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*Counsel to the Plan Administrator*

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

	)	
In re:	)	Chapter 11
	)	
RUNWAY LIQUIDATION HOLDINGS, LLC,	)	Case No. 17-10466 (SCC)
<i>et al.</i> , <sup>1</sup>	)	
	)	
Debtors.	)	(Jointly Administered)
	)	

**NOTICE OF PRESENTMENT OF STIPULATION AND AGREED  
ORDER RESOLVING (I) CLAIM NO. 454 OF DIRECT SOURCE  
PACKAGING CO., LLC AND (II) THE PLAN ADMINISTRATOR’S  
FIFTEENTH OMNIBUS (NON-SUBSTANTIVE) OBJECTION TO CERTAIN  
CLAIMS (AMENDED, REDUCE AND RECLASSIFY/REDUCE) AS IT  
RELATES TO DIRECT SOURCE PACKAGING CO., LLC CLAIM NO. 5**

**PLEASE TAKE NOTICE** that on December 10, 2018, David MacGreevey, in his capacity as plan administrator (the “Plan Administrator”), filed the annexed *Stipulation and Agreed Order Resolving (I) Claim No. 454 of Direct Source Packaging Co., LLC and (II) the Plan Administrator’s Fifteenth Omnibus (Non-Substantive) Objection to Certain Claims (Amended,*

<sup>1</sup> The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Runway Liquidation Holdings, LLC (6857); Runway Liquidation, LLC (5942); Runway Liquidation Intermediate Holdings, LLC (3673); MR Liquidation, LLC (9200); and MMH Liquidation, LLC (3854).

*Reduce and Reclassify/Reduce*) as it Relates to Direct Source Packaging Co., LLC Claim No. 5 [Docket No.1039] (the “Stipulated Order”).<sup>2</sup>

**PLEASE TAKE NOTICE** that the parties to the Stipulated Order hereby provide notice of presentment of the Stipulated Order, which is annexed hereto, as set forth below.

**PLEASE TAKE FURTHER NOTICE THAT the Plan Administrator, by and through undersigned counsel, will present the annexed Stipulated Order, agreed to between the Plan Administrator and Direct Source Packaging Co., LLC, to the Honorable Shelley C. Chapman, United States Bankruptcy Judge, at the United States Bankruptcy Court of the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on December 18, 2018 at 12:00 pm (prevailing Eastern Time).**

**PLEASE TAKE FURTHER NOTICE** that any responses or objections (each, an “Objection”) to the Stipulated Order shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and the *Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures and (II) Granting Related Relief* [Docket No. 90] (the “Case Management Order”), shall set forth the basis for the Objection and the specific grounds therefor, and shall be filed with the Court electronically in accordance with General Order M-399 by registered users of the Court’s case filing system (the User’s Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Court), with a hard copy delivered directly to chambers pursuant to Local Rule 9070-1 and served so as to be actually received no later than **December 17, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”).

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<sup>2</sup> Capitalized termed used but not otherwise defined herein shall have the meanings ascribed to such terms in the Stipulated Order.

**PLEASE TAKE FURTHER NOTICE** that if an Objection is not filed and served by the Objection Deadline in accordance with the preceding paragraph, there will not be a hearing and the Stipulated Order may be signed.

**PLEASE TAKE FURTHER NOTICE** that if an Objection is timely filed and served, the Court will notify the moving and objecting parties of the date and time of the hearing and of the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: December 10, 2018

PACHULSKI STANG ZIEHL & JONES LLP

*/s/ Beth E. Levine*

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

	)	
In re:	)	Chapter 11
	)	
RUNWAY LIQUIDATION HOLDINGS, LLC,	)	Case No. 17-10466 (SCC)
<i>et al.</i> , <sup>3</sup>	)	
	)	
Debtors.	)	(Jointly Administered)
	)	

**STIPULATION AND AGREED  
ORDER RESOLVING (I) CLAIM NO. 454 OF DIRECT SOURCE  
PACKAGING CO., LLC AND (II) THE PLAN ADMINISTRATOR’S  
FIFTEENTH OMNIBUS (NON-SUBSTANTIVE) OBJECTION TO CERTAIN  
CLAIMS (AMENDED, REDUCE AND RECLASSIFY/REDUCE) AS IT  
RELATES TO DIRECT SOURCE PACKAGING CO., LLC CLAIM NO. 5**

This stipulation (the “Stipulation”) is made between David MacGreevey, in his capacity as plan administrator (the “Plan Administrator”) acting on behalf of Runway Liquidation Holdings, LLC, and its affiliated post-effective date debtors (collectively, the “Post-Effective Date Debtors”) and before the Effective Date of the Plan, the “Debtors”), and Direct Source Packaging Co., LLC (“Direct Source,” and together with the Plan Administrator, collectively, the “Parties”), by and through the undersigned counsel. Direct Source Packaging Co., LLC is a Delaware limited liability company.

**RECITALS**

**WHEREAS**, on February 28, 2017 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

<sup>3</sup>The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Runway Liquidation Holdings, LLC (6857); Runway Liquidation, LLC (5942); Runway Liquidation Intermediate Holdings, LLC (3673); MR Liquidation, LLC (9200); and MMH Liquidation, LLC (3854).

**WHEREAS**, on July 26, 2017, the Court entered its *Findings of Fact, Conclusions of Law, and Order Confirming the Amended Joint Plan of Reorganization of BCBG Max Azria Global Holdings, LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 591] confirming the chapter 11 plan annexed thereto (the “Plan”).

**WHEREAS**, on July 31, 2017, the Effective Date of the Plan occurred. *See Notice of (I) Entry of Order Confirming the Amended Joint Plan of Reorganization of BCBG Max Azria Global Holdings, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code and (II) Occurrence of Effective Date* [Docket No. 601]. Pursuant to the Plan, the Plan Administrator was appointed on the Effective Date “to implement the Plan and to make distributions thereunder and wind down the businesses and affairs of the Debtors and Post-Effective Date Debtors.” Plan at Article IV.E. This includes the authority “to File, withdraw, or litigate to judgment objections to Claims or Interests.” *Id.* at Article VII.B.

**WHEREAS**, on September 28, 2017, the Court entered the Objection Procedures Order.

**WHEREAS**, on March 2, 2017, Direct Source filed a proof of claim identified as claim number 5 (“Claim 5”) on the official claims register (the “Claims Register”), asserting a non-priority general unsecured claim in the amount of \$293,897.56 on account of goods sold.

**WHEREAS**, on May 15, 2017, Direct Source filed a proof of claim identified as claim number 454 (“Claim 454”) on the Claims Register, asserting an administrative priority claim in the amount of \$193,237.00 on account of goods received by the Debtors within 20 days before the Petition Date.

**WHEREAS**, on April 23, 2018, the Plan Administrator filed the *Plan Administrator’s Fifteenth Omnibus (Non-Substantive) Objection to Certain Claims (Amended, Reduce and*

*Reclassify/Reduce*) [Docket No. 879]. The Plan Administrator objected to Claim 5 seeking to reduce the amount asserted thereunder.

**WHEREAS**, the Plan Administrator and Direct Source have agreed to resolve the Fifteenth Omnibus Objection as it relates to Claim 5 and otherwise resolve all disputes regarding Claim 454 on the terms and conditions set forth in this Stipulation.

### **STIPULATION**

**NOW, THEREFORE**, in consideration of the foregoing, the Parties hereby agree and stipulate as follows:

1. The foregoing recitals are hereby fully incorporated into and made an express part of this Stipulation.
2. This Stipulation is made expressly contingent upon approval of, and entry by, the Bankruptcy Court (the date of such entry being referred to herein as the “Stipulation Effective Date”) and, should the Stipulation not be approved and entered, the Parties will be deemed to have returned to their respective positions immediately prior to the execution of this Stipulation with all rights and privileges reserved.
3. The Parties agree that Claim 5 shall be allowed as a non-priority, general unsecured claim in the reduced amount of \$163,897.56 (the “GUC Amount”).
4. The Parties further agree that Claim 454 shall be allowed as an administrative priority claim in the amount of \$130,000.00 (the “Administrative Amount”).
5. The Administrative Amount shall be paid in full within thirty (30) days of the Stipulation Effective Date.
6. The GUC Amount shall be paid in accordance with the Plan.

7. This Stipulation shall be binding upon, and shall inure to the benefit of each of, the Plan Administrator, the Post-Effective Date Debtors, Direct Source, and each of their respective agents, employees, representatives, assigns, successors in interest, and attorneys, and shall be binding and effective.

8. Direct Source represents that it has not transferred any claim (or any portion thereof) that is the subject of this Stipulation.

9. Each of the Parties shall be responsible for its respective costs and expenses (including, without limitation, attorneys' fees and expenses) incurred by it in negotiating, drafting, and executing this Stipulation and shall not be responsible for the payment of any such fees or expenses incurred by any other party hereto.

10. This Stipulation constitutes the entire agreement between the Parties and may not be amended or modified in any manner except by a writing signed by both of the Parties or their counsel and approved by the Bankruptcy Court.

11. This Stipulation shall be governed by and construed in accordance with the laws of the State of New York without regard to any law concerning the conflicts of laws.

12. Each Party and signatory to this Stipulation represents and warrants to each other Party that such Party or signatory has full power, authority, and legal right and has obtained all approvals and consents necessary to execute, deliver, and perform all actions required under this Stipulation and, where applicable, has obtained all authority, approvals, and consents necessary to act on behalf of another Party to execute, deliver, and perform all actions required under this Stipulation.

13. The Bankruptcy Court shall retain exclusive jurisdiction to hear and finally determine all disputes arising from or related to this Stipulation, including the performance of the

Parties' obligations hereunder and the interpretation of this Stipulation. The Parties each consent to the Bankruptcy Court hearing and finally determining all such disputes. Further, the Parties each agree to waive trial by jury in an action, proceeding, or counterclaim brought by or on behalf of the Parties hereto with respect to any such dispute.

Dated: New York, New York  
December 10, 2018

PACHULSKI STANG ZIEHL & JONES LLP

*/s/ Beth E. Levine*

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*Counsel to the Plan Administrator*

Dated: Melville, New York  
December 6, 2018

RIGANO LLC

*/s/ Nicholas C. Rigano*

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Fax: 631.756.0008

*Counsel to Direct Source Packaging Co., LLC*



**SO ORDERED:**

\_\_\_\_\_, 2018

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HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE