

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

CTN Holdings, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10603 (TMH)

(Jointly Administered)

Hearing Date: April 30, 2025 at 9:30 a.m. (ET)

Objection Deadline: April 23, 2025 at 4:00 p.m. (ET)

Related Docket No. 7

**NOTICE OF HEARING TO MOTION FOR ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO REJECT AN UNEXPIRED LEASE OF NONRESIDENTIAL REAL
PROPERTY AND ABANDON PERSONAL PROPERTY EFFECTIVE AS OF THE
PETITION DATE**

PLEASE TAKE NOTICE that, on March 31, 2025, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Reject an Unexpired Lease of Nonresidential Real Property and Abandon Personal Property Effective as of the Petition Date* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). A copy of the Motion is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that any objections or responses to the Motion must be in writing and filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 **on or before 4:00 p.m. (prevailing Eastern Time) on April 23, 2025** and shall be served on: (a) Debtors, c/o CTN Holdings, Inc., 548 Market Street, PMB 72015, San Francisco, CA 64101-5401, ATTN: Statton Hammock, and c/o CTN Holdings, Inc., 13355 Noel Road, Suite 2005, Dallas, Texas 75240, Attn: Miles Staglik; (b) proposed counsel to the Debtors, Whiteford, Taylor & Preston LLP., 3190 Fairview Park Drive, Suite 800, Falls Church, VA 22042-4510, Attn: David W. Gaffey (dgaffey@whitefordlaw.com), Brandy M. Rapp (brapp@whitefordlaw.com);

PLEASE TAKE FURTHER NOTICE that, if an objection is properly filed and served, a hearing will be held before The Honorable Thomas M. Horan, United States Bankruptcy Judge

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are CTN Holdings, Inc. (9122); CTN SPV Holdings, LLC (8689); Catona Climate Solutions, LLC (3375); Make Earth Green Again, LLC (4441); Aspiration QFZ, LLC (1532); Zero Carbon Holdings, LLC (1679); Aspiration Fund Adviser, LLC (4214). The Debtors’ mailing address is 548 Market Street, PMB 72015, San Francisco, CA 94101-5401.



2510603250407000000000004

for the District of Delaware, at the Court, 824 Market Street, 3rd Floor, Wilmington, Delaware, 19801 on **April 30, 2025 at 9:30 a.m. (prevailing Eastern Time)**.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: April 7, 2025
Wilmington, Delaware

Respectfully submitted,

/s/ William F. Taylor, Jr.

WHITEFORD, TAYLOR & PRESTON LLC²

William F. Taylor, Jr. (DE No. 2936)
600 North King Street, Suite 300
Wilmington, Delaware 19801
Telephone: (302) 353-4144
Facsimile: (302) 661-7950
Email: wtaylor@whitefordlaw.com

WHITEFORD, TAYLOR & PRESTON, L.L.P.

David W. Gaffey (admitted *pro hac vice*)
Brandy M. Rapp (admitted *pro hac vice*)
J. Daniel Vorsteg (admitted *pro hac vice*)
Joshua D. Stiff (admitted *pro hac vice*)
Alexandra G. DeSimone (admitted *pro hac vice*)
3190 Fairview Park Drive, Suite 800
Falls Church, Virginia 22042-4510
Telephone: (703) 280-9260
Email: dgaffey@whitefordlaw.com
brapp@whitefordlaw.com
jdvorsteg@whitefordlaw.com
jstiff@whitefordlaw.com
adesimone@whitefordlaw.com

Proposed Counsel to the Debtors and Debtors in Possession

² Whiteford, Taylor & Preston operates as Whiteford, Taylor & Preston LLC in Delaware.

EXHIBIT A

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

In re:

CTN HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10603 ()

(Joint Administration Requested)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE
DEBTORS TO REJECT AN UNEXPIRED LEASE OF NONRESIDENTIAL
REAL PROPERTY AND ABANDON PERSONAL PROPERTY
EFFECTIVE AS OF THE PETITION DATE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by undersigned proposed counsel, hereby move (this “Motion”) for entry of an order substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), pursuant to sections 105(a), 365, and 554 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 6006 and 6007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the Debtors to: (a) reject that certain lease (as amended, the “Lease”) dated as of March 6, 2017, between Aspiration Partners, Inc.² (“CTN”) and LPF Marina Park Venture, LLC, as successor in interest to AB/SW Marina Owner, LLC (the “Landlord”) for the premises located at 4551 Glencoe Avenue, Suite 300, Marina Del Rey, California 90292 (the “Property”), effective as of the Petition Date (as defined herein); and (b) abandon certain personal property effective as of the Petition Date. In support of this Motion, the Debtors state as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors’ federal tax identification numbers, are CTN Holdings, Inc. (9122), CTN SPV Holdings, LLC (8689), Make Earth Green Again, LLC (4441), Aspiration QFZ, LLC (1532), Aspiration Fund Adviser, LLC (4214), Catona Climate Solutions, LLC (3375) and Zero Carbon Holdings, LLC (1679). The mailing address for the Debtors is 548 Market Street, PMB 72015, San Francisco, CA 94101-5401.

² On or about May 2, 2024, Aspiration Partners, Inc. changed its name to CTN Holdings, Inc.

JURISDICTION AND VENUE

1. 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 Debtors confirm their consent, pursuant to Bankruptcy Rule 7008 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.

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

3. The statutory bases for the relief requested herein are sections 105(a), 365, and 554 of the Bankruptcy Code and Bankruptcy Rules 6006 and 6007.

BACKGROUND

A. The Bankruptcy Case

4. On March 30, 2025 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors have also filed a motion requesting joint administration of their chapter 11 cases (the “Chapter 11 Cases”) pursuant to Bankruptcy Rule 1015(b).

5. The Debtors continue to manage their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. No trustee, examiner, or official committee has been appointed in these Chapter 11 Cases.

7. The Debtors are a climate finance company that sells carbon credits to enterprise clients sourced from the Debtors' diverse project developer network. To ensure a reliable supply of the highest quality carbon, the Debtors partner with project developers by providing financial investment, project monitoring, technical assistance and marketing services to carbon credit generators. These partnerships in turn yield high-quality carbon credits made available to the Debtors' customers through a variety of offered products.

8. Additional information regarding the Debtors, their business, the events leading to the commencement of these Chapter 11 Cases, and the facts and circumstances supporting the relief requested herein is set forth in the *Declaration of Miles Staglik in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed concurrently herewith and incorporated by reference.

B. The Lease

9. CTN and the Landlord are parties to the Lease; that certain First Amendment to Lease dated as of June 26, 2017; that certain Second Amendment to Lease dated as of September 1, 2020; that certain Third Amendment to Lease dated as of November 9, 2021; and that certain Fourth Amendment to Lease dated as of May 10, 2022. Pursuant to the Lease and amendments, the term of the Lease commenced on or about July 1, 2017, and expires on May 31, 2034.

10. The Debtors no longer require use of the Property to conduct their business. As of the Petition Date, the Debtors' employees work remotely, and the Debtors have surrendered possession of the Property to the Landlord. As a result, the Debtors believe that rejection of the Lease as of the Petition Date is in the best interest of the Debtors, the estate, and their creditors in order to avoid the post-petition accrual of rent and other charges under the Lease.

11. Additionally, the Debtors have determined that any personal property remaining at the Property as of the Petition Date, including, but not limited to, certain furniture and office equipment (collectively, the “Personal Property”) is of no material value to the Debtors or their estates and should be abandoned as of the Petition Date.

RELIEF REQUESTED

12. By this Motion, to preserve and maximize the value of their estate, the Debtors seek entry of the Proposed Order, authorizing the Debtors to: (a) reject the Lease as of the Petition Date; and (b) abandon the Personal Property as of the Petition Date.

BASIS FOR RELIEF

A. Rejection of the Lease is Appropriate Under Section 365(a).

13. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor-in-possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). As courts have held, “[t]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to ‘renounce title to and abandon burdensome property.’” *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993) (quoting 2 *Collier on Bankruptcy* ¶ 365.01[1] (15th ed. 1993)).

14. The decision to reject an unexpired lease is primarily administrative and should be given great deference by a court subject only to review under the “business judgment” rule. *See Official Committee of Unsecured Creditors v. Aust (In re Network Access Solutions, Corp.)*, 330 B.R. 67, 75 (Bankr. D. Del. 2005); *In re Gardinier, Inc.*, 831 F.2d 974, 976 n. 2 (11th Cir. 1987); *Sharon Steel Corp. v. Nat’l Fuel Gas Distr. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989); *Sundial Asphalt Co. v. V.P.C. Investors Corp.*, 147 B.R. 72, 76 (E.D.N.Y. 1992). The business judgment rule

requires the debtor to establish that rejection of the contract or lease will likely benefit the estate. *See Sharon Steel Corp.*, 872 F.2d at 39-40; *In re Kong*, 162 B.R. 86, 94 (Bankr. E.D.N.Y. 1993). Once a debtor states a valid business justification, “[t]he business judgment rule ‘is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.’” *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Courts universally regard the business judgment rule as a low standard to meet, and therefore, absent a finding of bad faith, will not disturb the decision to reject an unexpired lease by substituting their own business judgment for that of the debtor. *See In re III Enter., Inc. V*, 163 B.R. 453, 469 (Bankr. E.D.Pa. 1994); *In re Hardie*, 100 B.R. at 287.

15. The Debtors, in their reasonable business judgment, have determined that the rejection of the Lease is the best way to preserve and maximize the value of the estate. The Debtors have no current operations occurring at the Property and do not intend to resume such operations. Under the circumstances, the Debtors propose to reject the Lease as of the Petition Date to relieve CTN of its ongoing burdens under the Lease. The rejection of the Lease as set forth herein is in the best interests of the Debtors and should be approved.

B. Abandonment of the Personal Property Accords with Section 554.

16. Section 554(a) of the Bankruptcy Code provides that after notice and hearing, a debtor in possession “may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” 11 U.S.C. § 554(a).

17. “Courts defer to the [debtor-in-possession’s] judgment and place the burden on the party opposing the abandonment to prove a benefit to the estate and an abuse of the [debtor-in-

possession's] discretion.” *In re Slack*, 290 B.R. 282, 284 (Bankr. D.N.J. 2003). In order to approve abandonment under section 554(a), “[t]he court only needs to find the trustee made: 1) a business judgment; 2) in good faith; 3) upon some reasonable basis; and 4) within the [debtor-in-possession's] scope of authority.” *Id.* (citing *In re Fulton*, 162 B.R. 539, 540 (Bankr. W.D. Mo. 1993). Additionally, abandonment may be authorized as of the petition date where the underlying lease is rejected as of the petition date. *See In re Jackson Hewitt Tax Serv., Inc.*, Case No. 11-11587 (MFW), 2010 WL 11822688, at *1 (Bankr. D. Del. May 5, 2010).

NOTICE

18. Notice of this Motion will be provided to: (a) the Office of the United States Trustee; (b) counsel to the Debtors’ proposed debtor-in-possession financing lender; (c) the Internal Revenue Service; (d) Securities and Exchange Commission; (e) Delaware State Treasury; (f) Delaware Secretary of State; (g) the parties included on the Debtors’ consolidated list of their 30 largest unsecured creditors; (h) the United States Attorney for the District of Delaware; (i) the state attorneys general in states where the Debtors are authorized to do business; (j) the Landlord; and (k) all parties entitled to notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking first-day relief, the Debtors will serve copies of this Motion and any order entered in respect of this Motion as required by Local Rule 9013-1(m). The Debtors respectfully submit that no further notice of the Motion is required under the circumstances.

NO PRIOR REQUEST

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

CONCLUSION

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

Dated: March 31, 2025
Wilmington, Delaware

WHITEFORD, TAYLOR & PRESTON LLC³

/s/ William F. Taylor, Jr.

William F. Taylor, Jr. (DE No. 2936)
600 North King Street, Suite 300
Wilmington, DE 19801
Telephone: (302) 353-4144
Email: wtaylor@whitefordlaw.com

WHITEFORD, TAYLOR & PRESTON LLP

David W. Gaffey (*pro hac vice* pending)
Brandy M. Rapp (*pro hac vice* pending)
J. Daniel Vorsteg (*pro hac vice* pending)
Joshua D. Stiff (*pro hac vice* pending)
Alexandra G. DeSimone (*pro hac vice* pending)
3190 Fairview Park Drive, Suite 800
Falls Church, VA 22042-4510
Telephone: (703) 280-9260
Email: dgauffey@whitefordlaw.com
brapp@whitefordlaw.com
jdvorsteg@whitefordlaw.com
jstiff@whitefordlaw.com
adesimone@whitefordlaw.com

Proposed Counsel to the Debtors and Debtors in Possession

³ Whiteford, Taylor & Preston LLP operates as Whiteford, Taylor & Preston LLC in Delaware.

EXHIBIT A

Proposed Order

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

In re:

CTN HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10603 (___)

(Joint Administration Requested)

Related Docket No. ____

**ORDER AUTHORIZING THE DEBTORS TO REJECT
AN UNEXPIRED LEASE OF NONRESIDENTIAL REAL
PROPERTY AND ABANDON CERTAIN PERSONAL
PROPERTY AS OF THE PETITION DATE**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), pursuant to sections 105(a), 365, and 554 of the Bankruptcy Code and Bankruptcy Rules 6006 and 6007; 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 9, 2012, and this Court having found that this a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and this Court having authority to 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 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 Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors’ federal tax identification numbers, are CTN Holdings, Inc. (9122), CTN SPV Holdings, LLC (8689), Make Earth Green Again, LLC (4441), Aspiration QFZ, LLC (1532), Aspiration Fund Adviser, LLC (4214), Catona Climate Solutions, LLC (3375) and Zero Carbon Holdings, LLC (1679). The mailing address for the Debtors is 548 Market Street, PMB 72015, San Francisco, CA 94101-5401.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

Motion and opportunity for a hearing on the Motion were appropriate under the circumstances 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 any hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion 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,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized to reject the Lease as defined in the Motion, and such Lease is hereby deemed rejected pursuant to 11 U.S.C. § 365 as of the Petition Date (the “Rejection Date”).
3. The Debtors are authorized to abandon any and all Personal Property located at the Property, and such abandoned Personal Property is deemed abandoned to the Landlord pursuant to 11 U.S.C. § 554 as of the Petition Date.
4. The Landlord shall have thirty (30) days from the later of (i) the Rejection Date and (ii) the deadline for filing non-governmental proofs of claims in the Chapter 11 Cases to file a claim for any damages it believes it has incurred resulting from the rejection of the Lease.
5. The terms of this Order are immediately effective and enforceable upon its entry.
6. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.