

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

In re:)	
)	Chapter 11
INDEPENDENT PET PARTNERS)	
HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 23-10153 (LSS)
)	
Debtors.)	(Jointly Administered)
)	

DEBTORS’ MOTION FOR ENTRY OF AN ORDER SHORTENING THE NOTICE PERIOD FOR CONSIDERATION OF THE DEBTORS’ SALE MOTION SOLELY WITH RESPECT TO BID PROCEDURES AND CERTAIN RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), having filed their *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of the Debtors’ Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors’ Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief; and (II)(A) Approving Sale of Substantially All of Debtors’ Assets Free and Clear of All Liens, Claims, Interests And Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* [Docket No. 40] (the “Sale Motion”) on February 6, 2023,² hereby submit this motion (this “Motion to Shorten”), pursuant to section 105(a) of title 11 of the United States Code (the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Independent Pet Partners Holdings, LLC (5913), Independent Pet Partners Intermediate Holdings I, LLC (4827), Independent Pet Partners Intermediate Holdings II, LLC (7550), Independent Pet Partners Employer Holdings, LLC (6785), Independent Pet Partners Employer, LLC (7531), Independent Pet Partners Intermediate Holdings, LLC (8793), IPP - Stores, LLC (6147), IPP Stores Employer, LLC (0847), Especially For Pets, LLC (6801), Pet Life, LLC (3420), Whole Pet Central, LLC (7833), Natural Pawz, LLC (5615), and Pet Source, LLC (1905). The corporate headquarters and the mailing address for the Debtors is 8450 City Centre Dr., Woodbury, MN 55125.

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

“Bankruptcy Code”), Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), requesting that the Court enter an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”): (i) shortening the time for notice of the hearing to consider approval of the Sale Motion, solely as it pertains to approval of the Bidding Procedures, the Assumption and Assignment Procedures, and the Expense Reimbursement (collectively, the “Bidding Procedures”), so that it may be heard at a hearing proposed to be scheduled on or before **February 21, 2023** (the “Hearing”), at a date and time to be determined, and (ii) setting a deadline of **February 17, 2023 at 12:00 p.m. (ET)** (the “Objection Deadline”) for objections or responses to the relief requested in the Sale Motion (solely as to the Bidding Procedures). In support of this Motion to Shorten, the Debtors incorporate by reference the *Declaration of Stephen Coulombe in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”), filed on the Petition Date, and the *Declaration of Adam Dunayer in Support of the Motion for Entry of an Order Shortening the Bidding Procedures Relief in the Sale Motion* (the “Dunayer Declaration” and, together with the First Day Declaration, the “Declarations”), filed contemporaneously herewith, and respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over these chapter 11 cases (the “Chapter 11 Cases”), the Debtors and their estates and this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order with respect to this Motion to Shorten if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue of these Chapter 11 Cases in this District is proper under 28 U.S.C. §§ 1408 and 1409.

4. The statutory and legal predicates for the relief sought herein are Bankruptcy Rule 9006(c) and Local Rule 6004-1(c) and 9006-1(e).

BASIS FOR RELIEF

5. Local Rule 9006-1(c)(i) provides that “Sale Procedure Motions . . . must be filed at least twenty-one (21) days prior to the hearing date.” Del. Bankr. L.R. 9006-1(c)(i). Pursuant to Local Rule 9006-1(e), such period may be shortened by order of the Court upon written motion “specifying the exigencies justifying shortened notice.” Del. Bankr. L.R. 9006-1(e). Moreover, according to Bankruptcy Rule 9006(c), “the court for cause shown may in its discretion with or without motion or notice order the period reduced.” Fed. R. Bankr. P. 9006(c)(1). In exercising such discretion, the Court should “consider the prejudice to parties entitled to notice and weigh this against the reasons for hearing the motion on an expedited basis.” In re Philadelphia Newspapers, LLC, 690 F.3d 161, 172 (3d Cir. 2012) (noting the commonness of motions to shorten “[g]iven the accelerated time frame of bankruptcy proceedings”). For the reasons explained below and supported by the Declarations, the Debtors submit that there is sufficient cause justifying shortened notice for the hearing on the Sale Motion (for the Bidding Procedures) so that it may be heard at the Hearing.

6. As discussed in the First Day Declaration, the Debtors entered these proceedings after conducting a comprehensive prepetition marketing process for the sale of substantially all of their assets (collectively, the “Assets”). In early September 2022, the Debtors retained Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) to formulate a strategy and process for soliciting interest in the Assets and subsets thereof. In doing so, Houlihan Lokey evaluated various alternatives to improve the Debtors’ liquidity and financial position, including reductions of operating and capital expenditures, raising additional capital (including refinancing the Debtors’ existing debt), and potential M&A transactions. This analysis culminated in the implementation of a marketing process undertaken by Houlihan Lokey in the third and fourth quarters of 2022 to identify strategic and financial buyers. In connection therewith, Houlihan Lokey contacted and sent material to over 100 potential acquirers (collectively, the “Interested Parties”). Sixty-five Interested Parties executed non-disclosure agreements and accessed the Debtors’ electronic data room in approximately the last three months.

7. As of December 15, 2022, however, the Debtors had not received any executable offers to purchase their business as a going concern, significantly dimming the Debtors’ prospects for identifying an out-of-court solution. Accordingly, the Debtors undertook additional steps to prepare to sell the Assets through a Court-supervised 363 sale, which, the Debtors believe, will allow them to realize maximum enterprise value under the circumstances. After extensive negotiations with certain of their prepetition and postpetition lenders (the “Lenders”), the Debtors commenced these Chapter 11 Cases together with the executed Stalking Horse APA, which, together with the debtor-in-financing arrangement with the Lenders, contemplate certain proposed case milestones (the “Milestones”). The Debtors submit that these Milestones will more than

suffice to allow the Debtors to market-test the contemplated transaction, particularly in light of the prepetition marketing process.

8. The Debtors agreed to the Milestones in consultation with Houlihan Lokey and the Debtors' other advisors, giving consideration to a number of factors, including the Debtors' current liquidity profile, anticipated administrative costs of the Chapter 11 Cases, a reasonable amount of time for potential bidders—many of whom have intimate familiarity with the Debtors through Houlihan Lokey's prepetition process—to conduct due diligence on the Assets and prepare bids, and also to obtain approval of (and ultimately consummate) a sale. After considering the foregoing factors, among other considerations, the Debtors determined, in consultation with their advisors, that the Milestones are reasonable and appropriately tailored to obtain the greatest value for the Assets and maximize the value of the Debtors' estates. In particular, the Debtors believe that a prompt hearing to consider approval of the Sale Motion (as to the Bidding Procedures) will ensure that the postpetition sale process gets underway as soon as possible, with the benefit of clearly defined parameters.

9. The Milestones are important to preserve liquidity and increase the likelihood of a successful sale. Moreover, the Debtors agreed to the Milestones as part of a global deal that included the Lenders providing sufficient financing to enable the Debtors to administer the Chapter 11 Cases and wind down their estates through a chapter 11 plan process.

10. The Debtors believe that an expeditious and efficient sale process and, ultimately, an orderly and adequately-financed chapter 11 plan process will preserve the Debtors' limited liquidity and ensure the greatest possible recovery for their stakeholders.

11. The success of the Debtors' operations depends on customer loyalty to the Debtors' high-quality offerings that sets them apart from the pet product giants. Maintenance of such loyalty

requires minimal disruption, especially at the Debtors' physical stores, which must be well stocked, clean and well-maintained, with sufficient employees to provide exceptional service to customers. A long, drawn-out sale process creates a risk of supplier disruptions and employee attrition, threatening the Debtors' access to product and ability to provide adequate customer service. On the other hand, an expedite sale process will reassure the Debtors' customer and supplier based, to the benefit of all stakeholders.

12. Given the dearth of alternatives available to the Debtors, the Milestones, and the corresponding need to reduce administrative expenses for the benefit of stakeholders, the Debtors determined that shortening the notice period for the Sale Motion (as to the Bidding Procedures) is necessary and appropriate and will not significantly prejudice any interested party. The Debtors are prepared to work quickly and cooperatively with any statutory committee (and its advisors) in these Chapter 11 Cases on issues pertaining to the Bidding Procedures and with regard to the Debtors' need to meet the Milestones.

13. To compensate for the reduced notice period, the Debtors propose serving the Sale Motion by email and overnight delivery on the following parties: (a) the Office of the United States Trustee (Attn: Rosa Sierra-Fox); (b) the Debtors' prepetition secured lenders; (c) the Debtors' proposed debtor in possession financing lenders; (d) the Internal Revenue Service; (e) the parties included on the Debtors' consolidated list of their 30 largest unsecured creditors; (f) the United States Attorney for the District of Delaware; (g) the state attorneys general in states where the Debtors are authorized to do business; (h) the banks with whom the Debtors conducted a meaningful amount of business; and (i) all parties entitled to notice pursuant to Bankruptcy Rule 2002-1.

14. If the Hearing is conducted on **February 21, 2023**, and the objection deadline is established as **February 17, 2023 at 12:00 p.m. (ET)**,³ as proposed, interested parties will have ten days from the date of filing this Motion to Shorten and should have at least a week from the date notice of the Objection Deadline is sent out to object to the relief requested in the Sale Motion. This is not materially less time than such parties would receive if they were served with the Sale Motion via first class mail and the deadline to object was 14 days after such service.

15. Based on the foregoing, the Debtors submit that (a) cause exists to justify shortening the notice period for the hearing on the Sale Motion (as to the Bidding Procedures); and (b) notice to the parties identified in the preceding paragraph will be adequate and sufficient given the exigent circumstances. Accordingly, the Debtors request that the Sale Motion (as to the Bidding Procedures) be heard on shortened notice at the Hearing, with objections due by the proposed Objection Deadline.

16. In accordance with Local Rule 9006-1(e), prior to filing this Motion to Shorten, the Debtors' undersigned proposed counsel notified the Office of the United States trustee for the District of Delaware (the "U.S. Trustee") of the relief requested herein. The U.S. Trustee has advised that it takes no position with respect to the relief sought herein.

³ February 20, 2023, is a federal holiday. Nonetheless, if the Court determines to hear the Bid Procedures Motion on February 21, 2023, the Debtors hereby propose that the Objection Deadline be established as February 16, 2023 at 12:00 p.m. (ET).

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: February 7, 2023
Wilmington, Delaware

Respectfully submitted,

/s/ S. Alexander Faris

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

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

In re:)	
)	Chapter 11
INDEPENDENT PET PARTNERS)	
HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 23-10153 (LSS)
)	
Debtors.)	(Jointly Administered)
) Ref. Docket No. ____

**ORDER, PURSUANT TO BANKRUPTCY RULE 9006(c) AND LOCAL
RULE 9006-1(e), SHORTENING THE NOTICE PERIOD FOR CONSIDERATION OF
THE DEBTORS’ SALE MOTION SOLELY WITH RESPECT TO BID PROCEDURES
AND CERTAIN RELATED RELIEF**

Upon consideration of the motion (the “Motion to Shorten”) of the above-captioned debtors and debtors possession (collectively, the “Debtors”), for entry of an order shortening the time for notice to consider the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of the Debtors’ Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors’ Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief; and (II)(A) Approving Sale of Substantially All of Debtors’ Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* (the “Sale Motion”); and it appearing that this Court has jurisdiction to consider the Motion to Shorten and the relief requested therein in

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accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and it appearing that the Motion to Shorten is a core proceeding within the meaning of 28 U.S.C. § 157; and it appearing that venue of this proceeding and this Motion to Shorten in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion to Shorten is in the best interests of the Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion to Shorten is hereby GRANTED as set forth herein.
2. The hearing to consider the Sale Motion will be held on **February __, 2023 at _____ (ET)**. Objections to the relief requested in the Motion, if any, shall be filed and served on the Debtors no later than **February __, 2023 at _____ (ET)**.
3. The Debtors shall serve a copy of this order on the service parties identified in the Motion to Shorten within one business day of the entry of this Order.
4. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation and/or implementation of this Order.