

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)

Re: D.I. 177

**OBJECTION AND RESERVATION OF RIGHTS OF IMPERATIVE GLOBAL
INVESTMENTS, INC. TO THE DEBTORS' NOTICE OF (I) POSSIBLE
TREATMENT OF CONTRACTS AND LEASES, (II) FIXING OF CURE AMOUNTS,
AND (III) DEADLINE TO OBJECT THERETO**

Imperative Global Investments, Inc., a Delaware company ("Imperative"), by and through its undersigned counsel, hereby submits this objection and reservation of rights (the "Objection") in response to the *Notice of (I) Possible Treatment of Contracts and Leases, (II) Fixing of Cure Amounts, and (III) Deadline to Object Thereto* (the "Cure Notice") [Dkt. No. 177] filed by the above-captioned debtors and debtors in possession (the "Debtors") on May 15, 2025. In support of the Objection, Imperative respectfully states as follows:

BACKGROUND

1. On June 16, 2022, Imperative and Aspiration Partners, Inc. ("Aspiration") (now known as CTN Holdings, Inc.) entered into a Carbon Credit Prepayment Agreement (the "Prepayment Agreement"²) to facilitate the development and financing of carbon credit projects including the Malawi Project. Aspiration provided a prepayment facility of up to

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 94104-5401.

² Defined terms used, but not defined, in the Objection have the meaning ascribed to them in the Prepayment Agreement.



US\$6,500,000 to Imperative to develop the Malawi project, finance early-stage work on other identified projects and for general working capital. Imperative was required to deliver carbon credits generated from the projects to Aspiration, according to pre-agreed delivery schedule and pricing which would amortise the prepaid amount, and Aspiration was required to market and sell those carbon credits to third parties and remit a portion of the sale proceeds in excess of the prepaid amount to Imperative.

2. Imperative issued two notices of breach and reservation of rights to Aspiration, dated February 2, 2023 (**Exhibit 1**) and April 19, 2023 (**Exhibit 2**), respectively (each, a “**Breach Notice**”), detailing material breaches by Aspiration under the Prepayment Agreement.

3. The February 2023 Breach Notice outlined that on December 2022, Imperative submitted two Utilisation Requests in the amount of US\$199,500 (the 7th Utilisation Request); and US\$500,000 (the 8th Utilisation Request), which were due and payable on or before January 2, 2023. However, Aspiration failed to make these payments causing damage to Imperative and exposure to liability.

4. The April 2023 Breach Notice outlined:

(a) As at the date of the letter Aspiration had advanced US \$5,500,000 under the Prepayment Agreement.

(b) In October 2022, Aspiration advised Imperative of difficulty meeting the payment of US\$1,000,000 that was scheduled for funding during October in accordance with the Facility Drawdown Schedule set out in Schedule 3 of the Prepayment Agreement (**Facility Drawdown**). As a result of this, Imperative agreed to split the payment into US\$500,000 in November and \$500,000 in December, which caused Imperative to have their own cash constraints and disruption for the Malawi Project.

(c) In December 2022, Aspiration informed Imperative that they were unable to make the scheduled US\$1,000,000 payment under the Facility Drawdown Schedule during December. As a result of this, Imperative agreed to Aspiration's request to divide this payment into ten weekly instalments of US\$100,000 each. This adjustment required Imperative to renegotiate its third-party funding commitments, which in turn created significant cash flow constraints and operational disruption for the Malawi Project.

(d) Following these changes to the funding schedule, and after receiving the final instalment of the Prepayment on April 10, 2023, as requested in the March 20, 2023 Utilisation Request, Imperative submitted a further Utilisation Request on April 13, 2023 for US\$1,000,000, with a proposed utilisation date of April 17, 2023 (the "10th Utilisation Request"). This request was intended to cover the payment originally due in February for the Malawi Project, as set out in the original Facility Drawdown Schedule, and was to be used for the purposes specified in clause 3.1(a)(i) of the Prepayment Agreement.

(e) The consequences of Aspiration's failure to pay the 10th Utilisation Request include:

- (i) preventing Imperative from satisfying its obligations to a third-party partner for the Malawi Project, as stipulated in clause 3.1(a)(i) of the Prepayment Agreement;
- (ii) exposure to Imperative to potential claims, losses, and liabilities.

5. On May 15, 2025, the Debtors filed the Cure Notice, identifying certain contracts and leases that the Debtors may seek to assume and assign in connection with the sale of their assets, including the Prepayment Agreement.

OBJECTION

The Proposed Cure Amounts are Insufficient

6. The Cure Notice proposes a cure amount for the Prepayment Agreement (namely, \$0) that is, self-evidently, not reflective of the actual damages and losses suffered by Imperative as a direct result of Aspiration's breaches.

7. As set out in the Breach Notices, Aspiration's breaches caused Imperative to default on its own obligations under a related financing arrangement. Aspiration was aware of these obligations and the consequences of its breach.

8. The breaches by Aspiration resulted in significant operational disruption at the Malawi Project, including delayed payments to staff, service providers, and local communities, which in turn led to extremely strained relations and irreparable damage to trust between Imperative and its key stakeholders.

9. As a result of the breach caused by Aspiration and the resulting damage to trust and relationships, its third party partner refused to consummate the funding and shareholding arrangements for the subsequent phase of the Malawi Project, causing Imperative to (i) write off all of its time, costs, and expenses in respect of the Malawi Project (**Sunk Cost**) and (ii) lose its anticipated 36.25% shareholding in the project company of the Malawi Project (**Opportunity Cost**).

10. The total damage directly suffered by Imperative due to Aspiration's breaches, and therefore, the correct Cure Amount, is estimated at US\$8,686,291, comprising:

(a) Sunk Cost: US\$1,552,512, representing the time, costs, and expenses incurred by Imperative in progressing the design, planning, and feasibility of the Malawi Project; and

(b) Opportunity Cost: US\$7,133,779, being the net present value (at a 12% discount rate) of 36.25% of the future free cashflow from the Malawi Project.

Total Damages	Amount	Proposed Cure Amount	Correct Cure Amount
Sunk Cost	US\$1,552,512	0	US\$1,552,512
Opportunity Cost	US\$7,133,779	0	US\$7,133,779
Total	US\$8,686,291		US\$8,686,291

11. Accordingly, the proposed cure amount in the Cure Notice is insufficient and does not satisfy the requirements of section 365(b)(1) of the Bankruptcy Code, which mandates that all defaults be fully cured as a condition to assumption and assignment.

Objection to Assumption and Assignment of the Prepayment Agreement

12. Imperative objects to the potential assumption and assignment of the Prepayment Agreement to the “Stalking Horse Bidder” or any other “Successful Bidder” for the following reasons:

(a) The Prepayment Agreement imposes on Aspiration the obligation to market and sell the carbon credits delivered by Imperative and to return 45% of the price above the prepaid amount to Imperative. This obligation is unique to Aspiration, which possesses a specific network of buyers. Performance of this obligation by a third party would likely result in a material loss to Imperative.

(b) The Prepayment Agreement is expressly non-assignable and cannot be assigned or transferred without the written consent of Imperative. Imperative does not consent to any such assignment for the reasons stated above.

RESERVATION OF RIGHTS

13. Imperative expressly reserves all rights and remedies with respect to the Cure Notice, the Prepayment Agreement, and all other agreements between Imperative and the Debtors, including but not limited to the right to (a) assert any additional amounts that may be due and owing under the Prepayment Agreement, (b) make any and all such other or further objections as may be appropriate, (c) require and receive adequate assurance of future performance by any proposed purchaser and enforce its rights under clause 17.2 of the Prepayment Agreement.

CONCLUSION

14. Wherefore, Imperative respectfully requests that the court deny the assumption and assignment unless and until the full and correct cure amount, including all damages, as set forth above, is paid in full and an order be entered conditioning the assignment of the Prepayment Agreement on the payment of the Corrected Cure Amount and providing such other and further relief as is just and proper.

Respectfully submitted,

Dated: May 26, 2025
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Matthew P. Ward

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Counsel to Imperative Global Investments, Inc.

EXHIBIT 1



2 February 2023

Aspiration Partners, Inc.
4551 Marina del Rey
CA, 90292, United States

Attention: Olivia Albrecht / Robert Lee
Copy: Mike Shuckerow

RE: RESERVATION OF RIGHTS

Dear Sir/Madam,

We refer to the Carbon Credit Prepayment Agreement dated 16 June 2022 between Aspiration Partners, Inc., as Buyer, and Imperative Global Investments, Inc., as Seller (the **Prepayment Agreement**).

Terms defined in the Prepayment Agreement have the same meaning when used in this notice.

On 28 December 2022, we submitted:

- (a) a Utilisation Request in the amount of US\$199,500 (the **7th Utilisation Request**); and
- (b) a Utilisation Request in the amount of US\$500,000 (the **8th Utilisation Request**).

Pursuant to clause 5.4, you were obligated to pay the amounts specified in the 7th Utilisation Request and 8th Utilisation Request on or before 2 January 2023. Your continued failure to make these payments is causing us damage and exposure to significant liability. We request that you rectify this situation immediately.

We reserve all our rights.

Yours faithfully,

Scobie Mackay
CEO

EXHIBIT 2



19 April 2023

Aspiration Partners, Inc.
4551 Marina del Rey
CA, 90292, United States

Attention: Olivia Albrecht / Robert Lee

Copy: Mike Shuckerow

RE: RESERVATION OF RIGHTS

Dear Sir/Madam,

We refer to the Carbon Credit Prepayment Agreement dated 16 June 2022 between Aspiration Partners, Inc., as Buyer, and Imperative Global Investments, Inc., as Seller (the **Prepayment Agreement**).

Terms defined in the Prepayment Agreement have the same meaning when used in this notice.

We note that, to date, Aspiration has advanced US\$5,500,000 under the Prepayment Agreement. In accordance with each applicable Utilisation Request submitted by us in accordance with the Prepayment Agreement, this funding has been used as follows:

- (a) US\$4,500,000 in accordance with clause 3.1(a)(i) to finance the development of the Malawi Project by way of making prepayments to iRise Affordable Housing and Agriculture Limited (**iRise**);
- (b) US\$500,000 in accordance with clause 3.1(a)(ii) to provide finance for early-stage work in respect of the development of the Identified Projects; and
- (c) US\$500,000 in accordance with clause 3.1(a)(iii) for general work capital purposes of the Seller and its Affiliates.

In October 2022, you advised us of the difficulty that you had in meeting the payment of US\$1,000,000 that was scheduled for funding during October in accordance with the Facility Drawdown Schedule set out in Schedule 3 of the Prepayment Agreement (the **Facility Drawdown Schedule**). We were sympathetic to your issues and agreed to your request to split this payment into US\$500,000 in November and US\$500,000 in December, notwithstanding that this required us to renegotiate our own funding obligations to iRise and caused significant cash constraints and disruption for the Malawi Project.

In December 2022, you advised us that you again had difficulty in meeting the payment of US\$1,000,000 that was scheduled for funding during December in accordance with the Facility Drawdown Schedule. Again, we were sympathetic to your liquidity issues and agreed to your request to split this payment into 10 weekly payments of US\$100,000. This revised funding schedule required us to again renegotiate our own funding obligations to iRise and caused significant cash constraints and disruption for the Malawi Project.

T +1 346 228 9307 E info@imperativeinc.com imperativeinc.com



Due to the revisions to the Facility Drawdown Schedule and our receipt on 10 April 2023 of the last instalment of the Prepayment that was requested in our 20 March 2023 Utilisation Request, we submitted a Utilisation Request on 13 April 2023 in the amount of US\$1,000,000 with a Proposed Utilisation Date of 17 April 2023 (the **10th Utilisation Request**) to be applied for the purpose described in clause 3.1(a)(i) of the Prepayment Agreement. This Utilisation Request related to the US\$1,000,000 payment that was originally scheduled to be paid in February for the Malawi Project under the original Facility Drawdown Schedule.

We note that you have failed to pay the amount specified in the 10th Utilisation Request.

Your failure to make this Prepayment will prevent us from fulfilling our onward funding obligations to iRise in relation to the Malawi Project, as described in clause 3.1(a)(i) of the Prepayment Agreement, which will likely expose us (and iRise) to claims, losses and liabilities. Your failure will result in iRise being forced to reduce costs in Malawi which will likely include the termination of employment contracts with local employees and suspending or terminating subcontracts for the ongoing work. This will result in iRise being unable to complete the project scope until further funding is obtained. There is a high likelihood that iRise will run out of cash and be forced into insolvency, which would lead to a significant loss of value at the project.

We request that you rectify this failure as promptly as possible.

We reserve all our rights.

Yours faithfully,

Jake Howard
Chief Commercial and Legal Officer

CERTIFICATE OF SERVICE

I, Matthew P. Ward, do hereby certify that on May 26, 2025, I caused a copy of the foregoing *Objection and Reservation of Rights of Imperative Global Investments, Inc. to the Debtors' Notice of (I) Possible Treatment of Contracts and Leases, (II) Fixing of Cure Amounts, and (III) Deadline to Object Thereto* to be filed and served via the Court's Electronic Filing (CM/ECF) system on all parties registered to receive electronic notices in this case and upon the parties listed below via electronic mail. A copy of the objection will be mailed via First Class Mail on the parties without an email address on May 27, 2025³.

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³ The date of this objection falls on a federal holiday with no mail service, therefore First-Class Mail service will be effectuated on the following date, May 27, 2025.

<p><u>VIA FIRST CLASS MAIL</u> c/o CTN Holdings, Inc. Statton Hammock 548 Market Street PMB 72015 San Francisco, CA 64104-5401</p> <p><i>The Debtors</i></p>	<p><u>VIA FIRST CLASS MAIL</u> c/o CTN Holdings, Inc. Miles Staglik 13355 Noel Road Suite 2005 Dallas, TX 75240</p> <p><i>The Debtors</i></p>
<p>WHITEFORD, TAYLOR & PRESTON LLP William F. Taylor, Jr. Bradley P. Lehman 600 North King Street Suite 300 Wilmington, DE 19801 wtaylor@whitefordlaw.com blehman@whitefordlaw.com</p> <p><i>Counsel to the Debtors and Debtors in Possession</i></p>	<p>WHITEFORD, TAYLOR & PRESTON LLP David W. Gaffey Brandy M. Rapp 3190 Fairview Park Drive Suite 800 Falls Church, VA 22042-4510 dgauffey@whitefordlaw.com brapp@whitefordlaw.com</p> <p><i>Counsel for the Debtors and Debtors in Possession</i></p>
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<p>GIBBONS, P.C. Robert K. Malone Brett S. Theisen One Gateway Center Newark, NY 07102 rmalone@gibbonslaw.com</p>	<p>Rosa Sierra-Fox The Office of the United States Trustee for the District of Delaware 844 King Street, Suite 2207 Rosa.Sierra-Fox@usdoj.gov</p>

btheisen@gibbonslaw.com <i>Proposed Counsel to the Official Committee of Unsecured Creditors</i>	<i>The U.S. Trustee</i>
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/s/ Matthew P. Ward

Matthew P. Ward, Esq. (Del. Bar No. 4471)