IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SOLID FINANCIAL TECHNOLOGIES, INC.,[1] Debtor.	Chapter 11 Subchapter V Case No. 25-10669 (BLS) Hearing Date: May 6, 2025, 11:30 a.m. (ET) Objection Deadline (agreed): April 29, 2025, 4:00 p.m. (ET) Dkt. # 9

LIMITED OBJECTION OF LEWIS & CLARK BANK TO DEBTOR'S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTOR TO (A) CONTINUE ITS CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, (C) MAINTAIN EXISTING BUSINESS FORMS; (II) AUTHORIZING CONTINUED PERFORMANCE OF INTERCOMPANY TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS; AND (III) GRANTING RELATED RELIEF

Lewis & Clark Bank (the "Bank"), by and through the undersigned attorneys, hereby files this limited objection to the *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Continue to Operate Its Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms; (II) Authorizing Continued Performance of Intercompany Transactions in the Ordinary Course of Business; and (III) Granting Related Relief* [Dkt. # 9] (the "Cash Management Motion"). The Bank respectfully states as follows:

1. On April 7, 2025, the Debtor filed its voluntary petition (the "Petition") for relief under subchapter V of chapter 11 of title 11 of the United States Code.

[1] The Debtor in this chapter 11 case, its jurisdiction of organization, and the last four digits of its U.S. taxpayer identification number is: Solid Financial Technologies, Inc., a Delaware corporation (8838). The Debtor's corporate headquarters is located at: 380 Portage Ave, Palo Alto, CA 94306

2. On April 9, 2025, the Debtor filed the Cash Management Motion, which contains a description of the status of the contractual relationship between the Debtor and the Bank, its ongoing winddown and termination, and certain deposit accounts at the Bank.

3. The Cash Management Motion and the Balance Sheet as of February 28, 2025 (the "Balance Sheet") attached to the Petition identified the following deposit accounts with the Bank, which are for the purposes described below:

a. 11555 Solid Wallet Primary x1175, balance of $2,639.80, (*see* Balance Sheet at 15), which the Debtor used for testing and has minimal activity, (*see* Cash Management Motion para. 11, at 6-7)

b. 11700 Lewis & Clark Bank – Operating x0279 (the "Holdback Reserve Account"), balance of $1,000,000, (*see* Balance Sheet at 16) or $500,000 (*see* Cash Management Motion para. 13, at 7), which is a reserve account for the orderly winddown of the program with the Bank, (*see id.*);

c. 11800 Lewis & Clark Bank – Operating x0260, balance of $5,448.18, (*see* Balance Sheet at 16), which is the Debtor's operating account, (*see* Cash Management Motion para. 11, at 7);

d. 11850 Lewis & Clark Bank – Customer Reserves x3930, balance of $1,134,958.15, (*see* Balance Sheet at 16), which is not the Debtor's funds, but for the Debtor's customers, which the Debtor is in the process of returning, (*see* Cash Management Motion para. 12, at 7);

e. 11900 Lewis & Clark Bank – Money Market x8750 (the "Security Reserve Account"), balance of $2 million, (*see* Balance Sheet at 16), or $1.5 million, (*see* Cash Management Motion para. 14, at 8), which, like account #0260, is a reserve account for the orderly winddown of the program and, along with that account, is subject to the Bank's first priority security interest, (*see* Cash Management Motion paras. 14-15, at 8).

4. On April 11, 2025, the Court entered the *Interim Order (I) Authorizing the Debtor to (A) Continue to Operate Its Cash Management System, (B) Honor Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms; (II) Authorizing Continued Performance of Intercompany Transactions in the Ordinary Course of Business; and (III) Granting Related Relief* [Dkt. # 18] (the "Interim Cash Management Order").

5. The Bank has reviewed the Cash Management Motion, the Interim Cash Management Order, and its own records and determined that clarifications are needed with respect to the deposit accounts at the Bank and milestones in the winddown process. There was insufficient time to identify and raise these items with the Debtor or the Court before the interim hearing on the Cash Management Motion. The Bank is in the process of providing the Debtor with a draft document outlining the clarifications needed with respect to the winddown (the "Winddown Agreement").

6. The clarifications to the deposit accounts in the Winddown Agreement will include the following, among others:

a. The balance of the Holdback Reserve Account is $500,000.

b. The balance of the Security Reserve Account is $1,500,000.

c. Contrary to paragraph 14 of the Cash Management Motion, there is no agreement in place to release funds in the Security Reserve Account on either April 15, 2025, or May 31, 2025. The amounts in the Security Reserve Account are only subject to release no sooner than 180 days after the winddown period under the Master Services Agreement between the Bank and the Debtor, as more specifically provided in that certain letter agreement between the Bank and the Debtor dated October 11, 2023. The Bank expects the winddown period to conclude on May 31, 2025.

7. Counsel for the Bank and the Debtor have exchanged several emails and conducted video conferences and phone calls regarding the winddown and clarifications sought by the Bank. The discussions are ongoing, and the Bank anticipates that the Winddown Agreement will include, among other things, a timeline for the return of the funds in the Holdback Reserve Account and the Security Reserve Account and setoff procedures for recovery against both accounts.

8. The Bank further anticipates that the Winddown Agreement will be fully negotiated by the time of the final hearing on the Cash Management Motion.

9. Pending documentation of the clarifications, the Bank reserves all rights consistent with its contracts and applicable law, including without limitation to amend, supplement, and/or modify this limited objection; to file additional appropriate pleadings in the future; and to argue at any further interim or final hearing

[*Remainder of page intentionally left blank.*]

WHEREFORE, the Bank respectfully requests that any further interim or final order granting the Cash Management Motion be conditioned on addressing this limited objection to the Bank's satisfaction and that the Court grant such other and further relief as is just and proper.

Dated: April 29, 2025

MILLER NASH LLP

/s/John R. Knapp, Jr.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date listed below, I caused to be electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will in turn automatically generate a Notice of Electronic Filing to all parties in the case who are registered users of the CM/ECF system. The Notice of Electronic Filing specifically identifies the recipients of electronic notice.

I also served the below parties via email:

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I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

EXECUTED this 29th day of April, 2025, at Arlington, Washington.

/s/ Edgar Y. Rosales
Edgar Y. Rosales, Paralegal