

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

CTN HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10603 (TMH)

(Jointly Administered)

**DECLARATION OF RICHARD KLEIN  
IN SUPPORT OF BIDDING PROCEDURES MOTION**

I, Richard Klein, hereby declare as follows (the “**Declaration**”):

1. I am a Senior Managing Director at Hilco Corporate Finance LLC (“**Hilco**”), the investment banking division of Hilco Global. I have over two decades of experience in advising on distressed sell-side and buy-side mergers and acquisitions transactions, recapitalizations, and restructuring transactions to middle market companies across many industries.

2. Hilco is a leading investment banking firm whose professionals have worked with financially troubled companies and their stakeholders in a variety of industries in complex financial restructurings, both in chapter 11 cases and out-of-court proceedings.

3. As further set forth in the *Debtors’ Application for Entry of an Order (I) Authorizing the Retention and Employment of Hilco Corporate Finance, LLC as Investment Banker to the Debtors Effective as of April 1, 2025, and (II) Modifying Certain Information Requirements of Del. Bankr. L.R. 2016-1* [D.I. 81] filed on April 22, 2025, the above captioned debtors and debtors in possession (together, the “**Company**” or the “**Debtors**,” and each a

<sup>1</sup> 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 94104-5401.



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**“Debtor”**) have retained Hilco, subject to court approval, to serve as their investment banker in their chapter 11 bankruptcy cases (the **“Chapter 11 Cases”**) and to market the Debtors’ assets.

4. I submit this declaration (this **“Declaration”**) in support of the *Debtors’ Motion for Entry of an Order Approving (I)(A) The Debtors’ Entry into Stalking Horse Agreement and Related Expense Reimbursement and Break-Up Fee; (B) the Bidding Procedures in Connection with the Sale of Substantially all of the Debtors’ Assets; (C) the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases; (D) the Form and Manner of Notice of the Sale Hearing, Assumption Procedures, and Auction Results; and (E) Dates for an Auction and Sale Hearing; (II)(A) the Sale of Substantially All of the Debtors’ Assets Free and Clear of all Claims, Liens, Liabilities, Rights, Interests, and Encumbrances and (B) the Debtors’ Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (III) Granting Related Relief [D.I. 65] (the **“Bidding Procedures Motion”**) and Debtor’s Omnibus Reply (I) in Support of (A) DIP Motion and (B) Bidding Procedures Motion, and (II) in Response to Objections of (A) Official Committee of Unsecured Creditors and (B) Office of United States Trustee [D.I. 127] (the **“Reply”**).*

5. The Bidding Procedures Motion seeks entry of an order (the **“Bidding Procedures Order”**): (a) authorizing and approving certain proposed bidding procedures (the **“Bidding Procedures”**) governing the submission of competing proposals to purchase the Debtors’ assets pursuant to section 363 of the Bankruptcy Code; (b) authorizing and approving the Debtors’ entry into (but not consummation of) the Stalking Horse Purchase Agreement (defined below) (c) approving the form and manner of notice of the sale of the Debtors’ assets (the **“Acquired Assets”**), (d) scheduling a hearing for approval of the sale of the Acquired Assets (the **“Sale Hearing”**) and setting other related dates and deadlines; and (e) approving procedures

for the assumption and assignment of the Debtors' executory contracts and unexpired leases and the form of and manner of notice of proposed cure amounts (together, the "**Sale Process**").

6. It is my understanding that the Debtors and their debtor in possessing financing lender have agreed to extend the Sale Process deadlines by approximately two weeks, as follows:

<b><u>Deadlines</u></b>	<b><u>Old Deadline</u></b>	<b><u>New Deadline</u></b>
Bid procedures hearing	April 30, 2025	May 12, 2025
Deadline to enter Bidding Procedures Order	April 30, 2025	May 13, 2025
Deadline to serve Cure Notice	May 2, 2025	May 14, 2025
Sale Objection Deadline	May 9, 2025	May 23, 2025
Bid Deadline	May 13, 2025	May 23, 2025
Auction	May 15, 2025	May 27, 2025
Deadline to file Supplemental Sale Objections and Non-Stalking Horse Objections and Non-Stalking Horse Assumption or Cure Objections	May 19, 2025	May 30, 2025
Sale Hearing	May 21, 2025	June 2, 2025
Deadline to enter Sale Order	May 22, 2025	June 3, 2025
Deadline to Consummate Sale (assuming closing via 363 sale)	May 24, 2025	June 6, 2025

7. I have reviewed the Bidding Procedures Motion and the Bidding Procedures proposed therein, and I am familiar with the terms of the same.

8. I have further reviewed the *Asset Purchase Agreement* by and between Inherent Aspiration, LLC (the "**DIP Lender**" or "**Stalking Horse Bidder**") and the Debtors (the "**Stalking Horse Purchase Agreement**"), which Stalking Horse Purchase Agreement shall serve as the "**Stalking Horse Bid**" under the Bidding Procedures. I am familiar with the terms of the Stalking Horse Purchase Agreement.

9. I have further reviewed the *Declaration of Miles Staglik in Support of (A) DIP Motion and (B) Bidding Procedures Motion* [D.I. 139].

10. Except as otherwise indicated, all facts set forth in this Declaration are based upon: (i) my personal knowledge, information and belief, or my opinion based upon experience, knowledge and information concerning the Debtors; (ii) information learned from my review of relevant documents; and/or (iii) information supplied by members of the Debtors' management, employees of Hilco working directly with me or under my supervision, direction or control and/or from the Debtors' other professionals and advisors.

11. I am over the age of 18 and authorized to submit this Declaration on behalf of the Debtors and Hilco. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

#### **QUALIFICATIONS**

12. I have over twenty-eight years of investment banking experience. I have advised debtors, boards of directors, official and ad hoc creditors' committees, private equity sponsors, and various creditor constituencies on a wide array of restructurings, including Chapter 11 plan of reorganization, out-of-court restructurings, section 363 asset sales, rescue financings and exchange offerings. I have experience across many industries, including but not limited to restaurants, aerospace and defense, consumer and retail, gaming, health care, industrial, and technology. I have extensive experience advising companies in bankruptcy, including mandates for Techniplas, LLC, Meridian Restaurants, Uno Restaurant Holdings, One Restaurant Brands, Rubio's Restaurants, Tony Roma's, Buffet Holdings, Agera Energy LLC, Acis Capital Management, L.P., Borders Group, Inc. and TGI Friday's Inc

13. I have been employed by Hilco since April 2023. Prior to joining Hilco, I have over a decade of experience working as a Managing Director at Raymond James, Miller Buckfire, and Jefferies LLC, where I focused on advising companies, boards of directors, lenders and other creditor constituencies on restructurings, both in and out-of-court. I have also advised on a wide array of investment banking transactions including debt advisory, equity private placements, capital markets, mergers and acquisitions, and fairness and solvency opinions. I began my investment banking career in the financial advisory group (valuation) of Houlihan Lokey and subsequently sat on the fairness opinion committee for Miller Buckfire and its parent Stifel Financial.

14. I am one of the individuals at Hilco with primary responsibility for Hilco's engagement with the Debtors. References to actions taken by "Hilco" within this Declaration include actions I took in conjunction with other members of Hilco that I manage and supervise in connection with the investment banking services rendered to the Debtors.

15. I received a bachelor's degree in finance from the University of Albany. I am a member of the Turnaround Management Association, as well as a member of the American Bankruptcy Institute.

16. Although Hilco is expected to be compensated for its work with the Debtors in these Chapter 11 Cases, I am not being compensated separately for this Declaration or testimony.

#### **BIDDING PROCEDURES**

17. Since its retention on April 1, 2025, Hilco has provided extensive services in connection with advising and facilitating the Sale Process. Hilco has become familiar with the Debtors' corporate and capital structure, management, and business operations and has gained significant institutional knowledge of the Debtors' business and financial affairs and other

potential issues that may arise in the context of these Chapter 11 Cases. Hilco is both well qualified and uniquely able to render investment banking services to the Debtors in these Chapter 11 Cases in an efficient and timely manner.

18. The Debtors, in coordination with their professionals, including Hilco, have created and populated a data room (the “**Data Room**”), which potential bidders may access to conduct due diligence with respect to the Debtors’ assets. The Data Room has already garnered significant interest from potential bidders.

19. Hilco’s marketing efforts are well underway. As of the filing of the Reply, Hilco had reached out to over one hundred and eighteen (118) parties with teaser materials and a non-disclosure agreement (“**NDA**”), which parties include both strategic and financial investors with access to sufficient capital and interest in the carbon credit industry or sustainable investing. Nineteen (19) interested parties had executed NDAs and gained access to the Data Room, while four (4) more parties were negotiating NDAs. Hilco had conducted over fifteen (15) calls with interested parties. Hilco will continue its efforts to market the Debtors’ assets.

20. As revised, the proposed Bidding Procedures contemplate an approximately eight-week marketing and sale process whereby the Auction will be conducted on May 27, 2025, the Sale Hearing will occur on June 2, 2025, and the Sale will have closed by June 6, 2025. I believe that this timeline is reasonable, necessary and adequate under the circumstances of the Chapter 11 Cases.

21. Based on my review of the Debtors’ business, my knowledge of the carbon credit industry, and my involvement in marketing the Debtors’ assets to date, it is my belief that the universe of parties potentially interested in purchasing the Debtors’ assets is small due to the nature of the carbon credit industry, the significant capital outlays and risks associated with the

Debtors' business, and the long-time horizon for realizing a return from carbon credit development projects for owners and investors. It is my belief that Hilco has effectively targeted this universe of potentially interested parties. Thus, the revised marketing period proposed under the Bidding Procedures is sufficient to both test the market for the Debtors' assets and conduct a competitive, value maximizing Sale Process. Further, the accelerated marketing period targeted to these potential buyers proposed in the Bidding Procedures strikes an appropriate balance between the Debtors' current cash situation and the need to test the market for the Debtors' assets.

22. Based upon the foregoing, the proposed timeline under the Bidding Procedures is necessary, reasonable and adequate under the circumstances because it appropriately balances the economic and practical realities of this case while still establishing a fair, open and competitive bidding and auction process for the sale of the Debtors' assets. Further, the Bidding Procedures serve the essential dual purposes of (a) providing a market check and topping bid that would maximize value for the Debtors' estates or, in the alternative, (b) confirming that the consideration offered in the Stalking Horse Purchase Agreement is the highest and best bid for the Debtors' assets as determined by a thorough marketing process.

23. Lastly, I believe that the credit bid proposed in the Stalking Horse Bid (approximately \$20 million), which is less than the full amount of the Stalking Horse Bidder's secured indebtedness, invites third-party participation in the Sale Process and promotes competitive bidding for the Debtors' assets. I similarly believe that had the Stalking Horse Bidder credit bid its entire secured indebtedness in the Stalking Horse Bid (which I understand exceeds \$60 million), such bid would have had a chilling effect on competitive bidding.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: May 12, 2025

/s/ Richard Klein

Richard Klein  
Senior Managing Director  
Hilco Corporate Finance LLC