disburse funds from the Bank Accounts by checks, drafts, wires, debits, ACH transfers or by any other means subject to the terms of the agreements governing such Bank Accounts entered into prepetition by the Debtors and the respective Banks.

6. The Debtors are authorized to continue using their existing Business Forms without reference to the Debtors' status as debtors in possession; provided, however that as soon as practicable after the entry of this Order, the Debtors shall use their reasonable best efforts to stamp or print their Business Forms with "Debtor-in-Possession" and the Chapter 11 case number under which these cases are administered and upon depletion of their existing supply of checks, the Debtors shall stamp or print their new check stock with "Debtor-in-Possession" and the chapter 11 case number under which these cases are being administered in compliance with the U.S. Trustee Guidelines.

7. All applicable Banks and other financial institutions are authorized to accept and hold or invest funds, at the Debtors' direction, in accordance with the Debtors' prepetition investment practices.

8. The Debtors shall record the consolidated balances of each of their Bank Accounts so that all postpetition transfers and transactions respecting such Bank Accounts shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors prior to the commencement of these chapter 11 cases.

9. Each Bank where the Debtors maintain a Bank Account is authorized to continue to service and administer such Bank Account as an account of the Debtors as debtors in possession without interruption, in the usual and ordinary course, and in accordance with the agreements governing such Bank Account entered into prior to the Petition Date by the applicable Debtor and such Bank, including, without limitation, continuing: (a) to receive, process and honor and pay any and all checks, drafts, wires, ACH transfers or other payment items (collectively, the "**Bank Payments**") drawn or issued on such Bank Account by the

holders or makers thereof, as the case may be, to the extent of funds on deposit, drawn or issued by the applicable Debtor (i) after the Petition Date, or (ii) prior to the Petition Date, if such applicable Bank has not received a specific stop payment order in compliance with this Final Order; (b) to deduct, without further order of this Court, from the appropriate Bank Account such Bank's customary fees and expenses associated with the nature of the deposit, cash management or custodial services rendered to the applicable Debtor, whether arising prior to or after Petition Date from such Bank Account; (c) to charge back to the appropriate Bank Account of the Debtors any amounts resulting from returned checks or other returned Bank Payments, including returned Bank Payments that resulted from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned Bank Payments were deposited or transferred prior to or after Petition Date and regardless of whether the returned Bank Payments relate to prepetition or postpetition items or transfers; and (d) upon the Debtors' request, to issue after the Petition Date checks, or to effect fund transfer requests, in replacement of any checks or other Bank Payment requests issued prior to Petition Date that are dishonored as a consequence of these Chapter 11 cases. The Banks shall continue to enjoy the rights, benefits, liens, offset rights, privileges and remedies afforded the Banks under the prepetition agreements governing the Bank Accounts except to the extent expressly modified by the terms of this Final Order or any order approving Debtors' use of cash collateral and/or any postpetition debtor-in-possession financing (collectively the "**DIP Order**"). Notwithstanding anything to the contrary in this Final Order or a DIP Order, (i) no Bank shall be obligated to extend credit to any Debtor or honor any check or other Bank Payment drawn on a Bank Account at such Bank unless there are sufficient and fully collected funds in such Bank Account, (ii) all requests for wire transfers and ACH requests must be prefunded by the Debtors; (iii) payments made by the Debtors pursuant to the

authority granted in this Final Order must be in compliance with, and shall be subject to, the requirements imposed on the Debtors under any DIP Order, and (iv) to the extent there is any inconsistency between the terms of a DIP Order and any action taken or proposed to be taken hereunder, the terms of any DIP Order shall control.

10. Any postpetition fees, costs, charges and expenses, including Bank Fees, or chargebacks, payable to the Banks under the Cash Management System that are not paid shall be entitled to priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code.

11. All Banks provided with notice of this Final Order shall neither honor nor pay any Bank Payments drawn on the 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 in advance of presentment of the item subject to the stop payment order. Each of the Banks is otherwise authorized to debit the applicable Bank Account in the ordinary course of business without the need for further order of this Court for all Bank Payments drawn or issued on the Bank Accounts.

12. Subject to the terms of this of this Final Order, any Bank may rely upon the representations and directions of the Debtors with respect to whether any Bank Payment drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and, notwithstanding any provision of this Final Order, no Bank that honors a prepetition check or Bank Payment drawn on any account that is the subject of this Final Order: (a) at the direction of the Debtors; (b) in a good faith belief that the Court has authorized such prepetition check or Bank Payment; or (c) as the result of a good faith error made despite

implementation of reasonable Bank Payment handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Final Order.

13. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Accounts as they may deem necessary and appropriate. The Banks are authorized to honor the Debtors' request to open or close, as applicable, such Bank Accounts or other bank accounts. The Debtors shall notify the U.S. Trustee of the opening of any new bank accounts or closing of any existing Bank Accounts by providing information regarding any such new or closed account in the Debtors' monthly operating reports. Any new bank accounts shall be opened at authorized S.D.N.Y. depositories. Any new account opened in accordance with this Final Order shall be deemed a Bank Account subject to this Final Order.

14. Debtors shall use the Holdco Account exclusively for the purpose of holding the bid deposit delivered by the Stalking Horse Bidder and deposits delivered by other bidders in connection with any alternative sale transactions and shall not transfer any funds or property of the Debtors into the Holdco Account.

15. The Debtors are authorized, but not directed, in their business judgment, to continue Intercompany Transactions in the ordinary course of business; provided, however, that the Debtors shall (a) keep records of any postpetition intercompany transfers that occur during the chapter 11 cases, and (b) put in place accounting procedures to identify and distinguish between the prepetition and postpetition Intercompany Claims and to track postpetition Intercompany Claims.

16. Intercompany Claims are hereby granted administrative expense status pursuant to sections 364(b) and 503(b)(1) of the Bankruptcy Code.



17. As soon as reasonably possible after entry of this Final Order, the Debtors shall serve a copy of this Final Order on all Banks whose Bank Accounts are listed on Exhibit C annexed to the Motion.

18. The relief, rights and responsibilities provided for in this Final Order shall be deemed to apply to any and all Bank Accounts maintained in the Debtors' names, whether or not such Bank Accounts are listed on Exhibit C annexed to the Motion.

19. Nothing in this Final Order or the Motion shall be deemed to constitute the postpetition assumption or adoption of any agreement pursuant to section 365 of the Bankruptcy Code.

20. The notice requirements of Bankruptcy Rule 6004(a) are deemed waived.

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

22. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Final Order.

Dated: \_\_\_\_\_, 2019  
New York, New York

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT C**

**Bank Accounts**

<b>Bank</b>	<b>Last Four Digits of Account #</b>	<b>Account Description</b>
SunTrust Bank	1325	Clark's Botanicals Inc. Disbursement Account
SunTrust Bank	6734	Clark's Botanicals Inc. Collection Account
SunTrust Bank	8996	Glansaol Holdings Inc. Holdings Account
SunTrust Bank	0616	Glansaol Management LLC Disbursement Account
SunTrust Bank	8698	Glansaol Management LLC Funding Account
SunTrust Bank	6577	Glansaol Management LLC Concentration Account
SunTrust Bank	1341	Julep Beauty Inc. Disbursement Account
SunTrust Bank	1358	Julep Beauty Inc. Payroll Account
SunTrust Bank	7500	Julep Beauty Inc. Collection Account
SunTrust Bank	1366	Laura Geller Beauty, LLC Disbursement Account
SunTrust Bank	1374	Laura Geller Beauty, LLC Payroll Account
SunTrust Bank	7534	Laura Geller Beauty, LLC Collection Account
SunTrust Bank	3412	Laura Geller Beauty, LLC Operating Account (United Kingdom)
SunTrust Bank	1934	Laura Geller Beauty, LLC Operating Account (Europe)
Wells Fargo	3636	Julep Beauty, Inc. Collection Account

**EXHIBIT D**

**Bank Account Schematic**

