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 at 11:30 a.m. (ET)** **Objection Deadline: April 29, 2025 at 4:00 p.m. (ET)**

DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) APPROVING THE BIDDING PROCEDURES, (II) APPROVING CERTAIN BIDDING PROTECTIONS IN CONNECTION WITH THE SALE OF THE DEBTOR'S ASSETS, (III) SCHEDULING THE BID DEADLINE AND THE AUCTION, (IV) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (V) GRANTING RELATED RELIEF

Solid Financial Technologies, Inc. (the "Debtor") hereby moves (the "Motion") this Court for an order (I) establishing bidding procedures (the "Bidding Procedures"), (II) approving certain bidding protections (the "Bidding Protections") in connection with a stalking horse bid, if any (a "Stalking Horse Bid"),[2] (III) scheduling the bid deadline and auction, if any, (IV) approving the form and manner of notice thereof, and (V) granting related relief. In further support of this Motion, the Debtor respectfully states as follows.

Introduction

2. The Debtor commenced this bankruptcy case to conduct a prompt sale of all or substantially all of its assets or other restructuring through a plan with the goal of maximizing achievable value. To continue the marketing process through any such process, the Debtor retained Rock Creek Advisors LLC ("Rock Creek") on or about March 31, 2025, to conduct a marketing

[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] To date, the Debtor has not secured a Stalking Horse Bid but remains optimistic that it will do so on or prior to the hearing to consider the Motion.

process for a purchaser, investor, licensee, or a chapter 11 plan transaction party for the Debtor's assets through a chapter 11 plan process. That marketing process began shortly after the commencement of the Chapter 11 Case, including by Rock Creek's interaction with potential transaction parties that promptly reach out to the Debtor. These Bidding Procedures are the continued implementation of this process to locate an equity investment, a purchaser of the Debtor's assets, or licensing opportunities in order to obtain the greatest proceeds to maximize the value for the Debtor's stakeholders through a sale or plan process.

3. The proposed Bidding Procedures provide the Debtor with a cost-effective mechanism to realize value, including one that may be achieved by a chapter 11 plan (as modified, amended, or supplemented from time to time, the "Plan"), including through (a) the sale of the Debtor's assets, (b) a restructuring, which is a reorganization that provides for the implementation of the terms of an acceptable plan sponsor investment in the form of a sale and/or a debt or equity investment, or (c) licensing of certain of the Debtor's intellectual property (each a "Transaction").

4. To maximize the value to be received within the timeline contemplated, the proposed Bidding Procedures should be approved.

Relief Requested

5. The Debtor seeks entry of an order (the "Bidding Procedures Order"), substantially in the form attached hereto as **Exhibit A**: (a) authorizing and approving the bidding procedures attached as **Exhibit 1** to the Bidding Procedures Order;[3] (b) approving the Bidding Protections in connection with a Stalking Horse Bid, if any; (c) establishing certain dates and deadlines including, the Bid Deadline, and the date of Auction, if any; (d) approving the manner of notice of the Auction, if any; and (e) granting related relief.

[3] Capitalized terms used by not defined herein have the meanings given to them in the Bidding Procedures.

Jurisdiction and Venue

6. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 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. The Debtor confirms its consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

7. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The bases for the relief requested herein are sections 105, 363, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9014, and Local Rule 6004-1.

Background

9. On April 7, 2025 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, §§ 101 – *et seq.* (the "Bankruptcy Code") as a debtor defined in Bankruptcy Code section 1182(1) and the Debtor elected to proceed under Subchapter V of chapter 11 of the Bankruptcy Code pursuant to the Small Business Debtor Reorganization Act, as amended (the "SBRA").

10. On April 8, 2025, the United States Trustee appointed Jami Nimeroff, Esq. to serve as the Subchapter V trustee (the "Subchapter V Trustee") in this case pursuant to Bankruptcy Code section 1183(a). No other trustee, examiner, or official committee of unsecured creditors has been appointed in the chapter 11 case.

11. Information about the Debtor's business and the events leading to the commencement of this chapter 11 case can be found in the *Declaration of Arjun Thyagarajan in Support of the Debtor's Chapter 11 Petition, First Day Motions and Related Filings* [Doc. No. 12] filed on April 9, 2025, which is incorporated herein by reference.

The Bidding Procedures

12. Since the Petition Date, the Debtor and its advisors have been engaged in a marketing process for a purchaser, investor, licensee, or chapter 11 plan transaction party in order to facilitate the disposition of substantially all of the Debtor's assets. Thereafter, the Debtor may propose a Plan that might include a toggle feature, resulting in either: (a) an asset sale restructuring, which allows the Debtor to enter into a sale transaction for the sale or disposition the Debtor's assets; or (b) a restructuring, which is a reorganization that provides for the implementation of the terms of an acceptable plan sponsor investment in the form of a sale, licensing transaction, and/or an equity investment. The Plan toggle provides the Debtor with the latitude necessary to negotiate the precise terms of its ultimate emergence from chapter 11 and, consequently, the terms of the Plan may be revised, as necessary. Consistent with this process, the Debtor commenced marketing for debt or equity investors, a licensee, or a sale of the Debtor's business shortly after the commencement of the Chapter 11 Case and now files this Motion seeking approval of Bidding Procedures to continue these efforts.

13. The Bidding Procedures and Plan provide for substantial flexibility with respect to the structure of any transaction.

14. Preserving value for the benefit of the Debtor's estate depends in large part on the Debtor proceeding swiftly to consummation of a transaction with respect to substantially all assets of the Debtor. The Bidding Procedures are designed to—and the Debtor believes the Bidding

Procedures will actually operate to—maximize the likelihood of an acceptable bid for the benefit of enterprise-wide stakeholders.

15. In consultation with Rock Creek, the Debtor is in the process of developing a list of parties whom they believe may be interested in, and whom the Debtor reasonably believes would have the financial resources to consummate a Transaction. The list of parties will include strategic investors and financial investors (collectively, the "Contact Parties"). The Debtor and Rock Creek will contact (to the extent not already contacted) the Contact Parties to explore their interest in pursuing a Transaction. The Contact Parties may include parties whom the Debtor or its advisors previously contacted regarding a transaction, regardless of whether such parties expressed any interest at such time in pursuing a transaction. The Debtor will continue to discuss and may supplement the list of Contact Parties throughout the marketing process, as appropriate.

The Stalking Horse Bidder and the Bidding Protections

16. As of the Petition Date, the Debtor has not secured a Stalking Horse Bidder but remains optimistic about the possibility of doing so on or prior to the date on which the Court will consider the Motion.

17. In the event the Debtor selects a Stalking Horse Bidder, the Debtor seeks appropriate bidding protections in the form of a break-up fee equal to 3% of the Purchase Price (the "Break-up Fee") and reimbursement of the reasonable and documented out-of-pocket fees and expenses in an amount not to exceed $100,000 in the aggregate (the "Expense Reimbursement" and, together with the Break-up Fee, the Bidding Protections). No other Bidding Protections are sought.

18. Both Rock Creek and the Debtor are and shall continue the marketing process through the Bid Deadline.

The Bidding Procedures Order

A. The Bidding Procedures.

19. To optimally and expeditiously solicit, receive, and evaluate bids in a fair and accessible manner, the Debtor has developed and proposed the Bidding Procedures, attached as **Exhibit 1** to the Bidding Procedures Order, to govern the Auction process. The Debtor designed the Bidding Procedures to encourage all entities to put their best bids forward and to maximize the value of the Debtor's estate. The following describes the salient points of the Bidding Procedures and discloses certain information required pursuant to Local Rule 6004-1:[4]

(a) **Participation Requirements**.

(i) To receive due diligence information, including full access to the Debtor's electronic data room and additional non-public information regarding the Debtor, a party interested in consummating a Transaction (a "Potential Bidder") should deliver (or have delivered) to each of: (x) Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); and (y) proposed counsel to the Debtor, Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com) (the "Debtor's Advisors"), the following documents (collectively, the "Preliminary Bid Documents"):

(A) an executed Confidentiality Agreement, to the extent not already executed; and

(B) proof or other documentation acceptable to the Debtor of the Potential Bidder's financial capacity to close a proposed Transaction (or, if the Potential Bidder is an entity formed for the purpose of consummating the Transaction, the party that will bear liability for a breach).

[4] This summary is qualified in its entirety by the Bidding Procedures attached as **Exhibit 1** to the Bidding Procedures Order. All capitalized terms that are used in this summary but not otherwise defined herein shall have the meanings in the Bidding Procedures. To the extent there are any conflicts between this summary and the Bidding Procedures, the terms of the Bidding Procedures shall govern.

(ii) Promptly after a Potential Bidder delivers Preliminary Bid Documents, the Debtor will determine and notify the Potential Bidder whether such Potential Bidder has submitted acceptable Preliminary Bid Documents so that the Potential Bidder may proceed to conduct due diligence and ultimately submit a Bid (as defined below) and participate in the Auction, as applicable, and will provide copies of any such notices to the Notice Parties. Except as otherwise determined in the Debtor's business judgment, only those Potential Bidders that have submitted acceptable Preliminary Bid Documents (each, an "Acceptable Bidder") may submit Bids.

(iii) The Debtor's Advisors may, in their business judgment, provide access, in the electronic data room, to a form asset purchase agreement and/or chapter 11 plan (collectively, the "Form Documents").

(iv) For any Acceptable Bidder who is a competitor of the Debtor or is affiliated with any competitor of the Debtor, the Debtor reserves the right to withhold, or to delay providing, any diligence materials that the Debtor determines are business-sensitive or otherwise inappropriate for disclosure to such Acceptable Bidder at such time.

(v) Each Acceptable Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding such Acceptable Bidder and its contemplated transaction.

(b) **Bid Deadline**. An Acceptable Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **June 4, 2025, at 5:00 p.m**. (**prevailing Eastern Time**) (the "Bid Deadline") to:

(i) Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); and

(ii) Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com).

(c) **Bid Requirements (Local Rule 6004-1(c)(i))**. Each Bid by an Acceptable Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) Purpose. Each Acceptable Bidder must state whether the Bid is an offer by the Acceptable Bidder to license or purchase, whether assets or equity, including the percentage of the new interests to be purchased, if any, and which executory contracts and unexpired leases the Acceptable Bidder seeks to have assumed and assigned to it. Each Acceptable Bidder must also state whether it is willing to fund costs of confirming a Plan, including wind-down costs, and if so, the amount of funding to be provided.

(ii) Purchase Price. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration, including, for example, certain liabilities to be assumed by the Acceptable Bidder (the "Purchase Price").

(iii) Deposit. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the cash and non-cash consideration of the Bid to be held in one or more escrow accounts on terms acceptable to the Debtor (the "Deposit").

(iv) Marked Agreement. Each Bid must include a copy of all Transaction-related documents or other material documents integral to such Bid, together with the exhibits and schedules related thereto, pursuant to which the Acceptable Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents"), which, in the event that the Debtor's Advisors provide Form Documents, such Transaction Documents shall include a marked version of such Form Documents. Any modifications to the Transaction contemplated by any Form Documents must be in form and substance acceptable to the Debtor.

(v) Committed Financing. To the extent that a Bid is not accompanied by evidence of the Acceptable Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtor's satisfaction that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, or shall have covenants and conditions acceptable to the Debtor.

(vi) Contingencies; No Financing or Diligence Outs. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.

(vii) No Bidding Protections. Each Bid (other than the Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than a Stalking Horse Bidder, if any) will be permitted to request, nor be granted by the Debtor, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. By submitting its Bid, each Bidder (other than a Stalking Horse Bidder, if any) is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including pursuant to section 503(b) of the Bankruptcy Code.

(viii) Identity. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Acceptable Bidder if such Acceptable Bidder is an entity formed for the purpose of consummating the proposed transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s) and counsel whom Rock Creek and Womble Bond Dickinson (US) LLP should contact regarding such Bid.

(ix) Authorization. Each Bid must contain evidence acceptable to the Debtor that the Acceptable Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid and the consummation of the Transaction contemplated in such Bid.

(x) As-Is, Where-Is. Each Bid must include a written acknowledgement and representation that the Acceptable Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Transaction prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidder's Transaction Documents; and (iv) the Acceptable Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

(d) **Stalking Horse Bidding Protections**.

(i) Break-up Fee. A Stalking Horse Bidder, if any, is entitled to a break-up fee equal to 3% of the Purchase Price (the "Break-up Fee")

(ii) Expense Reimbursement. A Stalking Horse Bidder, if any, is entitled to up to $100,000 of expense reimbursement (for actual out-of-pocket third party expenses) (the "Expense Reimbursement").

(iii) Bidding Increments. Each Bid or combination of Bids must be for all of the Assets and shall clearly show the amount of the purchase price. In addition, a Bid or combination of Bids must propose a purchase price greater than the sum of (i) the value of a Stalking Horse Agreement, as determined by the Debtor; and (ii) an initial overbid of not less than $200,000 plus the Break-up Fee (the "Initial Overbid").

Unless otherwise determined by the Debtor in its business judgment, any subsequent overbid after the Initial Over Bid shall be made in increments of at least $100,000 in the aggregate (the "Minimum Overbid Increment").

(e) **Designation of Qualified Bidders**.

(i) A Bid will be considered a "Qualified Bid," and each Acceptable Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtor, determines that such Bid:

(A) satisfies the Bid Requirements set forth above, including the Initial Overbid;

(B) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtor; and

(C) when aggregated with other Bids (or portions thereof), provides for payment in full in cash of all administrative, priority, and secured claims through the Effective Date (as defined in the Plan).

(D) By June 6, 2025, the Debtor will notify each Qualified Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid.

(E) If any Bid is determined by the Debtor not to be a Qualified Bid, the Debtor will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

(F) Between the date that the Debtor notifies an Acceptable Bidder that it is a Qualified Bidder and the Auction, the

Debtor may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtor, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

(G) Notwithstanding anything herein to the contrary, the Debtor reserves the right to work with (1) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid prior to the Bid Deadline or (2) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtor reserves the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtor may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

(H) A Stalking Horse Bid, if applicable, is a Qualified Bid and a Stalking Horse Bidder is a Qualified Bidder.

(f) **The Auction**.

(i) If the Debtor receives one or more Qualified Bids, the Debtor will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

(ii) No later than **June 6, 2025,** the Debtor will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtor's business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Consultation Party, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors that the Debtor deems relevant to the value of the Qualified Bid to the Debtor's estate, including, among other things: (a) the number, type, and nature of any changes to the applicable Form Documents requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtor's estate from the Transaction contemplated by the Baseline Bid; and (e) the tax consequences of such Qualified Bid (collectively, the "Bid Assessment Criteria").

(iii) Unless otherwise indicated as provided by the Bidding Procedures Order, the Auction shall take place at **10:00 a.m. (prevailing Eastern Time) on June 10, 2025**, either via videoconference or at the offices of Womble Bond Dickinson (US), LLP, 1313 N. Market Street, Suite 1200, Wilmington, DE 19801, or such later date and time or location as selected by the Debtor. The Auction shall be conducted in a timely fashion according to the following procedures:

(A) The Debtor Shall Conduct the Auction.

- The Debtor and its professionals shall direct and preside over the Auction. At the start of the Auction, the Debtor shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined herein) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtor shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid.

- Only Qualified Bidders, the Debtor and the Subchapter V Trustee, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtor, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtor, only Qualified Bidders shall be entitled to bid at the Auction.

(B) Terms of Overbids. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtor's announcement of the Baseline Bid. Each Overbid must comply with the following conditions:

- Minimum Overbid Increment. As noted above, the initial overbid above a Stalking Horse Bid must exceed the value of a Stalking Horse Bid by $200,000 plus the Break-up Fee (the "Baseline Bid") as determined by the Debtor. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of value equal to $100,000 of the Baseline Bid, unless otherwise determined by the Debtor in an exercise of its business judgment.

- Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtor may announce a deadline (as the Debtor may, in its business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtor.

- Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtor's estate than any prior Qualified Bid or Overbid, as determined in the Debtor's business judgment, but shall otherwise comply with the terms of these Bidding Procedures.

- Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtor, in consultation with the Consultation Party, shall announce whether the Debtor has identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtor as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtor shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtor as the Prevailing Highest Bid, as well as the value attributable by the Debtor to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

(C) Consideration of Overbids. The Debtor reserves the right, in consultation with the Consultation Party, in its business judgment, to adjourn the Auction one or more times, to, among other things, (1) facilitate discussions between the Debtor and Potential Bidders, (2) allow Qualified Bidders to consider how they wish to proceed, and (3) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(D) Closing the Auction. The Auction shall continue until there is only one Qualified Bid that the Debtor determines, in consultation with the Consultation Party, in its business judgment, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the "Winning Bid" and such Qualified Bidder, the "Winning Bidder," at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtor of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtor from exercising its fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtor shall finalize definitive documentation to implement the terms of the Winning Bid and, as applicable, cause such definitive documentation to be filed with the Court.

(E) No Collusion; Good-Faith *Bona Fide* Offer. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (1) it has not engaged in any collusion with respect to the bidding and (2) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

(g) **Backup Bidder (Local Rule 6004-1(c)(1)(E))**.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtor in the exercise of its business judgment, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtor.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtor, at the conclusion of the Auction at the same time the Debtor announces the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated. The Backup Bidder's Deposit shall be held in escrow pending consummation of the Transaction.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtor may in its discretion select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtor will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtor's' estate, and the Debtor, on behalf of itself and its estate, specifically reserves the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

(h) Notice and Consultation Party.

(i) Information that must be provided to the "Notice Parties" under these Bidding Procedures must be provided to the following parties: (a) Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); (b) proposed counsel to the Debtor, Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com); (c) Office of the United States Trustee, 844 King Street, Suite 2207, LockBox 35, Wilmington, Delaware 19801, Attn: Hannah J McCollum (hannah.mccollum@usdoj.gov); and (d) the Subchapter V Trustee.

(ii) The term "Consultation Party" as used in these Bidding Procedures shall mean: the Subchapter V Trustee.

(i) "As Is, Where Is."

(i) Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor or its estate, except as specifically accepted or agreed to by the Debtor. Except as specifically accepted or agreed to by the Debtor, all of the Debtor's right, title, and interest in and to the respective assets will be transferred to the Winning Bidder free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests in accordance with sections 363(f) and 1123(a)(5)(D) of the Bankruptcy Code.

- By submitting a Bid, each Acceptable Bidder will be deemed to acknowledge and represent that it (A) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (B) has relied solely on its own independent review, investigation, and inspection of any document, including executory contracts and unexpired leases, in making its Bid, and (C) did not rely on or receive from any party any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Transaction or the completeness of any information provided in connection with the Transaction or the Auction.

(j) **Reservation of Rights (Local Rule 6004-1(c))**. The Debtor reserves its right to modify these Bidding Procedures in its business judgment in any manner that is not inconsistent with prior orders of the Court or applicable law and will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on a Transaction, including: (i) extending the deadlines set forth in these Bidding Procedures; (ii) adjourning the Auction at the Auction; (iii) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (iv) canceling the Auction; and (v) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtor.

(k) **Consent to Jurisdiction**. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction, and enforcement of these Bidding Procedures.

(l) **Sale Hearing**. A hearing to consider approval of the Transaction (the "Sale Hearing") pursuant to which the Debtor and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **on or about June 16, 2025** and otherwise in accordance with any scheduling order entered by the Court.

(m) **Return of Deposit**.

(i) The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more escrow accounts on terms acceptable to the Debtor and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

(ii) If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtor will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor and its estate, and the Debtor shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

20. Importantly, the Bidding Procedures recognize the Debtor's fiduciary obligations to maximize sale value, and, as such, do not impair the Debtor's ability to consider all qualified bid proposals, and, as noted, preserve the Debtor's right to modify the Bidding Procedures as necessary or appropriate to maximize value for the Debtor's estate.

II. Form and Manner of Notice.

21. The Auction shall take place at **10:00 a.m. (prevailing Eastern Time) on June 10, 2025**, either via videoconference or at the offices of Womble Bond Dickinson (US), LLP, 1313 N. Market Street, Suite 1200, Wilmington, DE 19801, or such other date and time as selected by the Debtor.

22. The Debtor further submits that notice of this Motion and the related hearing to consider entry of the Bidding Procedures Order constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. The Debtor proposes that no other or further notice of the Auction shall be required. Accordingly, the Debtor requests that the Court approve the form and manner of the notice.

III. Assumption and Assignment Procedures

23. In connection with any Transaction, the Debtor proposes to assume and assign to the Winning Bidder(s) the contracts ("Contracts") that the Winning Bidder(s) seeks to have assumed and assigned to it (the "Proposed Assumed Contracts"). The Assumption and Assignment Procedures will, among other things, notice the counterparties (each a "Counterparty" and collectively, the "Counterparties") of the potential assumption and assignment of their Contracts and the Debtor's calculation of costs of curing defaults under the Contracts (the "Cure Costs") with respect thereto. Specifically, the Assumption and Assignment Procedures provide that:

(a) Assumption and Assignment Notice: Within five (5) business days after the entry of the Bidding Procedures Order, the Debtor shall file with the Bankruptcy Court and serve on the Counterparties the Assumption and Assignment Notice, which shall (i) identify the Contracts; (ii) list the Debtor's good faith calculation of Cure Costs with respect to each Contract; (iii) expressly state that assumption or assignment of a Contract is not guaranteed and is subject to the agreement of the Winning Bidder and Court approval; and (iv) prominently display the deadline to file objections to the assumption, assignment, or sale of the Proposed Assumed Contracts. In the event that the Debtor identifies Counterparties that were not served with the Assumption and Assignment Notice, the Debtor may subsequently serve such Counterparty with an Assumption and Assignment Notice, and the following procedures will nevertheless apply to such Counterparty.

(b) Cure Objections and/or Assignability Objections

(i) Deadline. Any Counterparty to a Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract on any grounds (other than Adequate Assurance Objections, as noted below), including the subject of which objection is either (i) the Debtor's proposed Cure Costs to cure any outstanding monetary defaults then existing under such contract (each, a "Cure Objection") and/or (ii) an objection to the assignability of the Contract, whether on grounds that such contract is not assignable, is not an executory contract or unexpired lease, or otherwise (each, an "Assignability Objection"), shall file with the Bankruptcy Court and serve on the Notice Parties its Cure Objection and/or Assignability Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **May 30, 2025 at 4:00 p.m. (prevailing Eastern Time)**.

(ii) Resolution: The Debtor and a Counterparty that has filed a Cure Objection and/or Assignability Objection shall first confer in good faith to attempt to resolve the Cure Objection and/or Assignability Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection and/or Assignability Objection prior to the commencement of the Sale Hearing, the amount to be paid or reserved with respect to such Cure Objection and the assignability of the Contract shall be determined by the Bankruptcy Court at the Sale Hearing provided that, a Cure Objection may, at the Debtor's discretion, be adjourned (an "Adjourned Cure Objection") to a subsequent hearing. An Adjourned Cure Objection may, in the Debtor's discretion, be resolved after the closing date of the applicable Transaction. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the applicable Winning Bidder, as of the closing date of the applicable Transaction. All objections to the proposed assumption and assignment of the Debtor's right, title, and interest in, to, and under a Contract will be heard at the Sale Hearing, except with respect to an Adjourned Cure Objection as set forth herein.

(iii) Failure to Timely Object: If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Notice Parties a Cure Objection and/or Assignability Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Contract (unless such Counterparty has timely filed an Adequate Assurance Objection (as defined below) with respect to the Contract, in which case the Counterparty may only object to the Winning Bidder's adequate assurance) to the Winning Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in any Contract, or any other document, and the Counterparty to the Contract shall be deemed to have consented to the Cure Costs and forever shall be barred from asserting any other claims related to such Contract against the Debtor or any Winning Bidder(s) or their property.

(c) Adequate Assurance Objections.

(i) Deadline: Any Counterparty to a Proposed Assumed Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract, the subject of which objection is a Winning Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection"), shall file with the Bankruptcy Court and serve on the Notice Parties an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **May 30, 2025 at 4:00 p.m. (prevailing Eastern Time)** for a Stalking Horse Bidder or **June 13, 2025, at 4:00 p.m. (prevailing Eastern Time)** for any Winning Bidder that is not a Stalking Horse Bidder.

(ii) Resolution of Objections: The Debtor and a Counterparty that has filed an Adequate Assurance Objection shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, such objection and all issues of adequate assurance of future performance of the applicable Winning Bidder shall be determined by the Bankruptcy Court at the Sale Hearing.

(iii) Failure to Timely Object: If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Notice Parties an Adequate Assurance Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Proposed Assumed Contract (unless the Counterparty has filed a timely Cure Objection and/or Assignability Objection with respect to the Proposed Assumed Contract, the deadline and procedures for resolution and adjudication of which are set forth above) to the Winning Bidder and forever shall be barred from asserting any objection. The Winning Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Proposed Assumed Contract in accordance with Bankruptcy Code section 365(f)(2)(B), notwithstanding anything to the contrary in the Proposed Assumed Contract, or any other document.

III. Timeline

24. Set forth below for convenience is a chart reflecting the various ***proposed*** deadlines and dates requested by the Debtor set forth herein and the Bidding Procedures Order:

Bidding Procedures Hearing	May 6, 2025 at 11:30 a.m. prevailing Eastern Time

Cure/Adequate Assurance (Stalking Horse Bidder) Objection Deadline	May 30, 2025 at 4:00 p.m. prevailing Eastern Time
Bid Deadline	June 4, 2025 at 5:00 p.m. prevailing Eastern Time
Auction	June 10, 2025 10:00 a.m. prevailing Eastern Time
Sale Objection Deadline	June 13, 2025 at 4:00 p.m. prevailing Eastern Time
Adequate Assurance (Winning Bidder that is not the Stalking Horse Bidder) Objection Deadline	June 13, 2025 at 4:00 p.m. prevailing Eastern Time
Sale Hearing	[June 16], 2025 [•] [•].m. prevailing Eastern Time (or as soon thereafter or before as the Court's schedule permits)

Basis for Relief

A. The Relief Sought in the Bidding Procedures Order Is in the Best Interests of the Debtor's Estate and Should Be Approved.

25. Adoption of the Bidding Procedures is a valid exercise of the Debtor's business judgment. Courts have consistently held that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g., In re Trilogy Dev. Co., LLC*, No. 09-42219, 2010 Bankr. LEXIS 5636, at *3–*4 (Bankr. W.D. Mo. 2010) (holding that section 363 of the Bankruptcy Code permits the debtor to sell their assets if a sound business purpose exists); *In re Channel One Commc'ns, Inc*., 117 BR 493 (Bankr. E.D. Mo. 1990) (same); *Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*, 933 F.2d 513 (7th Cir. 1991)) ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification.'" (internal citations omitted)); *see also In re Integrated Res., Inc*., 147 B.R. 650, 656–57 (S.D.N.Y. 1992) (noting that bidding procedures that have been negotiated by a trustee are to be reviewed according to the deferential "business judgment" standard, under which such procedures and arrangements are "presumptively valid").

26. Maximization of proceeds received by the estate is one of the dominant goals of any proposed sale of estate property. In the hope of maximizing the value received by the estate,

courts typically establish procedures that are intended to enhance competitive bidding by, among other things, setting forth the rules that will govern the auction process. *See, e.g., In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (explaining that "court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates"); *In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) ("The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate."); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (in bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand"); *In re Integrated Res.*, 147 B.R. at 659 ("[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee's duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate." (internal citations omitted)).

27. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Integrated Res.*, 147 B.R. at 659 (bidding procedures "are important tools to encourage bidding and to maximize the value of the debtor's assets"); *In re Fin. News Network,* 126 B.R. at 156.

28. The Debtor believes that the proposed Bidding Procedures will promote active bidding from seriously interested parties and will maximize the value the Debtor will receive from the Transaction for the benefit of the Debtor's estate. The proposed Bidding Procedures will allow the Debtor to conduct the Auction in a controlled, fair, and open fashion that will encourage participation by financially capable bidders who can demonstrate the ability to close a Transaction. In particular, the Bidding Procedures contemplate an open auction process with minimum barriers

to entry and provide potential bidding parties with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid.

29. The Debtor believes that the proposed Bidding Procedures provide an appropriate framework for expeditiously establishing that the Debtor is receiving the highest or otherwise best offer for a Transaction, will encourage competitive bidding, are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with the controlling legal standard. Accordingly, the Court should approve the Debtor's adoption of the Bidding Procedures as reasonable and appropriate and a valid exercise of the Debtor's business judgment.

II. The Bidding Protections Have a Sound Business Purpose and Should Be Approved.

30. The Debtor also seeks approval to pay the Bidding Protections, consisting of a Break-up Fee equal to 3% of the Purchase Price and Expense Reimbursement in an amount not to exceed $100,000.

31. The Debtor seeks Court authority to pay the Bidding Protections. Payment of break up fees and expense reimbursements, like those proposed here, in a bidding process for sales is appropriate under section 363(b) of the Bankruptcy Code so long as such payment is a valid exercise of the Debtor's business judgment. Under section 363(b), the Debtor may use, sell, or lease estate property outside of the ordinary course of business so long as they articulate a sound business reason for doing so. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989); *Armstrong World Indus., Inc. v. James A. Phillips, Inc.* (*In re James A. Phillips, Inc.*), 29 B.R. 391, 398 (Bankr. S.D.N.Y. 1983).

32. The use of a stalking horse in a public auction process for dispositions pursuant to section 363 of the Bankruptcy Code is a customary practice in chapter 11 cases, as the use of a stalking horse bid is, in many circumstances, the best way to maximize value in an auction process

by "establish[ing] a framework for competitive bidding and facilitat[ing] a realization of that value." *Official Comm. of Unsecured Creditors v. Interforum Holding LLC*, 2011 WL 2671254, *1 (E.D. Wis. July 7, 2011); *see also Agri Processors, Inc. v. Fokkena* (*In re Tama Beef Packing, Inc.*), 321 B.R. 496, 497–98 (B.A.P. 8th Cir. 2005). As a result, stalking horse bidders virtually always require forms of bid protections as an inducement for "setting the floor at auction, exposing its bid to competing bidders, and providing other bidders with access to the due diligence necessary to enter into an asset purchase agreement." *Interforum Holding*, 2011 WL 2671254, at *1 (internal citations omitted). Thus, the use of bid protections has become an established practice in chapter 11 cases.

33. The Debtor submits that approval of the Bidding Protections is justified by the facts and circumstances of this chapter 11 case, whether considered under the business judgment rule or as an administrative expense of the estate. The Bidding Protections are a vital means by which a debtor-in-possession can manage value maximization risk by setting a value floor for the assets to be sold, which is a key benefit to the Debtor and its estate and weighs heavily in favor of approving the Bidding Protections. Such fees encourage the investment of time, effort, and money necessary to consummate a Transaction, despite the possibility that a Stalking Horse Bidder may not ultimately effectuate the Transaction. The Bidding Protections is an important tool to be used to encourage bidding.

34. Moreover, to the extent the Debtor secures a stalking horse bidder, the Debtor anticipates that the Bidding Protections are likely a material inducement for, and condition of, such stalking horse bidder's entry into a Transaction and no other bidding protections are being sought. A stalking horse bidder would have put forth considerable time and resources to negotiate a Transaction, which will serve as a floor price at the Auction and, regardless of whether other

Qualified Bids are received, will benefit the Debtor's estate. The Debtor believes that the Bidding Protections under this construct is fair and reasonable in view of (a) the anticipated analysis and negotiation that a Stalking Horse Bidder will likely undertake in connection with a Transaction and (b) the fact that, if the Bidding Protections are triggered, a Stalking Horse Bidder's efforts would likely have influenced the chances that the Debtor will receive the highest or otherwise best offer for a Transaction to the benefit of all of the Debtor's stakeholders.

35. Thus, the Debtor submits that offering the Bidding Protections is: (a) an actual and necessary cost of preserving the Debtor's estate within the meaning of sections 503(b) and 507(a) of the Bankruptcy Code; (b) commensurate to the real and substantial benefit conferred on the Debtor's estate by a Stalking Horse Bidder, and (c) reasonable and appropriate in light of, among other things (i) the size and nature of the Transaction contemplated and comparable transactions, (ii) the substantial efforts that will likely need expended by a Stalking Horse Bidder, (iii) the benefits a Stalking Horse Bidder will likely have provided to the Debtor's estate, its creditors and other parties in interest, notwithstanding that the Transaction may be terminated by the Debtor if any higher or otherwise better transaction is identified and consummated at the conclusion of the Auction, and (d) likely necessary to induce a Stalking Horse Bidder to serve as a "stalking horse" bidder and to continue to pursue the Transaction.

36. The determination of whether bidding incentives should be allowed is made based on standards established by the Third Circuit in *Calpine Corp. v. O'Brien Env't Energy, Inc*. (*In re O'Brien Env't Energy. Inc*.), 181 F.3d 527 (3d Cir. 1999). *O'Brien* held that while bidding incentives are measured against a business judgment standard in non-bankruptcy transactions, the administrative expense provisions in section 503(b) of the Bankruptcy Code govern in the bankruptcy context. *Id*. To be approved, bidding incentives must provide benefit to a debtor's

estate. *Id*. at 533; *see also In re Reliant Energy Channelview LP*, 594 F.3d 200, 206 (3d Cir. 2010) (explaining that "the allowability of break-up fees, like that of other administrative expenses, depends on the requesting party's ability to show that the fees were actually necessary to preserve the value of the estate").

37. *O'Brien* identified at least two instances in which bidding incentives may provide benefit to the estate. First, benefit may be found if "assurance of a breakup fee promote[s] more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would [be] limited." *Id*. at 537. Second, where the availability of bidding incentives induces a bidder to research the value of the debtor and submit a bid that serves as a minimum or floor bid on which other bidders can rely, "the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth." *Id*. The Debtor submits that the Bidding Protections are consistent with the *O'Brien* standard and should be approved as fair and reasonable.

38. As a result, courts routinely approve bid protections in connection with proposed bankruptcy sales where a proposed fee or reimbursement provides a benefit to the estate. *See, e.g., In re Wintz Cos*., 230 B.R. 840, 847 (B.A.P. 8th Cir. 1999) (holding that bid protections benefitted the estate rather than chilled bidding); *In re O'Brien Envtl. Energy, Inc*., 181 F.3d 527 (3d Cir. 1999). The Debtor believes that the allowance of the Bid Protections is in the best interests of the Debtor's estate and its creditors.

39. Accordingly, for the reasons set forth above, the Court should grant the Debtor the authority to incur and pay the Bidding Protections in its discretion as a valid exercise of the Debtor's business judgment and otherwise within the controlling legal standards in this district.

III. The Form and Manner of the Notice Should Be Approved.

40. Pursuant to Bankruptcy Rule 2002(a), the Debtor is required to provide creditors with 21 days' notice of the Auction. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction and the deadline for filing any objections to the relief requested herein.

41. The Debtor submits that notice of this Motion and the related hearing to consider entry of the Bidding Procedures Order constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. Accordingly, no further notice is necessary and the Debtor requests that this Court approve the form and manner of notice of the Auction. Nevertheless, the Debtor proposes to file on the court docket and serve a notice of entry of the Bidding Procedures Order with a copy of the entered Bidding Procedures Order attached to such notice.

Waiver of Bankruptcy Rule 6004(a)

42. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order unless the court orders otherwise." Similarly, Bankruptcy Rule 6006(d) provides that an "order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of 14 days after the entry of the order unless the court orders otherwise." The Debtor requests that the Bidding Procedures Order be effective immediately by providing that the fourteen (14) day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived

Reservation of Rights

43. Nothing contained herein is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtor's or any other party in interest's right to dispute any claim, (c) a promise or requirement to pay any particular claim; (d) an

implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estate; or (g) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtor's right to subsequently dispute such claim.

Notice

44. The Debtor has provided notice of this Motion to the following parties or their respective counsel: (a) the office of the U.S. Trustee for the District of Delaware; (b) the holders of the 20 largest unsecured claims against the Debtor; (c) the Subchapter V Trustee; (d) the Internal Revenue Service; (e) the United States Securities and Exchange Commission; (f) the office of the attorney general for the state of California; (g) the United States Attorney's Office for the District of Delaware; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

45. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests that the Court enter the Order granting the relief requested herein and such further relief as the Court deems appropriate under the circumstances.

Dated: April 15, 2025
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Matthew P. Ward

Matthew P. Ward (DE Bar No. 4471)
Todd A. Atkinson (DE Bar No. 4825)
Marcy J. McLaughlin Smith (DE Bar No. 6184)
1313 North Market Street, Suite 1200
Wilmington, Delaware 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
Email: matthew.ward@wbd-us.com
Email: todd.atkinson@wbd-us.com
Email: marcy.smith@wbd-us.com

Proposed Counsel to the Debtor

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SOLID FINANCIAL TECHNOLOGIES, INC., Debtor.	Chapter 11 Subchapter V Case No. 25-10669 (BLS) **Hearing Date: May 6, 2025 at 11:30 a.m.** **Objection Deadline: April 29, 2025 at 4:00 p.m.**

NOTICE OF DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) APPROVING THE BIDDING PROCEDURES, (II) APPROVING CERTAIN BIDDING PROTECTIONS IN CONNECTION WITH THE SALE OF THE DEBTOR'S ASSETS, (III) SCHEDULING THE BID DEADLINE AND THE AUCTION, (IV) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (V) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that on April 15, 2025 the above-captioned debtor (the "Debtor") filed the *Debtor's Motion For Entry of an Order (I) Approving the Bidding Procedures, (II) Approving Certain Bidding Protections in Connection with the Sale of Debtor's Assets, (III) Scheduling the Bid Deadline and the Auction, (IV) Approving the Form and Manner of Notice Thereof, and (V) Granting Related Relief* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that the hearing to consider the Motion is scheduled for **May 6, 2025 at 11:30 a.m. (Prevailing Eastern Time)** (the "Hearing") before the Honorable Brendan Linehan Shannon, United States Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th floor, Courtroom 1, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion must comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the District of Delaware. Objections, if any, to the Motion must be served upon each of the parties set forth below **on or before April 29, 2025 by 4:00 p.m. (Prevailing Eastern Time)**: (a) proposed counsel to the Debtor, Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com); (b) Office of the United States Trustee, 844 King Street, Suite 2207, LockBox 35, Wilmington, Delaware 19801, Attn: Hannah J McCollum (hannah.mccollum@usdoj.gov); and (c) the Subchapter V Trustee.

PLEASE TAKE FURTHER NOTICE that a copy of the Motion can be viewed on the Court's website at https://ecf.deb.uscourts.gov and on the website of the Debtor's notice and claims agent, Omni Agent Solutions, Inc. ("Omni") at https://omniagentsolutions.com/Solid.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned thereafter from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing or at a later hearing. The Debtor will file an agenda before the Hearing, which may modify or supplement the Motion.

PLEASE TAKE FURTHER NOTICE that you need not appear at the hearing if you do not object to the relief requested in any of the Motion.

PLEASE TAKE FURTHER NOTICE THAT IF YOU DO NOT WANT THE COURT TO GRANT THE RELIEF REQUESTED IN THE MOTION, OR IF YOU WANT THE COURT TO CONSIDER YOUR VIEW ON THE MOTION, THEN YOU OR YOUR ATTORNEY MUST ATTEND THE HEARING. IF YOU OR YOUR ATTORNEY DO NOT TAKE THESE STEPS, THE COURT MAY DECIDE THAT YOU DO NOT OPPOSE THE RELIEF SOUGHT IN THE MOTION AND MAY ENTER AN ORDER GRANTING THE RELIEF REQUESTED IN THE MOTION.

Dated: April 15, 2025
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Matthew P. Ward
Matthew P. Ward (DE Bar No. 4471)
Todd A. Atkinson (DE Bar No. 4825)
Marcy J. McLaughlin Smith (DE Bar No. 6184)
1313 North Market Street, Suite 1200
Wilmington, Delaware 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
Email: matthew.ward@wbd-us.com
Email: todd.atkinson@wbd-us.com
Email: marcy.smith@wbd-us.com

Proposed Counsel to the Debtor

Exhibit A

Bidding Procedures Order

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) Re: Doc. No. ____

ORDER (I) APPROVING THE BIDDING PROCEDURES, (II) APPROVING CERTAIN BIDDING PROTECTIONS IN CONNECTION WITH THE SALE OF THE DEBTOR'S ASSETS, (III) SCHEDULING THE BID DEADLINE AND THE AUCTION, (IV) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion") of the above captioned debtor and debtor in possession (the "Debtor") for the entry of an order (this "Order"): (a) authorizing and approving the bidding procedures attached hereto as **Exhibit 1** (the "Bidding Procedures"),[2] (b) establishing certain dates and deadlines including the Bid Deadline and the date of the Auction, if any, (c) approving the manner of notice of the Bidding Procedures and Auction, if any, and (d) granting related relief; all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 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; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in

[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] Capitalized terms used but not defined herein have the meanings given to them in the Motion or Bidding Procedures, as applicable.

this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over the Motion pursuant to 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. Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Good and sufficient notice of the Motion, the Bidding Procedures, the Bidding Protections, and the relief sought in the Motion has been given under the circumstances, and no other or further notice is required except as set forth herein. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

D. The bases for the relief requested in the Motion are: (i) sections 105, 363, 365, and 1146(a) of the Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"); (ii) Rules 2002(a)(2), 6004, 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and Local Rules 2002-1, 6004-1, and 9006-1.

E. The Debtor has articulated good and sufficient reasons for this Court to: (i) approve the Bidding Procedures, including the Bidding Protections; (ii) schedule the Auction and approve the manner of notice of the Auction; and (iii) authorize the Debtor's entry into the Stalking Horse Agreement, if any.

F. The Bidding Protections are reasonable and appropriate and will serve as material inducement to, and express condition of, the Stalking Horse Bidder's willingness to enter into a transaction with the Debtor. The Bidding Protections will provide a material benefit to the Debtor and its creditors by increasing the likelihood that, given the circumstances, the best possible price for the Debtor's assets will be received. Accordingly, the Bidding Protections represent the best method for maximizing value for the benefit of the Debtor's estate.

G. The Bidding Procedures were negotiated by the parties at arms' length and in good faith.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.

2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court, are overruled.

3. The Debtor is authorized to enter into a Stalking Horse Agreement, subject to the terms set forth herein and in any subsequent order of the Court with respect to the sale or other disposition of the Debtor's assets.

IMPORTANT DATES AND DEADLINES.

4. **Bid Deadline**. **June 4, 2025, at 5:00 p.m. (prevailing Eastern Time)**, is the deadline by which bids for the Assets (as well as the deposit and all other documentation required under the Bidding Procedures for Qualified Bidders) must be submitted in accordance with the terms of the Bidding Procedures.

5. **Auction**. An Auction, if any, will be held at **10:00 a.m. (prevailing Eastern Time) on June 10, 2025**, either via videoconference or at the offices of Womble Bond Dickinson (US) LLP, 1313 N. Market Street, Suite 1200, Wilmington, DE 19801, or such later date and time or location as selected by the Debtor (the "Auction"). The Debtor shall send written notice of the date, time, and place of the Auction to the Qualified Bidders no later than one business day before such Auction, and will post notice of the date, time, and place of the Auction no later than one business days before such Auction on the website of the Debtor's notice and claims agent, Omni Agent Solutions, Inc. ("Omni") at https://cases.omniagentsolutions.com/?clientId=3739.

AUCTION, BIDDING PROCEDURES, AND RELATED RELIEF.

6. The Bidding Procedures, substantially in the form attached hereto as **Exhibit 1**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any Transaction. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtor is authorized to take any and all actions necessary to implement the Bidding Procedures.

7. If the Debtor receives two or more Qualified Bids, the Debtor will conduct the Auction to determine the party with the highest or otherwise best bid (the "Winning Bidder") in accordance with the Bidding Procedures. The Debtor and its professionals shall direct and preside over the Auction.

8. At the Auction, Qualified Bidders that have submitted Qualified Bids by the Bid Deadline will be entitled, but will not be obligated, to submit overbids. The Stalking Horse Bidder is a Qualified Bidder. The Initial Overbid to the Stalking Horse Bid shall be in an amount of no less than the value of the Bid Protections plus $100,000.

9. At the Auction, the Debtor may: (a) select, in its business judgment (in consultation with the Consultation Party), pursuant to the Bidding Procedures, the highest or otherwise best Bid and the Winning Bidder or Backup Bidder; and (b) reject any Bid (regardless of whether such Bid is a Qualified Bid) that, in the Debtor's business judgment (in consultation with the Consultation Party), is (i) inadequate, insufficient, or not the highest or best Bid, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or the Bidding Procedures, or (iii) contrary to, or otherwise not in the best interests of the Debtor's estate, affected stakeholders, or other parties in interest.

ASSUMPTION AND ASSIGNMENT PROCEDURES

(a) Cure Objections and Assignability Objections

10. The Assumption and Assignment Notice attached hereto as **Exhibit 2** is approved.

11. Within five (5) business days after the entry of this Order, the Debtor shall file with this Court and serve on the non-debtor counterparty (a "Counterparty") to contracts ("Contracts") that the Winning Bidder(s) seeks to have assumed and assigned to it (the "Proposed Assumed Contracts") the Assumption and Assignment Notice, which shall (i) identify the Contracts; (ii) list the Debtor's good faith calculation of Cure Costs with respect to each Contract; (iii) expressly

state that assumption or assignment of a Contract is not guaranteed and is subject to the agreement of the Winning Bidder and Court approval; and (iv) prominently display the deadline to file objections to the assumption, assignment, or sale of the Debtor's Proposed Assumed Contracts (as defined herein).

12. Any Counterparty to a Contract that wishes to object to the proposed assumption, assignment, and sale of a Contract based on (i) an objection to the Debtor's proposed Cure Costs to cure any outstanding monetary defaults then existing under such Contract (each, a "Cure Objection") and/or (ii) an objection to the assignability of the Contract, whether on grounds that such contract is not assignable, is not an executory contract or unexpired lease, or otherwise (each, an "Assignability Objection"), shall file with the Bankruptcy Court and serve on the Objection Recipients its Cure Objection and/or Assignability Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **May 30, 2025 at 4:00 p.m. (prevailing Eastern Time)**.

13. In the event that the Debtor identifies any Counterparty that was not served with the Assumption and Assignment Notice, the Debtor may subsequently serve such Counterparty with an Assumption and Assignment Notice, and the above procedures will nevertheless apply to such Counterparty.

14. If the parties are unable to consensually resolve a Cure Objection and/or Assignability Objection prior to the Sale Hearing, the amount to be paid or reserved with respect to such Cure Objection and the assignability of the Contract shall be determined by the Bankruptcy Court at the Sale Hearing or such later date as agreed to by the Debtor (an "Adjourned Cure Objection"). An Adjourned Cure Objection may be resolved after the closing date of the applicable Transaction. Upon resolution of an Adjourned Cure Objection and the payment of the applicable

cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the applicable Winning Bidder, as of the closing date of the applicable Transaction. All objections to the proposed assumption and assignment of the Debtor's right, title, and interest in, to, and under a Contract will be heard at the Sale Hearing, except with respect to an Adjourned Cure Objection as set forth herein.

15. If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Notice Parties a Cure Objection and/or Assignability Objection, the Counterparty shall be barred from contesting the Cure Costs set forth in the Assumption and Assignment Notice and shall be barred from asserting that the contract cannot be assumed and assigned under Bankruptcy Code section 365(b).

(b) Adequate Assurance Objections

16. The Debtor shall notify all Counterparties to contracts that are to be assumed of the identities of the Winning Bidder and Back-Up Bidder as soon as practicable after those bidders have been identified. Upon request by a Counterparty, the Debtor shall serve, by electronic mail, the evidence of adequate assurance of future performance under the Proposed Assumed Contracts, including the legal name of the proposed assignee, the proposed use of any leased premises, the proposed assignee's financial ability to perform under the Proposed Assumed Contracts, and a contact person with the proposed assignee that Counterparties may contact if they wish to obtain further information regarding the purchaser of the assets. Any Counterparty to a Proposed Assumed Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract, the subject of which objection is a Winning Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection"), shall file with the Bankruptcy Court and serve on the Notice Parties an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases

thereof, including any appropriate documentation in support thereof, by no later than **May 30, 2025 at 4:00 p.m. (prevailing Eastern Time)** with respect to the Stalking Horse Bidder and **June 13, 2025 at 4:00 p.m. (prevailing Eastern Time)** with respect to any Winning Bidder and Back-Up Bidder that is not the Stalking Horse Bidder**.**

17. If the parties are unable to consensually resolve an Adequate Assurance Objection prior to the commencement of the Sale Hearing, such objection and all issues of adequate assurance of future performance of the applicable Winning Bidder shall be determined by the Court at the Sale Hearing.

18. If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Objection Recipients an Adequate Assurance Objection, the Winning Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Proposed Assumed Contract.

MISCELLANEOUS

19. Nothing in this Order, the Stalking Horse Agreement, if any, or the Motion shall be deemed to or constitute the assumption or assignment of an executory contract or unexpired lease.

20. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

21. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

22. The requirements of Bankruptcy Rules 6004(h) and 6006(d) are waived.

23. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

24. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

25. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Exhibit 1

Bidding Procedures

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SOLID FINANCIAL TECHNOLOGIES, INC., Debtor.	Chapter 11 Subchapter V Case No. 25-10669 (BLS)

BIDDING PROCEDURES

On April 7, 2025 (the "Petition Date"), Solid Financial Technologies, Inc. (the "Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtor intends to pursue the consummation of a value-maximizing transaction, which may contemplate (a) the sale of the Debtor's assets, (b) a restructuring, which is a reorganization that provides for the implementation of the terms of an acceptable plan sponsor investment in the form of a sale and/or a debtor or equity investment, or (c) licensing of certain of the Debtor's intellectual property through the Plan and the continued business of the Debtor (each a "Transaction").

On [●], the Court entered the *Order (I) Approving the Bidding Procedures, (II) Approving Certain Bidding Protections in Connection with the Sale of the Debtor's Assets, (III) Scheduling the Bid Deadline and the Auction, (IV) Approving the Form and Manner of Notice Thereof, and (V) Granting Related Relief* [Docket No. ●] (the "Bidding Procedures Order"),[1] by which the Court approved the following procedures. These Bidding Procedures set forth the process by which the Debtor is authorized to conduct an auction (the "Auction") to determine the Transaction that provides the highest or otherwise best offer.

Marketing Process

A. Contact Parties.

The Debtor, in consultation with Rock Creek Advisors, LLC ("Rock Creek"), the Debtor's sales agent, are in the process of developing a list of parties whom they believe may be interested in, and whom the Debtor reasonably believes would have the financial resources to consummate, a Transaction. The list of parties will include strategic investors and financial investors (collectively, the "Contact Parties"). The Debtor and Rock Creek will contact (to the extent not already contacted) the Contact Parties to explore their interest in pursuing a Transaction. The Contact Parties may include parties whom the Debtor or its advisors previously contacted

[1] All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order.

regarding a transaction, regardless of whether such parties expressed any interest at such time in pursuing a transaction. The Debtor will continue to discuss and may supplement the list of Contact Parties throughout the marketing process, as appropriate.

The Debtor may distribute (to the extent not already distributed) to each Contact Party and any other interested party an information package consisting of: (i) a copy of the Bidding Procedures, the Bidding Procedures Order, and any other related documents; (ii) a form confidentiality agreement (a "Confidentiality Agreement"); and (iii) such other materials as appropriate under the circumstances.

B. Participation Requirements.

To receive due diligence information, including full access to the Debtor's electronic data room and additional non-public information regarding the Debtor, a party interested in consummating a Transaction (a "Potential Bidder") should deliver (or have delivered) to each of: (x) Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); and (y) proposed counsel to the Debtor, Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com) (the "Debtor's Advisors"), the following documents (collectively, the "Preliminary Bid Documents"):

(i) an executed Confidentiality Agreement, to the extent not already executed; and

(ii) proof or other documentation acceptable to the Debtor of the Potential Bidder's financial capacity to close a proposed Transaction (or, if the Potential Bidder is an entity formed for the purpose of consummating the Transaction, the party that will bear liability for a breach), the adequacy of which will be assessed by the Debtor (with the assistance of their advisors).

Promptly after a Potential Bidder delivers Preliminary Bid Documents, the Debtor will determine and notify the Potential Bidder whether such Potential Bidder has submitted acceptable Preliminary Bid Documents so that the Potential Bidder may proceed to conduct due diligence and ultimately submit a Bid (as defined below) and participate in the Auction, as applicable, and will provide copies of any such notices to the Notice Parties. Except as otherwise determined in the Debtor's business judgment, only those Potential Bidders that have submitted acceptable Preliminary Bid Documents (each, an "Acceptable Bidder") may submit Bids.

Beginning on or as soon as is reasonably practicable after the Debtor determines that a Potential Bidder is an Acceptable Bidder, the Debtor will provide such Acceptable Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Acceptable Bidder, as soon as reasonably practicable after such request, and the Debtor shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtor's electronic data room. All due diligence requests must be directed to Rock Creek at the following email address: bayers@rockcreekfa.com. To the extent reasonably practicable, Rock Creek will also facilitate meetings between any interested Acceptable Bidder and the Debtor's management team, which meetings will proceed in a manner determined by the Debtor, in its reasonable discretion.

The due diligence period will end on the Bid Deadline (as defined below), and, subsequent to the Bid Deadline, the Debtor will have no obligation to furnish any due diligence information.

The Debtor's Advisors may, in their business judgment, provide access, in the electronic data room, to a form asset purchase agreement and/or chapter 11 plan (collectively, the "Form Documents").

The Debtor and its advisors will coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; provided that the Debtor may decline to provide such information to Acceptable Bidders who, at such time and in the Debtor's business judgment, have not established, or who have raised doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate a Transaction.

For any Acceptable Bidder who is a competitor of the Debtor or is affiliated with any competitor of the Debtor, the Debtor reserves the right to withhold, or to delay providing, any diligence materials that the Debtor determines are business-sensitive or otherwise inappropriate for disclosure to such Acceptable Bidder at such time.

Each Acceptable Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding such Acceptable Bidder and its contemplated transaction.

Auction Process

Bid Deadline.

An Acceptable Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **June 4, 2025, at 5:00 p.m**. (**prevailing Eastern Time**) (the "Bid Deadline") to:

i. Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); and

ii. Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com).

Bid Requirements.

Each Bid by an Acceptable Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

i. **Purpose**. Each Acceptable Bidder must state whether the Bid is an offer by the Acceptable Bidder to license or purchase, whether assets or equity, including the percentage of the new interests to be purchased, if any, and which executory contracts and unexpired leases the Acceptable Bidder seeks to have assumed and assigned to it. Each Acceptable Bidder must also state whether it is willing to fund costs of confirming the Plan, including wind-down costs, and if so, the amount of funding to be provided.

ii. **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration, including, for example, certain liabilities to be assumed by the Acceptable Bidder (the "Purchase Price").

iii. **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the cash and non- cash consideration of the Bid to be held in one or more escrow accounts on terms acceptable to the Debtor (the "Deposit").

iv. **Marked Agreement**. Each Bid must include a copy of all Transaction-related documents or other material documents integral to such Bid, together with the exhibits and schedules related thereto, pursuant to which the Acceptable Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents"), which, in the event that the Debtor's Advisors provide Form Documents, such Transaction Documents shall include a marked version of such Form Documents. Any modifications to the Transaction contemplated by any Form Documents must be in form and substance acceptable to the Debtor.

v. **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Acceptable Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtor's satisfaction that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, or shall have covenants and conditions acceptable to the Debtor.

vi. **Contingencies; No Financing or Diligence Outs**. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.

vii. **No Bidding Protections**. Each Bid (other than the Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than the Stalking Horse Bidder, if any) will be permitted to request, nor be granted by the Debtor, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. By submitting its Bid, each Bidder (other than the Stalking Horse Bidder, if any) is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including pursuant to section 503(b) of the Bankruptcy Code.

viii. **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Acceptable Bidder if such Acceptable Bidder is an entity formed for the purpose of consummating the proposed transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s) and counsel whom Rock Creek and Womble Bond Dickinson (US) LLP should contact regarding such Bid.

ix. **Authorization**. Each Bid must contain evidence acceptable to the Debtor that the Acceptable Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid and the consummation of the Transaction contemplated in such Bid.

x. **As-Is, Where-Is**. Each Bid must include a written acknowledgement and representation that the Acceptable Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Transaction prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidder's Transaction Documents; and (iv) the Acceptable Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

By submitting its Bid, each Acceptable Bidder is agreeing, and shall be deemed to have agreed, to abide by and honor the terms of the Bidding Procedures and to refrain from submitting a Bid, or seeking to reopen the Auction, after conclusion of the Auction. **The submission of a Bid shall constitute a binding and irrevocable offer to consummate the Transaction reflected in such Bid**.

Stalking Horse Bidding Protections

i. **Break-up Fee**. A Stalking Horse Bidder, if any, is entitled to a break-up fee equal to 3% of the Purchase Price (the "Break-up Fee").

ii. **Expense Reimbursement**. A Stalking Horse Bidder, if any, is entitled to bidding protections of up to $100,000 of expense reimbursement (for actual out-of-pocket third party expenses) (the "Expense Reimbursement").

iii. **Bidding Increments**. Each Bid or combination of Bids must be for all of the Assets and shall clearly show the amount of the purchase price. In addition, a Bid or combination of Bids must propose a purchase price greater than the sum of (i) the value of the Stalking Horse Agreement, if any, as determined by the Debtor; and

(ii) an initial overbid of not less than $200,000 plus the Break-up Fee (the "Initial Overbid").

Unless otherwise determined by the Debtor in its business judgment, any subsequent overbid after the Initial Overbid shall be made in increments of at least $100,000 in the aggregate (the "Minimum Overbid Increment").

Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Acceptable Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtor, determines that such Bid:

i. satisfies the Bid Requirements set forth above, including the Initial Overbid;

ii. is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtor; and

iii. when aggregated with other Bids (or portions thereof), provides for payment in full in cash of all administrative, priority, and secured claims arising in the Debtor's chapter 11 case through the Effective Date (as defined in the Plan).

By June 6, 2025, the Debtor will notify each Qualified Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid.

If any Bid is determined by the Debtor not to be a Qualified Bid, the Debtor will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

Between the date that the Debtor notifies an Acceptable Bidder that it is a Qualified Bidder and the Auction, the Debtor may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtor, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtor reserves the right to work with (1) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid prior to the Bid Deadline or (2) Qualified Bidders to aggregate two or more Qualified Bid into a single Qualified Bid prior to the conclusion of the Auction. The Debtor reserves the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtor may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

The Stalking Horse Bid is a Qualified Bid and the Stalking Horse Bidder is a Qualified Bidder.

The Auction.

If the Debtor receives one or more Qualified Bids, the Debtor will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

No later than June 6, 2025, the Debtor, will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtor's business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Consultation Party, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors that the Debtor deems relevant to the value of the Qualified Bid to the Debtor's estate, including, among other things: (a) the number, type, and nature of any changes to the applicable Form Documents requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtor's estate from the Transaction contemplated by the Baseline Bid; and (e) the tax consequences of such Qualified Bid (collectively, the "Bid Assessment Criteria").

Unless otherwise indicated as provided by the Bidding Procedures Order, the Auction shall take place at **10:00 a.m. (prevailing Eastern Time) on June 10, 2025**, either via videoconference or at the offices of Womble Bond Dickinson (US), LLP, 1313 N. Market Street, Suite 1200, Wilmington, DE 19801, or such later date and time or location as selected by the Debtor. The Auction shall be conducted in a timely fashion according to the following procedures:

i. **The Debtor Shall Conduct the Auction**. The Debtor and its professionals shall direct and preside over the Auction. At the start of the Auction, the Debtor shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined herein) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtor shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid.

   Only Qualified Bidders, the Debtor, and the Subchapter V Trustee, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtor, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtor, only Qualified Bidders shall be entitled to bid at the Auction.

ii. **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtor's announcement of the Baseline Bid. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. As noted above, the initial overbid above the Stalking Horse Bid must exceed the value of the Stalking Horse Bid by $200,000 plus the Break-up Fee (the "Baseline Bid") as determined by the Debtor. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of value equal to $100,000 of the Baseline Bid, unless otherwise determined by the Debtor in an exercise of its business judgment.

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtor may announce a deadline (as the Debtor may, in its business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtor.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtor's estate than any prior Qualified Bid or Overbid, as determined in the Debtor's business judgment, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtor, in consultation with the Consultation Party, shall announce whether the Debtor has identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtor as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtor shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtor as the Prevailing Highest Bid, as well as the value attributable by the Debtor to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

iii. **Consideration of Overbids**. The Debtor reserves the right, in consultation with the Consultation Party, in its business judgment, to adjourn the Auction one or more times, to, among other things, (1) facilitate discussions between the Debtor and Potential Bidders, (2) allow Qualified Bidders to consider how they wish to proceed, and (3) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

iv. **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtor determines, in consultation with the Consultation Party, in its business judgment, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the "Winning Bid" and such Qualified Bidder, the "Winning Bidder," at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid.

Such acceptance by the Debtor of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtor from exercising its fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtor shall finalize definitive documentation to implement the terms of the Winning Bid and, as applicable, cause such definitive documentation to be filed with the Court.

v. **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (1) it has not engaged in any collusion with respect to the bidding and (2) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

Backup Bidder.

i. Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtor in the exercise of its business judgment, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtor.

ii. The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtor, at the conclusion of the Auction at the same time the Debtor announces the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated. The Backup Bidder's Deposit shall be held in escrow pending consummation of the Transaction.

iii. If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtor may in its discretion select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtor will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtor's' estate, and the Debtor, on behalf of itself and its estate, specifically reserves the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

Notice and Consultation Party.

Information that must be provided to the "Notice Parties" under these Bidding Procedures must Information that must be provided to the "Notice Parties" under these Bidding Procedures must be provided to the following parties: Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); and (y) proposed counsel to the Debtor, Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com); (c) Office of the United States Trustee, 844 King Street, Suite 2207, LockBox 35, Wilmington, Delaware 19801, Attn: Hannah J McCollum (hannah.mccollum@usdoj.gov); and (d) the Subchapter V Trustee.

The term "Consultation Party" as used in these Bidding Procedures shall mean: the Subchapter V Trustee.

"As Is, Where Is".

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor or its estate, except as specifically accepted or agreed to by the Debtor. Except as specifically accepted or agreed to by the Debtor, all of the Debtor's right, title, and interest in and to the respective assets will be transferred to the Winning Bidder free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests in accordance with sections 363(f) and 1123(a)(5)(D) of the Bankruptcy Code.

By submitting a Bid, each Acceptable Bidder will be deemed to acknowledge and represent that it (A) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (B) has relied solely on its own independent review, investigation, and inspection of any document, including executory contracts and unexpired leases, in making its Bid, and (C) did not rely on or receive from any party any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Transaction or the completeness of any information provided in connection with the Transaction or the Auction.

Reservation of Rights.

The Debtor reserves its right to modify these Bidding Procedures in its business judgment in any manner that is not inconsistent with prior orders of the Court or applicable law and will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on a Transaction, including: (i) extending the deadlines set forth in these Bidding Procedures; (ii) adjourning the Auction at the Auction; (iii) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (iv) canceling the Auction; and (v) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtor.

Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction, and enforcement of these Bidding Procedures.

Sale Hearing.

A hearing to consider approval of the Transaction (the "Sale Hearing") pursuant to which the Debtor and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **on or about June [16], 2025** and otherwise in accordance with any scheduling order entered by the Court.

The Sale Hearing may be continued to a later date by the Debtor by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party.

Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more escrow accounts on terms acceptable to the Debtor and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtor will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor and its estate, and the Debtor shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except as permitted by these Bidding Procedures.

Exhibit 2

Assumption and Assignment Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SOLID FINANCIAL TECHNOLOGIES, INC., Debtor.	Chapter 11 Subchapter V Case No. 25-10669 (BLS)

NOTICE OF POSSIBLE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES <u>IN CONNECTION WITH TRANSACTION</u>

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 15, 2025, the above-captioned debtor (the "<u>Debtor</u>") filed with the United States Bankruptcy Court for the District of Delaware (the "<u>Bankruptcy Court</u>") a motion (Docket No. ___) (the "<u>Motion</u>") seeking entry of an order (i) authorizing and approving bidding procedures (the "<u>Bidding Procedures</u>"), to be used in connection with the disposition (the "<u>Transaction</u>") of some or substantially all of the Debtor's assets (the "<u>Assets</u>"), including approval of the selection of a Stalking Horse Bidder; (ii) scheduling an auction for the Assets (the "<u>Auction</u>"); (iii) scheduling the hearing to approve the Transaction (the "<u>Sale Hearing</u>"); (iv) authorizing certain procedures related to the Debtor's assumption and assignment of executory contracts and unexpired leases (the "<u>Assignment Procedures</u>") in connection with any Transaction, including notice to each non-Debtor counterparty (each, a "<u>Counterparty</u>") to an executory contract or unexpired lease (collectively, the "<u>Contracts</u>") of the Debtor's proposed cure amounts to cure all monetary defaults under the Contracts (the "<u>Cure Costs</u>"), if any, and notice of proposed assumption and assignment of certain Contracts (collectively, the "<u>Proposed Assumed Contracts</u>") in connection with the Transaction; and (v) granting related relief.

2. On [ ], the Bankruptcy Court entered the Bidding Procedures Order (Docket No. [ ]) approving, in part, the relief requested in the Motion.

3. **The Sale Hearing will take place on [ ] at _ _:_ _ [a.m./p.m.]** before the Honorable Brendan Linehan Shannon, United States Bankruptcy Judge, in the Bankruptcy Court located at 824 N. Market St., 6th Floor, Courtroom 1. The Debtor's presentation to the Bankruptcy Court for approval of one or more highest or otherwise best bid(s) resulting from the Auction (each a "<u>Winning Bid</u>") does not constitute the Debtor's acceptance of such bid. The Debtor will have accepted the terms of a Winning Bid only when such bid has been approved by the Bankruptcy Court pursuant to an order.

4. In connection with the Transaction, and in accordance with the Assumption and Assignment Procedures set forth in the Motion and the Bidding Procedures Order, the Debtor may seek to assume and assign to one or more Winning Bidders (as defined in the Bidding Procedures) certain Contracts of the Debtor. Each of the Debtor's Contracts is identified on <u>Schedule 1</u> attached hereto. The inclusion of any Contract on <u>Schedule 1</u> does NOT constitute an admission that a particular Contract is an executory contract or unexpired lease or require or

guarantee that such Contract will be assumed or assigned, and all rights of the Debtor with respect thereto are reserved. The Cure Costs, if any, that the Debtor believes are required to be paid to the applicable Counterparty to cure any monetary defaults under each contract pursuant to Bankruptcy Code sections 365(b)(1)(A) and (B), to the extent that such Contract is ultimately assumed and assigned, is set forth on the Schedule 1.

5. Any Counterparty to a Contract that wishes to object to the proposed assumption, assignment, and sale of the Contract on any grounds (other than Adequate Assurance Objections, as noted below), including the subject of which objection is either (i) the Debtor's proposed Cure Costs to cure any outstanding monetary defaults then existing under such contract (each, a "Cure Objection") and/or (ii) an objection to the assignability of the Contract, whether on grounds that such contract is not assignable, is not an executory contract or unexpired lease, or otherwise (each, an "Assignability Objection") shall, by no later than **May 30, 2025 at 4:00 p.m. (prevailing Eastern Time),** file with the Bankruptcy Court and serve its Cure Objection, Assignability Objection, and/or other objection on (i) Rock Creek Advisors, LLC, 1738 Belmar Blvd. Belmar, NJ 07719, Attn: Bryan Ayers (bayers@rockcreekfa.com); and (ii) proposed counsel to the Debtor, Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801, Attn: Matthew P. Ward (matthew.ward@wbd-us.com), Todd A. Atkinson (todd.atkinson@wbd-us.com) and Marcy J. McLaughlin Smith (marcy.smith@wbd-us.com); (iii) Office of the United States Trustee, 844 King Street, Suite 2207, LockBox 35, Wilmington, Delaware 19801, Attn: Hannah J McCollum (hannah. mccollum@usdoj.gov); and (iv) the Subchapter V Trustee (collectively, the "Notice Parties").

6. The Bidding Procedures Order requires that the Debtor and a Counterparty that has filed a Cure Objection and/or Assignability Objection first confer in good faith to attempt to resolve the Cure Objection and/or Assignability Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection and/or Assignability Objection prior to the commencement of the Sale Hearing, the amount to be paid or reserved with respect to such Cure Objection and the assignability of the Contract shall be determined by the Bankruptcy Court at the Sale Hearing provided that, a Cure Objection may, at the Debtor's discretion, be adjourned (an "Adjourned Cure Objection") to a subsequent hearing. An Adjourned Cure Objection may be resolved after the closing date of the applicable Transaction; Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the applicable Winning Bidder, as of the closing date of the applicable Transaction. All objections to the proposed assumption and assignment of the Debtor's right, title, and interest in, to, and under a Contract will be heard at the Sale Hearing, except with respect to an Adjourned Cure Objection as set forth herein.

7. If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Notice Parties a Cure Objection, Assignability Objection, and/or other objection the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Contract (unless such Counterparty has timely filed an Adequate Assurance Objection (as defined below) with respect to the Contract, in which case the Counterparty may only object to the Winning Bidder's adequate assurance) to the Winning Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary

to cure outstanding defaults under the Contract under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in any Contract, or any other document, and the Counterparty to the Contract shall be deemed to have consented to the Cure Costs and forever shall be barred from asserting any other claims related to such Contract against the Debtor or any Winning Bidder(s) or their property.

8. In the event that the Debtor identifies Counterparties that were not served with the Assumption and Assignment Notice, the Debtor may subsequently serve such Counterparty with an Assumption and Assignment Notice, and the above procedures will nevertheless apply to such Counterparty.

9. Any Counterparty to a Proposed Assumed Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract, the subject of which objection is a Winning Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection") shall file with the Court and serve on the Notice Parties an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **May 30, 2025 at 4:00 p.m. (prevailing Eastern Time)** with respect to the Stalking Horse Bidder or **June 13, 2025 at 4:00 p.m. (prevailing Eastern Time)** with respect to any Winning Bidder that is not the Stalking Horse Bidder (the "Adequate Assurance Objection Deadline").

10. The Bidding Procedures Order requires that the Debtor and a Counterparty that has filed an Adequate Assurance Objection first confer in good faith to attempt to resolve the Adequate Assurance Objection without Bankruptcy Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, such objection and all issues of adequate assurance of future performance of the applicable Winning Bidder shall be determined by the Court at the Sale Hearing.

11. If a Counterparty fails to timely file with the Court and serve on the Notice Parties an Adequate Assurance Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Proposed Assumed Contract (unless the Counterparty has filed a timely Cure Objection or Assignability Objection with respect to the Proposed Assumed Contract) to the applicable Winning Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The applicable Winning Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Proposed Assumed Contract in accordance with Bankruptcy Code section 365(f)(2)(B), notwithstanding anything to the contrary in the Proposed Assumed Contract, or any other document.

12. The inclusion of a Contract or other document or Cure Costs on the Contracts Schedule 1 attached hereto or on any Proposed Assumed Contracts Notice (as defined in the Motion) (collectively, the "Contract Notices") shall NOT constitute or be deemed a determination or admission by the Debtor, the applicable Winning Bidder(s), or any other party in interest that such Contract or other document is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code or that the stated Cure Costs are due (all rights with respect thereto being expressly reserved). The Debtor reserves all of its rights, claims, and causes of action

with respect to each Contract or other document listed on the Contract Notices. **The Debtor's inclusion of any Contract on the Contract Notices shall not be a guarantee that such Contract ultimately will be assumed or assumed and assigned**. The Contract Notices shall be without prejudice to the Winning Bidder's rights, if any, under the asset purchase agreement, to subsequently exclude Proposed Assumed Contracts from the assumption or assignment prior to the closing of the Transaction.

13. The Debtor's assumption and/or assignment of a Contract is subject to approval by the Bankruptcy Court and consummation of one or more Transactions. Absent consummation of one or more Transactions and entry of an order approving the assumption and/or assignment of the Contracts, the Contracts shall be deemed neither assumed nor assigned, and shall in all respects be subject to subsequent assumption or rejection by the Debtor.

14. Copies of the Motion, the Bidding Procedures Order, and the Bidding Procedures may be obtained free of charge by contacting undersigned counsel. Copies of these documents may be viewed for a fee on the internet at the Bankruptcy Court's website (http://www.deb.uscourts.gov/) by following the directions for accessing the ECF system on such website. They may also be obtained free of charge at the Debtor's claims and noticing agent's website: https://omniagentsolutions.com/Solid.