Docket #0258 Date Filed: 05/30/2025

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) **Related Docket No. 65**

DECLARATION OF MILES STAGLIK
IN SUPPORT OF THE SALE OF SUBSTANTIALLY ALL OF THE
DEBTORS' ASSETS TO INHERENT ASPIRATION, LLC

I, Miles Staglik, hereby declare as follows (the "**Declaration**"):

1. I am a managing director at CR3 Partners ("**CR3**), and I currently serve as Chief Restructuring Officer of the above-captioned debtors and debtors in possession (together, the "**Company**" or the "**Debtors**," and each a "**Debtor**"), which bankruptcy cases (the "**Chapter 11 Cases**") are proceeding under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq*. (the "**Bankruptcy Code**").

2. I have over 15 years of experience in distressed transactions, including in- and out-of-court restructurings, operational turnarounds, balance sheet restructurings, business cost rationalizations, strategic opportunity identification, debt and equity capital raising, mergers and acquisitions, divestitures, and financial modeling and forecasting. I routinely serve as a Chief Restructuring Officer for companies ranging in size from $25 million to $800 million in revenue, assist clients with liquidity solutions, assess business plan viability, structure plans of

[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), Zero Carbon Holdings, LLC (1679), and Carbon Sequestration III, LLC (2344). The mailing address for the Debtors is 548 Market Street, PMB 72015, San Francisco, CA 94104-5401.

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reorganization and conduct recapitalization and asset sale processes. I have further conducted, participated in and advised parties on numerous bankruptcy sale processes.

3. I submit this Declaration in support of *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**").

4. In particular, I submit this Declaration in support of (a) the Debtors' decision to sell the Acquired Assets,[2] as set forth in that certain Asset Purchase Agreement, dated as of May 9, 2025 (as the same may be amended or restated, the "**Stalking Horse Purchase Agreement**"), by and among Debtors and Inherent Aspiration, LLC ("**Inherent**"), as modified by that certain Settlement Term Sheet between and among the Debtors, Inherent, and the Official Committee of Unsecured Creditors attached as Exhibit 3 to the Final DIP Order [D.I. 204], and (b) my opinion that entry into the Stalking Horse Purchase Agreement and closing of the Sale is in the Debtors' sound business judgment and in the best interest of the Debtors' estates and their creditors.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Motion or Stalking Horse Purchase Agreement.

5. Except as otherwise indicated, all statements set forth in this Declaration are based upon (a) my personal knowledge, information and belief, or my opinion based upon experience, knowledge and information concerning the Debtors, (b) information learned from my review of relevant documents, (c) information supplied by members of the Debtors' management, employees of CR3 working directly with me or under my supervision, direction or control and/or from the Debtors' other professionals and advisors, and/or (d) my opinion based upon my experience.

6. I am over the age of 18 and authorized to submit this Declaration on behalf of the Debtors. If called to testify, I could and would competently testify to the facts and opinions set forth herein.

The Debtors' Marketing Efforts

7. I hereby incorporate by reference the *Declaration of Miles Staglik in Support of Chapter 11 Petitions and First Day Relief* [D.I. 22] filed in the Chapter 11 Cases on March 31, 2025 (the "**First Day Declaration**"), the *Declaration of Miles Staglik in Support of (A) DIP Motion and (B) Bidding Procedures Motion* [D.I. 139] filed in the Chapter 11 Cases on May 9, 2025, and my declarations made therein.

8. As a result of the Debtors' business and financial circumstances leading to the filing of these Chapter 11 Cases, as set forth in greater detail in the First Day Declaration, the Debtors determined to commence a competitive marketing process to solicit bids for the sale of substantially all of their assets pursuant to section 363 of the Bankruptcy Code. In connection therewith, the Debtors engaged Hilco Corporate Finance LLC ("**Hilco**") to serve as their investment banker and to market their assets.

9. 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. It is my opinion that 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.

10. Since its retention on April 1, 2025, it is my understanding that Hilco has provided extensive services in connection with advising and facilitating the Sale Process.

11. The Debtors, in coordination with their professionals, including Hilco, created and populated a data room (the "**Data Room**"), which potential bidders were able to access to conduct due diligence with respect to the Debtors' assets. It is my understanding that the Data Room garnered significant interest from potential bidders.

12. Hilco informed me that during the marketing process it reached out to over one hundred twenty-two (122) parties with teaser materials and a non-disclosure agreement ("**NDA**"), which parties included both strategic and financial investors with access to sufficient capital and interest in the carbon credit industry or sustainable investing. I understand that twenty-nine (29) interested parties executed NDAs and gained access to the Data Room and that Hilco conducted over thirty (30) calls with interested parties.

13. The Bidding Procedures approved by this Court contemplated an approximately eight-week marketing and sale process whereby the Auction, if needed, was to be conducted on May 27, 2025, the Sale Hearing held on June 2, 2025, and the Sale closed by June 6, 2025. I believe that this timeline was reasonable, necessary, and adequate under the circumstances of the Chapter 11 Cases.

14. It was essential that the Debtors proceed with the Sale Process according to this schedule. As further detailed in the First Day Declaration, the Debtors had limited runway to

execute their bankruptcy strategy and facilitate a value maximizing sale of their assets under section 363 of the Bankruptcy Code.

15. I believe the timeline for the proposed Sale Process was adequate and provided all interested parties a reasonable opportunity to conduct diligence, assess the Company and its assets, and submit a bid if they so desired.

16. To the best of my knowledge, the universe of parties potentially interested in purchasing the Debtors' assets was small due to the nature of the carbon credit industry, the significant capital outlays and risks associated with the business, and the long time horizon for realizing a return from carbon credit development projects for owners and investors. I believe that the length of the marketing period targeted to these potential buyers struck an appropriate balance between the Debtors' current cash situation and the need to test the market for the Debtors' assets.

17. In light of the foregoing, I believe that the length of the Sale Process in these Chapter 11 Cases was necessary, reasonable, and adequate under the circumstances because it appropriately balanced the economic and practical realities of these cases while still establishing a fair, open, and competitive bidding process for the sale of the Debtors' assets. Further, through the Sale Process, the Bidding Procedures served the essential dual purposes of (a) providing a market check and potential 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.

The Sale

18. Ultimately, other than the Qualified Bid embodied by the Stalking Horse Purchase Agreement, no other bidder submitted a Qualified Bid by the Bid Deadline. Accordingly, Inherent was designated as the Successful Bidder and no Auction was necessary.

19. It is my understanding from my discussions and negotiations with Inherent that Inherent would not have entered into the Stalking Horse Purchase Agreement or any agreements, documents, or other instruments entered into pursuant thereto or in connection therewith and would not want to consummate the Sale, thus adversely affecting the Debtors' estates and their creditors, if the Acquired Assets were not being sold free and clear of all claims, liens, and encumbrances, or if Inherent would or could be liable for any such claims, liens, and encumbrances now or in the future. A sale of the Acquired Assets other than free and clear of all claims, liens, and encumbrances would yield substantially less value for the Debtors' estates. I believe that the consideration provided under the Stalking Horse Purchase Agreement reflects Inherent's reliance on the Sale Order to provide it with title to and possession of the Acquired Assets free and clear of all claims, liens, and encumbrances pursuant to sections 105(a) and 363(f) of the Bankruptcy Code.

Good Faith

20. Throughout the diligence, negotiation, and Sale Process, Inherent has complied with the Bidding Procedures Order and the Bidding Procedures. To my knowledge, Inherent participated in the Sale Process in good faith and on an arms' length basis. To my knowledge, Inherent has not engaged in any conduct that would cause or permit the Stalking Horse Purchase Agreement to be avoided under 11 U.S.C. § 363(n). Specifically, to my knowledge Inherent has not acted in a collusive manner with any person or entity with respect to the Sale, and Inherent did

not enter into any agreement with another bidder or potential bidder that controlled the purchase price of the Sale.

21. The Stalking Horse Purchase Agreement was not entered into, and the Sale is not being consummated, for the purpose of hindering, delaying, or defrauding present or future creditors of the Debtors. All payments to be made by Inherent in connection with the Sale have been disclosed in the Stalking Horse Purchase Agreement. Neither the Debtors nor Inherent entered into the Stalking Horse Purchase Agreement or is proposing to consummate the sale fraudulently.

22. For all of these reasons, it is my view that Inherent has acted in good faith within the meaning of Section 363(m) of the Bankruptcy Code.

Sound Business Purpose

23. Based on my experience and personal knowledge of the Debtors' robust marketing efforts and the terms of the Stalking Horse Purchase Agreement, I believe the Debtors have demonstrated good, sufficient, and sound business purposes and justifications for the approval and entry into the Stalking Horse Purchase Agreement and approval of the Sale. I believe that entry into the Stalking Horse Purchase Agreement and consummation of the Sale constitutes a sound and reasonable exercise of the Debtors' business judgment, consistent with their fiduciary duties, because, among other things: (a) the terms of the Stalking Horse Purchase Agreement embody the highest and best offer received by the Debtors during the Sale Process, (b) the Stalking Horse Purchase Agreement presents the best opportunity to maximize the value of the Acquired Assets, and (c) the Sale will provide a better outcome for the Debtors' estates than would any other available alternative.

24. I further believe that the Sale as contemplated by the Stalking Horse Purchase Agreement is in the best interest of the Debtors, their estates, their creditors, and other parties in interest and is necessary and appropriate to maximize the value of the Debtors' estates. Accordingly, I believe that the Court should enter the Sale Order and approve the Sale.

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 30, 2025

/s/ Miles Staglik
Miles Staglik, Chief Restructuring Officer
CTN Holdings, Inc.
CTN SPV Holdings, LLC
Make Earth Green Again, LLC
Aspiration QFZ, LLC
Aspiration Fund Adviser, LLC
Catona Climate Solutions, LLC
Zero Carbon Holdings, LLC