

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re:

Cutera, Inc. *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-90088 (ARP)

(Jointly Administered)

**DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE  
RETENTION AND EMPLOYMENT OF HOULIHAN LOKEY CAPITAL, INC. AS  
FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS  
EFFECTIVE AS OF THE PETITION DATE**

**If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

Cutera, Inc. and Crystal Sub, LLC (each, a “Debtor” and collectively, the “Debtors”) in the above-captioned chapter 11 cases state the following in support of this application (the “Application”):

**RELIEF REQUESTED**

1. The above-captioned debtors and debtors in possession (the “Debtors”) hereby apply to the Court for entry of an order, substantially in the form attached hereto (the “Proposed Order”), pursuant to sections 327 and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy

<sup>1</sup> The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: Cutera, Inc. (2262) and Crystal Sub, LLC (6339). The Debtors’ service address is 3240 Bayshore Boulevard, Brisbane, CA 94005.



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Rules”), Rules 2014-1 and 2016-1 of the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”) and the *Procedures for Complex Cases in the Southern District of Texas* (the “Complex Case Procedures”), (i) authorizing them to employ and retain Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) as their financial advisor and investment banker in accordance with the terms and conditions set forth in that certain engagement agreement, dated as of July 17, 2024, as superseded by that certain engagement letter, dated as of February 19, 2025 (the “Engagement Agreement”), a copy of which is attached as **Exhibit 1** to the Proposed Order, (ii) approving the terms of Houlihan Lokey’s employment and retention, including the fee and expense structure and the indemnification, contribution, reimbursement, and related provisions set forth in the Engagement Agreement, (iii) waiving certain informational requirements, and (iv) granting such other and further relief as is just and proper. In support of this Application, the Debtors rely on the *Declaration of Matthew Braun, a Managing Director of Houlihan Lokey* (the “Braun Declaration”), which is attached hereto as **Exhibit A** and incorporated herein and further respectfully states as follows:

### **JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.

3. Venue is proper in this Court under 28 U.S.C. § 1408.

4. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order consistent with Article III of the United States Constitution..

### **BACKGROUND**

5. On March 5, 2025 (the “Petition Date”), the Debtors filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of

the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committee of unsecured creditors has yet been appointed in these chapter 11 cases.

6. Founded in 1998 and headquartered in Brisbane, California, the Debtors are a leading global provider of aesthetic and dermatology solutions for medical practitioners. The Debtors develop, manufacture and market products that enable safe and effective treatments for acne, skin resurfacing, hair removal, tattoo removal and more.

7. Information regarding the Debtors' business, capital structure and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Taylor Harris, Chief Executive Officer of the Debtors, in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (the "First Day Declaration")<sup>2</sup> [Docket No. 5].

#### **HOULIHAN LOKEY'S QUALIFICATIONS**

8. The Debtors seek to retain Houlihan Lokey as their financial advisor and investment banker because, among other things, Houlihan Lokey has extensive experience and an excellent reputation in providing high quality investment banking services to debtors and creditors in financial restructurings and bankruptcy proceedings.

9. Houlihan Lokey, together with the other subsidiaries of its direct parent company, Houlihan Lokey, Inc., is an internationally recognized investment banking and financial advisory firm, with offices worldwide and more than 1,900 professionals. Houlihan Lokey is a leader in providing such services to debtors, unsecured and secured creditors, acquirers, and other parties-in-interest involved with financially troubled companies both in and outside of bankruptcy.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them later in the Application or in the First Day Declaration, as applicable.

Houlihan Lokey has been, and is, involved in some of the largest restructurings in the United States, both out of court and in chapter 11 cases. Houlihan Lokey has been retained to provide investment banking and financial advisory services in, among other cases, *In re Wheel Pros, LLC*, Case No. 24-11939 (Bankr. D. Del. Sep. 8, 2024); *In re JOANN Inc.*, Case No. 24-10418 (Bankr. D. Del. Apr. 15, 2024); *In re Cano Health, Inc.*, Case No. 24-10164 (Bankr. D. Del. Mar. 22, 2024); *In re MVK FarmCo LLC*, Case No. 23-11721 (Bankr. D. Del. Dec. 6, 2023); *In re OSG Holdings, Inc.*, Case No. 23-90799 (Bankr. S.D. Tex. Nov. 17, 2023); *In re Carestream Health, Inc.*, Case No. 22-10778 (Bankr. D. Del. Oct. 7, 2022); *In re Revlon, Inc.*, Case No. 22-10760 (Bankr. S.D.N.Y. Aug. 23, 2022); *In re PWM Property Management LLC*, Case No. 21-11445 (Bankr. D. Del. Feb. 17, 2022); *In re Seadrill Limited*, Case No. 21-30427 (Bankr. S.D. Tex. May 21, 2021); *In re Guitar Center, Inc.*, Case No. 20-34656 (Bankr. E.D. Va. Dec. 16, 2020); *In re Skillsoft Corporation*, Case No. 20-11532 (Bankr. D. Del. Jul. 21, 2020); *In re Exide Holdings, Inc.*, Case No. 20-11157 (Bankr. D. Del. Jul. 16, 2020); and *In re Aceto Corporation*, Case No. 19-13448 (Bankr. D.N.J. Apr. 2, 2019).<sup>3</sup>

10. The resources, capabilities and experience of Houlihan Lokey in advising the Debtors are crucial to enabling the Debtors to implement a successful restructuring. A financial advisor and investment banker with a deep bench of experience, such as Houlihan Lokey, fulfills a critical need that complements the services offered by the Debtors' other restructuring professionals.

11. Since its retention on July 17, 2024, pursuant to the prior engagement agreement, and up to the Petition Date, Houlihan Lokey provided extensive prepetition services to the Debtors.

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<sup>3</sup> Because of the voluminous nature of the orders cited in this Application, they are not attached to the Application. Copies of these orders are available upon request to the Debtors' proposed counsel.

Initially, these services were focused on analyzing various refinancing, exchange, and recapitalization transactions that would address the Debtors' then key strategic objectives of (i) deleveraging, (ii) raising additional liquidity, and/or (iii) extending debt maturities on an out-of-court basis. More recently, and as reflected in the Engagement Agreement, Houlihan Lokey's services have pivoted to assisting the Debtors with an in-court restructuring, and from then through the Petition Date, Houlihan Lokey has provided extensive prepetition services to the Debtors in preparation for the Debtors' restructuring efforts, including assisting management in evaluating strategic alternatives, conducting extensive meetings and negotiations with the various parties in interest, facilitating extensive diligence for the various parties in interest, assisting in developing a communications plan, and providing additional financial advice and investment banking services in preparation for the filing of these chapter 11 cases.

12. As a result of the prepetition work performed on behalf of the Debtors, Houlihan Lokey has acquired significant knowledge of the Debtors and their businesses and is intimately familiar with the Debtors' financial affairs, debt structure, operations, and related matters. In providing prepetition services to the Debtors, Houlihan Lokey has worked closely with the Debtors' senior management and their other advisors and has familiarity with the other major stakeholders that will be involved in these chapter 11 cases. Accordingly, Houlihan Lokey has developed relevant experience and expertise regarding the Debtors that (i) makes Houlihan Lokey a natural selection as the Debtors' financial advisor and investment banker and (ii) will assist Houlihan Lokey in providing effective and efficient services in these chapter 11 cases. Indeed, if the Debtors were required to retain an investment banker and financial advisor other than Houlihan Lokey in connection with these chapter 11 cases, the Debtors, their estates, and all parties in

interest would be prejudiced by the time and expense necessary to familiarize another firm with the intricacies of the Debtors and their business operations.

**SERVICES TO BE PROVIDED BY HOULIHAN LOKEY**

13. The parties have entered into the Engagement Agreement, which governs the relationship between the Debtors and Houlihan Lokey. The terms and conditions of the Engagement Agreement were negotiated at arm's length and in good faith between the Debtors and Houlihan Lokey and reflect the parties' mutual agreement as to the substantial efforts that will be required in this engagement. Under the Engagement Agreement, in consideration for the compensation contemplated thereby, Houlihan Lokey has provided and has agreed to provide the following services:<sup>4</sup>

- (a) assisting the Debtors in the development and distribution of selected information, documents and other materials, including, if appropriate, advising the Debtors in the preparation of an offering memorandum (it being expressly understood that the Debtors will remain solely responsible for such materials and all of the information contained therein);
- (b) assisting the Debtors in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, and/or equity investors;
- (c) assisting the Debtors with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s);
- (d) attending meetings of the Debtors' Board of Directors, creditor groups, official constituencies and other interested parties, as the Debtors and Houlihan Lokey mutually agree;
- (e) providing expert advice, and testimony regarding financial matters related to any Transaction(s), if necessary;
- (f) providing such other financial advisory and investment banking services as may be agreed upon by Houlihan Lokey and the Debtors.

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<sup>4</sup> The summaries provided in this Application are provided for convenience only. In the event of any inconsistency between any summary and the terms and provisions of the Engagement Agreement, the terms of the Engagement Agreement shall control. Capitalized terms used but not otherwise defined in the summaries of the Engagement Agreement contained herein shall have the meanings ascribed to such terms in the Engagement Agreement. In the event of any inconsistency between any summary and the terms and provisions of the Proposed Order, the terms of the Proposed Order shall control.

14. The Debtors believe that Houlihan Lokey's services will not duplicate the services that other professionals will be providing to the Debtors in these chapter 11 cases. Houlihan Lokey will use reasonable efforts to coordinate with the Debtors' other retained professionals to avoid unnecessary duplication of services.

### **HOULIHAN LOKEY'S COMPENSATION**

15. In consideration of the services to be provided by Houlihan Lokey, and as more fully described in the Engagement Agreement, subject to the Court's approval, the Debtors have agreed to pay Houlihan Lokey the following proposed compensation, which is set forth in the Engagement Agreement (the "Fee and Expense Structure"):

- (i) *Monthly Fees*: In addition to the other fees provided for herein, upon the 17<sup>th</sup> of each month during the term of this engagement, the Debtors shall pay Houlihan Lokey in advance, without notice or invoice, a nonrefundable cash fee of \$100,000 ("Monthly Fee"); provided, however, that no additional Monthly Fee shall be paid after the payment of any Transaction Fee (as defined below) referred to in paragraph 3(ii) below with respect to a 3(a)(9) Offer. Each Monthly Fee shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement and performing services as described herein. Beginning with the seventh Monthly Fee, 50% of the Monthly Fees previously paid to Houlihan Lokey shall be credited against the next Transaction Fee to which Houlihan Lokey becomes entitled hereunder (it being understood and agreed that no Monthly Fee shall be credited more than once), and
- (ii) *Transaction Fee(s)*: In addition to the other fees provided for herein, the Debtors shall pay Houlihan Lokey the following Transaction Fee(s):
  - a. *Restructuring Transaction Fee*. Upon the earlier to occur of: (I) in the case of an out-of-court Restructuring Transaction (as defined below), the closing of such Restructuring Transaction, and (II) in the case of an in-court Restructuring Transaction, the date of consummation of a plan of reorganization or liquidation under Chapter 11 or Chapter 7 of the Bankruptcy Code (as defined below) as promptly as possible in accordance with the terms of this Agreement and applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, Houlihan Lokey shall earn, and the Debtors shall promptly pay to Houlihan Lokey, a cash fee ("Restructuring Transaction Fee") of \$4,250,000, provided that, in the event the Restructuring Transaction is undertaken as a 3(a)(9) Offer, the Restructuring Transaction Fee, whether or not as a part of a plan, shall be earned and payable immediately upon the first mailing, delivery or other dissemination of offering documents pursuant to the 3(a)(9) Offer,

- b. *Sale Transaction Fee.* Upon the consummation of a Sale Transaction, and if such transaction is in-court, subject to applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, Houlihan Lokey shall earn, and the Debtors shall thereupon pay to Houlihan Lokey immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee (“Sale Transaction Fee”) based upon Aggregate Gross Consideration (“AGC”), calculated as the greater of (x) \$3,500,000 and (y) the sum of:
- i. For AGC up to \$100 million: 2.5% of such AGC, plus
  - ii. For AGC above \$100 million: 5.0% of such incremental AGC,

If more than one Sale Transaction is consummated, Houlihan Lokey shall be compensated based on the AGC from all Sale Transactions on a cumulative basis, calculated in the manner set forth above.

- c. *Financing Transaction Fee.* Upon the consummation of each Financing Transaction (as defined below), and if such transaction is in-court, subject to applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, Houlihan Lokey shall earn, and the Debtors shall thereupon pay to Houlihan Lokey immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee (“Financing Transaction Fee”) equal to the sum of: (I) 2.00% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Debtors, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Debtors (including debtor-in-possession financing), (“1L Secured Debt Fee”), (II) 3.50% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien), is unsecured and/or is subordinated, and (III) 4.50% of the gross proceeds of all equity or equity-linked securities (including, without limitation, common stock, convertible securities, preferred stock, and debt or equity instruments with warrants) placed or committed, *provided* that 100% of such Financing Transaction Fee payable on account of proceeds provided by an insider (as identified in Exhibit A in the Prior Agreement) shall be credited against the next Restructuring Transaction Fee to which Houlihan Lokey becomes entitled hereunder (it being understood and agreed that no Financing Transaction Fee shall be credited more than once). Any warrants issued in connection with the raising of debt or equity capital shall, upon the exercise thereof, be considered equity for the purpose of calculating the Financing Transaction Fee, and such portion of the Financing Transaction Fee shall be paid upon such exercise and from the gross proceeds thereof, regardless of any prior termination or expiration of this Agreement. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by



Houlihan Lokey, by another agent or directly by the Debtors or any of their affiliates. Any non-cash consideration provided to or received in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities (as defined below) issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth herein shall be in addition to any other fees that the Debtors may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.

Notwithstanding the foregoing or anything herein to the contrary, the total maximum fees to be earned by Houlihan Lokey under the terms of this Agreement on account of all Restructuring Transaction Fees, Sale Transaction Fees, Financing Transaction Fees, and Monthly Fees shall not exceed \$6,750,000 in the aggregate (the “Fee Cap”).

Any Restructuring Transaction Fee, Sale Transaction Fee, and Financing Transaction Fee is each referred to herein as a “Transaction Fee” and are collectively referred to herein as “Transaction Fees.” All payments received by Houlihan Lokey pursuant to this Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to this Agreement will be put into a trust or segregated account.

If a Sale Transaction is effectuated under Sections 363, 1129 or any other provision of Title 11, United States Code (11 U.S.C. §§ 101 et seq.), then Houlihan Lokey shall be entitled to a fee equal to the greater of the (i) Restructuring Transaction Fee and (ii) Sale Transaction Fee, as calculated in accordance with the terms of this Agreement, subject to the Fee Cap.

**THE FEE AND EXPENSE STRUCTURE IS APPROPRIATE AND REASONABLE AND SHOULD BE APPROVED UNDER BANKRUPTCY CODE SECTION 328(A)**

16. The Debtors believe that the Fee and Expense Structure is comparable to those generally charged by financial advisors and investment bankers of similar stature to Houlihan Lokey for comparable engagements, both in and out of bankruptcy proceedings, and reflects a balance between a fixed fee and a contingency amount tied to the consummation and closing of the transactions and services contemplated by the Debtors and Houlihan Lokey in the Engagement Agreement.

17. The Fee and Expense Structure is consistent with Houlihan Lokey’s normal and customary billing practices for comparably sized and complex cases and transactions, both in and

out of bankruptcy proceedings, involving the services to be provided in connection with these chapter 11 cases. Moreover, the Fee and Expense Structure is consistent with and typical of arrangements entered into by Houlihan Lokey and other financial advisors and investment banks in connection with the rendering of comparable services to clients such as the Debtors.

18. Houlihan Lokey's restructuring expertise, as well as its capital markets knowledge, financing skills and mergers and acquisitions expertise, some or all of which may be required by the Debtors during the term of Houlihan Lokey's engagement, were important factors in determining the Fee and Expense Structure. The ultimate benefit to the Debtors derived from the services provided by Houlihan Lokey pursuant to the Engagement Agreement cannot be measured by a reference to the number of hours expended by Houlihan Lokey's professionals.

19. The Debtors and Houlihan Lokey negotiated the Fee and Expense Structure to function as an interrelated, integrated unit corresponding to Houlihan Lokey's overall services. It would be contrary to the intention of Houlihan Lokey and the Debtors for any isolated component of the Fee and Expense Structure to be treated as sufficient consideration for any isolated portion of Houlihan Lokey's services. Instead, the Debtors and Houlihan Lokey intend that Houlihan Lokey's services be considered as a whole for which Houlihan Lokey is to be compensated by the Fee and Expense Structure in its entirety.

20. In light of the foregoing and given the numerous issues that Houlihan Lokey may be required to address in the performance of its services pursuant to the Engagement Agreement, Houlihan Lokey's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Houlihan Lokey's services for both in court and out of court engagements of this nature, the Debtors believe that the Fee and Expense Structure

is fair and reasonable and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

#### **RECORD KEEPING AND APPLICATIONS FOR COMPENSATION**

21. It is not the general practice of financial advisory and investment banking firms, including Houlihan Lokey, to keep detailed time records similar to those customarily kept by attorneys. Because Houlihan Lokey does not ordinarily maintain contemporaneous time records in one-tenth hour (0.10) increments or provide or conform to a schedule of hourly rates for professional services, the Debtors request that Houlihan Lokey should only be required to maintain time records in half-hour (0.50) increments setting forth, in a summary format, a reasonably detailed description of the services rendered by each professional and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors.

22. Houlihan Lokey will also maintain reasonably detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services.

23. Houlihan Lokey's applications for compensation and expense reimbursement will be paid by the Debtors pursuant to the terms of the Engagement Agreement and the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable procedures established by the Court.

#### **HOULIHAN LOKEY'S DISINTERESTEDNESS**

24. To the best of the Debtors' knowledge and belief and except to the extent disclosed herein and in the Braun Declaration, Houlihan Lokey: (i) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code; and (ii) does not hold or represent any interest materially adverse to the Debtors or their estates.

25. As set forth in further detail in the Braun Declaration, Houlihan Lokey has certain connections with creditors and other parties in interest in these chapter 11 cases. The Debtors and

Houlihan Lokey do not believe that any of these connections constitute an interest materially adverse to the interest of the estate or of any class of creditors or equity holders in these chapter 11 cases.

26. To the extent Houlihan Lokey discovers any material facts bearing on the matters described herein during the period of Houlihan Lokey's retention, Houlihan Lokey has undertaken to amend and supplement the information contained in this Application and the Braun Declaration to disclose such facts.

27. During the 90 days immediately preceding the Petition Date, the Debtors paid Houlihan Lokey \$400,000.00 in fees and \$15,878.52 in expense reimbursements, which includes \$10,000.00 paid on account of anticipated expenses. Other than as set forth herein, Houlihan Lokey did not receive any payments from the Debtors during the 90 days immediately preceding the Petition Date.

28. Within one year prior to the Petition Date, the Debtors paid Houlihan Lokey \$800,000.00 in fees and \$19,071.65 in expense reimbursements, which includes the expense reimbursement reserve described in the immediately preceding paragraph.

29. As of the Petition Date, the Debtors did not owe Houlihan Lokey for any fees or expenses incurred prior to the Petition Date. It is possible that certain expenses that were incurred by Houlihan Lokey that are reimbursable under the terms of the Engagement Agreement were not yet reflected on Houlihan Lokey's books and records as of the Petition Date. Upon entry of an order approving the Application, Houlihan Lokey will waive any claim for such unreimbursed expenses in excess of amounts paid to Houlihan Lokey prepetition.

30. As set forth in the Braun Declaration, Houlihan Lokey has not shared or agreed to share any of its compensation from the Debtors with any other person, other than as permitted by

section 504 of the Bankruptcy Code. If any such agreement is entered into, Houlihan Lokey has undertaken to amend and supplement the information contained in this Application and the Braun Declaration to disclose the terms of any such agreement.

31. No promises have been received by Houlihan Lokey, or by any professionals engaged hereunder, as to compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code.

### **INDEMNIFICATION PROVISIONS**

32. Among other things, the Engagement Agreement provides that the Debtors shall indemnify Houlihan Lokey and the other HL Parties (as defined in the Engagement Agreement) against any and all losses, claims, damages, or liabilities to which the HL Parties may become subject in connection with the Engagement Agreement, except to the extent such losses are finally judicially determined to have resulted primarily from such HL Party's gross negligence or willful misconduct.

33. The Debtors and Houlihan Lokey believe that the indemnification, contribution, reimbursement, and other related provisions contained in the Engagement Agreement are customary and reasonable for financial advisory and investment banking engagements, both in and out of court, and, as modified by the Proposed Order, reflect the qualifications and limitations on indemnification provisions that are customary in this district and other jurisdictions.

34. The terms and conditions of the Engagement Agreement, including these provisions, were negotiated by the Debtors and Houlihan Lokey at arm's length and in good faith. The Debtors respectfully submit that such provisions, viewed in conjunction with the other terms of Houlihan Lokey's proposed retention, are reasonable and in the best interests of the Debtors, their estates and creditors in light of the fact that the Debtors require Houlihan Lokey's services in these chapter 11 cases.

### **BASIS FOR RELIEF**

35. The Debtors seek authority to employ and retain Houlihan Lokey as their financial advisor and investment banker under section 327 of the Bankruptcy Code, which provides that a debtor is authorized to employ professional persons “that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [Debtors] in carrying out the [Debtors’] duties under this title.” 11 U.S.C. § 327(a). Section 1107(b) of the Bankruptcy Code elaborates upon sections 101(14) and 327(a) of the Bankruptcy Code in cases under chapter 11 of the Bankruptcy Code and provides that “a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person’s employment by or representation of the debtor before the commencement of the case.” 11 U.S.C. § 1107(b).

36. In addition, the Debtors seek approval of the Engagement Agreement (including the Fee and Expense Structure and the indemnification, contribution, reimbursement and other related provisions) pursuant to section 328(a) of the Bankruptcy Code, which provides, in relevant part, that the Debtors “with the court’s approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a). Section 328 of the Bankruptcy Code permits the compensation of professionals, including financial advisors and investment bankers, on more flexible terms that reflect the nature of their services and market conditions. As the United States Court of Appeals for the Fifth Circuit recognized in *Donaldson Lufkin & Jenrette Sec. Corp. v. Nat’l Gypsum Co.* (*In re Nat’l Gypsum Co.*), 123 F.3d 861 (5th Cir. 1997):

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was

worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants “reasonable compensation” based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

*Id.* at 862 (citations omitted), *cited in Riker, Danzig, Scherer, Hyland & Perretti LLP v. Official Comm. of Unsecured Creditors (In re Smart World Techs. LLC)*, 383 B.R. 869, 874 (S.D.N.Y. 2008).

37. The Engagement Agreement appropriately reflects (i) the nature and scope of services to be provided by Houlihan Lokey, (ii) Houlihan Lokey’s substantial experience with respect to financial advisory and investment banking services, and (iii) the Fee and Expense Structures typically utilized by Houlihan Lokey and other leading financial advisors and investment bankers.

38. Similar fixed and contingency fee arrangements have been approved and implemented by courts in other large chapter 11 cases. *See, e.g., In re JOANN Inc.*, Case No. 24-10418 (Bankr. D. Del. Apr. 15, 2024); *In re Cano Health, Inc.*, Case No. 24-10164 (Bankr. D. Del. Mar. 22, 2024); *In re MVK FarmCo LLC*, Case No. 23-11721 (Bankr. D. Del. Dec. 6, 2023); *In re OSG Holdings, Inc.*, Case No. 23-90799 (Bankr. S.D. Tex. Nov. 17, 2023); *In re Carestream Health, Inc.*, Case No. 22-10778 (Bankr. D. Del. Oct. 7, 2022); *In re Revlon, Inc.*, Case No. 22-10760 (Bankr. S.D.N.Y. Aug. 23, 2022); *In re PWM Property Management LLC*, Case No. 21-11445 (Bankr. D. Del. Feb. 17, 2022); *In re Seadrill Limited*, Case No. 21-30427 (Bankr. S.D. Tex. May 21, 2021); *In re Guitar Center, Inc.*, Case No. 20-34656 (Bankr. E.D. Va. Dec. 16, 2020); *In re Skillsoft Corporation*, Case No. 20-11532 (Bankr. D. Del. Jul. 21, 2020); *In re Exide Holdings, Inc.*, Case No. 20-11157 (Bankr. D. Del. Jul. 16, 2020); and *In re Aceto Corporation*,

Case No. 19-13448 (Bankr. D.N.J. Apr. 2, 2019). Accordingly, the Debtors believe that Houlihan Lokey's retention on the terms and conditions proposed herein is appropriate.

39. This Application is filed within thirty (30) days of the Petition Date and, pursuant to Bankruptcy Local Rule 2014-1 and paragraph 47 of the Complex Case Procedures, the Application is deemed contemporaneous with the Petition Date and, therefore, entitled to relief effective as of the Petition Date. *See* Bankr. L. R. 2014-1(b)(1) ("If an application for approval of the employment of a professional is made within 30 days of the commencement of that professional's provision of services, it is deemed contemporaneous."); Complex Case Procedures ¶ 47.

### **NOTICE**

40. The Debtors will provide notice of this Application to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the thirty (30) largest unsecured claims against the Debtor; (c) the United States Attorney's Office for the Southern District of Texas; (d) the state attorneys general for all states in which the Debtors conduct business; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) U.S. Bank Trust National Association, indenture trustee for the 2026 Senior Notes, 2028 Senior Notes and 2029 Senior Notes; (h) Paul, Weiss, Rifkind, Wharton & Garrison, counsel to the Ad Hoc Group of Senior Noteholders; (i) banks and financial institutions where the Debtors maintain accounts; and (j); any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that, in light of the nature of the relief requested, no further notice is necessary.

41. A copy of this Application is available on (a) the Court's website at [www.txs.uscourts.gov](http://www.txs.uscourts.gov), and (b) the website maintained by the Debtors' claims, noticing, and



solicitation agent, Kurtzman Carson Consultants, LLC dba Verita Global., at <https://www.veritaglobal.net/cutera>.

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto (i) granting the relief sought herein and (ii) granting such other and further relief as the Court may deem proper.

Dated: March 14, 2025  
Houston, Texas

Respectfully submitted,  
**Cutera, Inc.**  
(for itself and on behalf of its affiliates  
as debtors and debtors in possession)

/s/ Stephana Patton  
Stephana Patton  
Chief Legal Officer

**CERTIFICATE OF SERVICE**

I certify that on March 14, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II

Timothy A. ("Tad") Davidson II

**EXHIBIT A**

**Braun Declaration**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

Cutera, Inc. *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-90088 (ARP)

(Jointly Administered)

**DECLARATION OF MATTHEW BRAUN IN SUPPORT OF THE APPLICATION OF  
THE DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING RETENTION AND  
EMPLOYMENT OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR  
AND INVESTMENT BANKER TO THE DEBTORS AS OF THE PETITION DATE**

I, Matthew Braun, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director of Houlihan Lokey Capital, Inc. (“Houlihan Lokey”), and am duly authorized to execute this declaration (the “Declaration”) on behalf of Houlihan Lokey. I am familiar with the matters set forth herein and, if called as a witness, I could and would testify thereto.<sup>2</sup>

2. I submit this Declaration in support of the *Debtors’ Application for Entry of an Order Authorizing the Retention and Employment of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors, Effective as of the Petition Date* (the

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<sup>1</sup> The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: Cutera, Inc. (2262) and Crystal Sub, LLC (6339). The Debtors’ service address is 3240 Bayshore Boulevard, Brisbane, CA 94005.

<sup>2</sup> Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at Houlihan Lokey and are based on information provided by them. Unless otherwise stated, all matters set forth in this Declaration are based on my personal knowledge, my review of the relevant documents, information supplied to me by others, or my views, which are based on, among other things, my experience and knowledge of the Debtors’ business and financial condition.

“Application”).<sup>3</sup> This Declaration is also submitted to comply with the applicable provisions of sections 327, 328(a), and 504 of the Bankruptcy Code, Bankruptcy Rules 2014(a), 2016 and 5002, and Bankruptcy Local Rules 2014-1 and 2016-1.

### **HOULIHAN LOKEY’S QUALIFICATIONS AND SERVICES**

3. The Houlihan Lokey Group (as defined below) is an internationally recognized investment banking and financial advisory firm, with offices worldwide and more than 1,900 professionals. Houlihan Lokey is a leader in providing such services to debtors, unsecured and secured creditors, acquirers, and other parties in interest involved with financially troubled companies both in and outside of bankruptcy. Houlihan Lokey has been, and is, involved in some of the largest restructurings in the United States, both out of court and in chapter 11 cases. Houlihan Lokey has been retained to provide investment banking and financial advisory services in, among other cases, *In re Wheel Pros, LLC*, Case No. 24-11939 (Bankr. D. Del. Sep. 8, 2024); *In re JOANN Inc.*, Case No. 24-10418 (Bankr. D. Del. Apr. 15, 2024); *In re Cano Health, Inc.*, Case No. 24-10164 (Bankr. D. Del. Mar. 22, 2024); *In re MVK FarmCo LLC*, Case No. 23-11721 (Bankr. D. Del. Dec. 6, 2023); *In re OSG Holdings, Inc.*, Case No. 23-90799 (Bankr. S.D. Tex. Nov. 17, 2023); *In re Carestream Health, Inc.*, Case No. 22-10778 (Bankr. D. Del. Oct. 7, 2022); *In re Revlon, Inc.*, Case No. 22-10760 (Bankr. S.D.N.Y. Aug. 23, 2022); *In re PWM Property Management LLC*, Case No. 21-11445 (Bankr. D. Del. Feb. 17, 2022); *In re Seadrill Limited*, Case No. 21-30427 (Bankr. S.D. Tex. May 21, 2021); *In re Guitar Center, Inc.*, Case No. 20-34656 (Bankr. E.D. Va. Dec. 16, 2020); *In re Skillsoft Corporation*, Case No. 20-11532 (Bankr. D. Del.

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<sup>3</sup> Unless otherwise defined, all capitalized terms used herein have the meanings ascribed to them in the Application.

Jul. 21, 2020); *In re Exide Holdings, Inc.*, Case No. 20-11157 (Bankr. D. Del. Jul. 16, 2020); and *In re Aceto Corporation*, Case No. 19-13448 (Bankr. D.N.J. Apr. 2, 2019).<sup>4</sup>

4. Houlihan Lokey has agreed to provide investment banking and financial advisory services to the above-captioned debtors and debtors in possession (the “Debtors”) pursuant to the terms and conditions of the Engagement Agreement between the Debtors and Houlihan Lokey (the “Engagement Agreement”), a copy of which is attached to the Proposed Order as **Exhibit 1**.

5. In addition to me, the principal professionals who are expected to render services to the Debtors are set forth on **Exhibit A** attached hereto and incorporated herein by reference (the “Principal Professionals”).

6. Since its retention on July 17, 2024, pursuant to the prior engagement agreement, and up to the Petition Date, Houlihan Lokey provided extensive prepetition services to the Debtors. Initially, these services were focused on analyzing various refinancing, exchange, and recapitalization transactions that would address the Debtors’ then key strategic objectives of (i) deleveraging, (ii) raising additional liquidity, and/or (iii) extending debt maturities on an out-of-court basis. More recently, and as reflected in the Engagement Agreement, Houlihan Lokey’s services have pivoted to assisting the Debtors with an in-court restructuring, and from then through the Petition Date, Houlihan Lokey has provided extensive prepetition services to the Debtors in preparation for the Debtors’ restructuring efforts, including assisting management in evaluating strategic alternatives, conducting extensive meetings and negotiations with the various parties in interest, facilitating extensive diligence for the various parties in interest, assisting in developing

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<sup>4</sup> Because of the voluminous nature of the orders cited in this Declaration, they are not attached to the Declaration. Copies of these orders are available upon request to the Debtors’ proposed counsel.

a communications plan, and providing additional financial advice and investment banking services in preparation for the filing of these chapter 11 cases.

7. As a result of the prepetition work performed on behalf of the Debtors, Houlihan Lokey has acquired significant knowledge of the Debtors and their businesses and is intimately familiar with the Debtors' financial affairs, debt structure, operations, and related matters. In providing prepetition services to the Debtors, Houlihan Lokey has worked closely with the Debtors' senior management and their other advisors and has familiarity with the other major stakeholders that will be involved in these chapter 11 cases. Accordingly, Houlihan Lokey has developed relevant experience and expertise regarding the Debtors that (i) makes Houlihan Lokey a natural selection as the Debtors' financial advisor and investment banker and (ii) will assist Houlihan Lokey in providing effective and efficient services in these chapter 11 cases. Indeed, if the Debtors were required to retain an investment banker and financial advisor other than Houlihan Lokey in connection with these chapter 11 cases, the Debtors, their estates, and all parties in interest would be prejudiced by the time and expense necessary to familiarize another firm with the intricacies of the Debtors and their business operations.

8. Houlihan Lokey believes that its services will not duplicate the services that other professionals will be providing to the Debtors in these chapter 11 cases. Houlihan Lokey will use reasonable efforts to coordinate with the Debtors' other retained professionals to avoid unnecessary duplication of services.

#### **HOULIHAN LOKEY'S COMPENSATION**

9. Houlihan Lokey believes that the Fee and Expense Structure is comparable to those generally charged by financial advisors and investment bankers of similar stature to Houlihan Lokey for comparable engagements, both in and out of bankruptcy proceedings, and reflects a balance between a fixed fee and a contingency amount tied to the consummation and closing of

the transactions and services contemplated by the Debtors and Houlihan Lokey in the Engagement Agreement.

10. The Fee and Expense Structure is consistent with Houlihan Lokey's normal and customary billing practices for comparably sized and complex cases and transactions, both in and out of bankruptcy proceedings, involving the services to be provided in connection with these chapter 11 cases. Moreover, the Fee and Expense Structure is consistent with and typical of arrangements entered into by Houlihan Lokey and other financial advisors and investment banks in connection with the rendering of comparable services to clients such as the Debtors.

11. Houlihan Lokey's restructuring expertise, as well as its capital markets knowledge, financing skills and mergers and acquisitions expertise, some or all of which may be required by the Debtors during the term of Houlihan Lokey's engagement, were important factors in determining the Fee and Expense Structure. The ultimate benefit to the Debtors derived from the services provided by Houlihan Lokey pursuant to the Engagement Agreement cannot be measured by a reference to the number of hours expended by Houlihan Lokey's professionals.

12. The Debtors and Houlihan Lokey negotiated the Fee and Expense Structure to function as an interrelated, integrated unit corresponding to Houlihan Lokey's overall services. It would be contrary to the intention of Houlihan Lokey and the Debtors for any isolated component of the Fee and Expense Structure to be treated as sufficient consideration for any isolated portion of Houlihan Lokey's services. Instead, the Debtors and Houlihan Lokey intend that Houlihan Lokey's services be considered as a whole for which Houlihan Lokey is to be compensated by the Fee and Expense Structure in its entirety.

13. In light of the foregoing and given the numerous issues that Houlihan Lokey may be required to address in the performance of its services pursuant to the Engagement Agreement,



Houlihan Lokey's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Houlihan Lokey's services for both in court and out of court engagements of this nature, Houlihan Lokey believes that the Fee and Expense Structure is fair and reasonable and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

#### **RECORD KEEPING AND APPLICATIONS FOR COMPENSATION**

14. It is not the general practice of financial advisory and investment banking firms, including Houlihan Lokey, to keep detailed time records similar to those customarily kept by attorneys. Because Houlihan Lokey does not ordinarily maintain contemporaneous time records in one-tenth hour (0.10) increments or provide or conform to a schedule of hourly rates for professional services, Houlihan Lokey requests that it should only be required to maintain time records in half-hour (0.50) increments setting forth, in a summary format, a reasonably detailed description of the services rendered by each professional and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors.

15. Houlihan Lokey will also maintain reasonably detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services.

16. Houlihan Lokey's applications for compensation and expense reimbursement will be paid by the Debtors pursuant to the terms of the Engagement Agreement and the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable procedures established by the Court.

#### **HOULIHAN LOKEY'S DISINTERESTEDNESS**

17. To determine its connections with parties in interest in these chapter 11 cases, Houlihan Lokey relied upon a list of entities that were identified to Houlihan Lokey by the Debtors and their representatives (each individually, an "Interested Party", and collectively, the "Interested

Parties”). The Interested Parties are set forth on **Exhibit B-1** attached hereto and incorporated herein by reference.

18. I, or one or more of my designees, reviewed a report that was based on a comparison of this list of Interested Parties against certain internal databases of Houlihan Lokey, including Houlihan Lokey’s client management information system. To the extent that this report revealed that certain Interested Parties (or their apparent affiliates or entities that Houlihan Lokey believes to be affiliates, as the case may be) were current or former Houlihan Lokey Group clients that engaged a member of the Houlihan Lokey Group in the past three years (as of the date such report was generated) pursuant to a written engagement letter to provide services for which the Houlihan Lokey Group has received, or is expected to receive, fees, such parties are identified on **Exhibit B-2** attached hereto and incorporated herein by reference. To the extent that the aforementioned report revealed certain other connections with Interested Parties (or their apparent affiliates or entities that Houlihan Lokey believes to be affiliates, as the case may be), such parties may also be identified on **Exhibit B-2** or otherwise described or referenced (whether generally or specifically by name) elsewhere in this Declaration. **Exhibit B-2** is based upon the information contained in the aforementioned report and may not include information to the extent not included in, or not reflected in the results of Houlihan Lokey’s review of, such report, or not otherwise identified by Houlihan Lokey.

19. Neither the term “connection,” as used in Bankruptcy Rule 2014, nor the proper scope of a professional’s search for a “connection,” has been defined. I am therefore uncertain what this Court may consider a “connection” requiring disclosure.

20. Given the large number of Interested Parties, despite the efforts described herein, I am unable to state with certainty that every connection has been disclosed in this Declaration. In

particular, among other things, members or certain employees of the Houlihan Lokey Group may have connections with Interested Parties or persons who are beneficial owners, affiliates, equity holders and/or sponsors of certain Interested Parties; persons whose beneficial owners, affiliates, equity holders and/or sponsors are Interested Parties; and persons who otherwise have connections with certain Interested Parties. Furthermore, the Debtors may have had, or currently have, customers, creditors, lenders, equity owners, competitors, and other parties with whom they maintain business relationships that are parties in interest (but are not listed as Interested Parties), and with whom the Houlihan Lokey Group may have had, or may currently or in the future have, connections. In addition, new parties may become parties in interest and the Houlihan Lokey Group may have had, or may currently or in the future have, connections with such new parties in interest.

21. In addition:

- a) From time to time, Houlihan Lokey's Financial Restructuring Group, which is providing the services in this case, may have represented, may currently be representing, or may in the future represent, certain parties in interest in matters unrelated to these chapter 11 cases, either individually or as part of a representation of a committee or group of creditors, lenders, equity owners or other interest holders.
- b) In addition to its Financial Restructuring Group, Houlihan Lokey and the other subsidiaries of its direct parent company, Houlihan Lokey, Inc., that are engaged in providing investment banking and financial advisory services globally (collectively, and together with Houlihan Lokey, Inc., the "Houlihan Lokey Group") provide services to a wide range of institutions and individuals and may have had, or may currently or in the future have, investment banking or financial advisory relationships with certain parties in interest.
- c) In the ordinary course of business, members or certain employees (or relatives of such employees) of the Houlihan Lokey Group, as well as investment funds in which any of them may have financial interests or with which they may co-invest, but over whose investment decisions such members or employees have no control, may (i) acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Debtors or certain other parties in interest or have other relationships with such parties, and/or (ii) have mortgages, consumer loans, investment, brokerage accounts, or other

banking, brokerage, or other customer relationships with institutions that are parties in interest or with funds sponsored by or affiliated with such parties. With respect to any such securities, financial instruments, investments, and/or customer relationships, all rights in respect of such securities, financial instruments, investments, and/or customer relationships, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. Moreover, the Principal Professionals are subject to compliance mechanisms and policies and procedures designed to prevent confidential, non-public information from being improperly shared.

- d) Houlihan Lokey Financial Advisors, Inc., a direct subsidiary of Houlihan Lokey, Inc., among other things, provides valuation opinions on the securities, derivatives, and other financial instruments (which may have included, or may currently or in the future include, securities, derivatives, or other financial instruments of the Debtors) held by various business development companies, private equity funds, hedge funds, and other investment funds, primarily for financial reporting purposes, through its Portfolio Valuation and Fund Advisory Group. This work is unrelated to the financial advisory and investment banking services that Houlihan Lokey intends to provide in these chapter 11 cases. Moreover, there is an “Information Wall” between Houlihan Lokey Financial Advisors, Inc.’s Portfolio Valuation and Fund Advisory Group and Houlihan Lokey’s Financial Restructuring Group, including the Principal Professionals. This “Information Wall” includes technological barriers and policies and procedures designed to prevent confidential, non-public information and work product from being improperly shared.
- e) In the ordinary course of their business, members of the Houlihan Lokey Group from time to time discuss issues concerning stressed and distressed companies with such companies, their creditors, and their prospective creditors that are clients of the firm, that are referred to the firm in light of Houlihan Lokey’s reputation for covering such companies and/or relevant industry expertise, or with which the firm may otherwise be in contact. At the time of those contacts, typically it is not known whether any of these companies will actually file for bankruptcy, or if any of these creditors and/or prospective creditors will serve on any future official committee appointed in any such future bankruptcy case, or even be a creditor of the relevant estate in the event of a future bankruptcy. It is also Houlihan Lokey’s customary practice to communicate with and, when appropriate or requested, send materials to one or more of the 50 largest unsecured creditors identified by a debtor and who are, therefore, potential members of a creditors’ committee.
- f) Members or certain employees of the Houlihan Lokey Group may have business associations with certain parties in interest, including attorneys, accountants, investment bankers, financial advisors, financial consultants, and other professional advisors, some of whom may represent certain of the parties in interest or be parties in interest. Members of the Houlihan Lokey Group may have appeared, or may currently or in the future appear, in numerous cases, proceedings or transactions involving, had or have mutual clients with, or had or have referral relationships with, these professionals. Furthermore, members of the Houlihan Lokey Group have been, and may currently or in the future be, represented or advised by accountants, auditors, attorneys, law firms, and other professionals, some of whom

may be involved in these chapter 11 cases. In addition, members of the Houlihan Lokey Group may have worked, or may currently or in the future work, with, for, or opposite other professionals involved in these chapter 11 cases in matters unrelated to these chapter 11 cases.

- g) Certain employees of the Houlihan Lokey Group may have been formerly employed by other investment banking, financial services, or other professional services firms that are among, or represent other parties that are among, certain of the parties in interest. While employed by other firms, certain professionals presently employed by the Houlihan Lokey Group may have represented certain parties in interest.
- h) Members of the Houlihan Lokey Group may be involved in litigation from time to time that may have involved, or may currently or in the future involve, entities that may be parties in interest. Also, certain of the parties in interest may have been, or may currently or in the future be, vendors or insurers of members of the Houlihan Lokey Group and/or have corporate or other business relationships with members of the Houlihan Lokey Group.

22. To the best of my knowledge and belief, other than as disclosed in this Declaration, neither Houlihan Lokey, nor I, nor any other Principal Professionals, holds or represents any interest materially adverse to the Debtors or their estates.

23. To the best of my knowledge and belief, other than as disclosed in this Declaration, Houlihan Lokey has not been retained to assist any Interested Party other than the Debtors on matters relating to, or in direct connection with, these chapter 11 cases.

24. In addition, other than as disclosed in this Declaration, I do not believe that any connection that the Houlihan Lokey Group may have with any Interested Party in connection with any unrelated matters, including those involving the parties identified on **Exhibit B-2**, or any of the matters set forth in paragraph of this Declaration, constitutes an interest materially adverse to the interest of the estate or of any class of creditors or equity holders in these chapter 11 cases.

25. Other than as disclosed in this Declaration, I am not related to and, to the best of my knowledge and belief, no other Principal Professional is related to, any United States Bankruptcy Judge for this District or known employee in the United States Trustee's Office for this District.

26. Based on all of the foregoing, I believe that Houlihan Lokey is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code.

27. To the extent Houlihan Lokey discovers any material facts bearing on the matters described herein during the period of Houlihan Lokey’s retention, Houlihan Lokey undertakes to amend and supplement the information contained in the Application and this Declaration to disclose such facts.

28. During the 90 days immediately preceding the Petition Date, the Debtors paid Houlihan Lokey \$400,000.00 in fees and \$15,878.52 in expense reimbursements, which includes \$10,000.00 paid on account of anticipated expenses. Other than as set forth herein, Houlihan Lokey did not receive any payments from the Debtors during the 90 days immediately preceding the Petition Date.

29. Within one year prior to the Petition Date, the Debtors paid Houlihan Lokey \$800,000.00 in fees and \$19,071.65 in expense reimbursements, which includes the expense reimbursement reserve described in the immediately preceding paragraph.

30. As of the Petition Date, the Debtors did not owe Houlihan Lokey for any fees or expenses incurred prior to the Petition Date. It is possible that certain expenses that were incurred by Houlihan Lokey that are reimbursable under the terms of the Engagement Agreement were not yet reflected on Houlihan Lokey’s books and records as of the Petition Date. Upon entry of an order approving the Application, Houlihan Lokey will waive any claim for such unreimbursed expenses in excess of amounts paid to Houlihan Lokey prepetition.

31. Houlihan Lokey has not shared or agreed to share any of its compensation from the Debtors with any other person, other than as permitted by section 504 of the Bankruptcy Code. If any such agreement is entered into, Houlihan Lokey has undertaken to amend and supplement the

information contained in this Application and this Declaration to disclose the terms of any such agreement.

32. No promises have been received by Houlihan Lokey, or by any professionals engaged hereunder, as to compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code.

I declare under penalty of perjury under the laws of the United States of America that, to the best of my knowledge, information, and belief and after reasonable inquiry, the foregoing is true and correct.

Dated: March 14, 2025

**HOULIHAN LOKEY CAPITAL, INC.**

/s/ Matthew Braun

Matthew Braun  
Managing Director



**EXHIBIT A**

**Principal Professionals**

- 1) Eric Winthrop (Managing Director)
- 2) Matthew Braun (Managing Director)
- 3) Andrew Benjamin (Director)
- 4) Elijah Gross-Sable (Associate)
- 5) Reed Callister (Analyst)

**EXHIBIT B-1**

**Interested Parties List  
Provided by Debtors<sup>1</sup>**

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<sup>1</sup> Houlihan Lokey has limited its search to the Interested Parties listed on this Exhibit B-1. Parent companies, subsidiaries, or other affiliates of Interested Parties have not been searched unless specifically noted.

**LISTING OF PARTIES-IN-INTEREST REVIEWED FOR CURRENT  
RELATIONSHIPS**

**DEBTORS**

Cutera, Inc.  
Crystal Sub, LLC

**NON-DEBTOR AFFILIATES**

Cutera Australia Pty. Ltd  
Cutera Belgium SPRL  
Cutera Canada, Inc.  
Cutera France SARL  
Cutera GmbH  
Cutera HK Ltd.  
Cutera Japan K.K.  
Cutera Medical Ltd.  
Cutera Spain S.L.  
Cutera Switzerland GmbH  
Cutera New Zealand Limited  
Cutera Italy s.r.

**CURRENT DIRECTORS OF DEBTORS AND NON-DEBTOR AFFILIATES**

Kevin J. Cameron  
Taylor C. Harris  
Paul Wierbicki  
Nicholas S. Lewin  
Keith J. Sullivan  
Stephana E. Patton  
Emma Sharp  
Stuart D. Drummond  
Frederic Joris  
Brent Jason Hauser  
Randolph Edward Casimir van der Burgh

**CURRENT OFFICERS OF DEBTORS AND NON-DEBTOR AFFILIATES**

Taylor C. Harris  
Stuart D. Drummond  
Jeffrey S. Jones  
Stephana E. Patton

**FORMER DIRECTORS AND OFFICERS OF DEBTORS AND NON-DEBTOR  
AFFILIATES**

Sheila A. Hopkins  
Janet D. Widmann  
Juliane Park  
J. Daniel Plants  
David H. Mowry

Jason Richey  
Michael A. Karavitis  
Rohan Raman Seth  
Jeremy Livianu  
Vikram Varma  
Charles Guy Thier  
Roycie Eppler  
Gregory A. Barrett  
Timothy O'Shea  
Joseph E. Whitters  
Jeryl Hilleman

**INDENTURE TRUSTEES**

U.S. Bank Trust Company, National Association  
U.S. Bank National Association

**ADMINISTRATIVE AGENT**

Wilmington Savings Fund Society, FSB

**2026 CONVERTIBLE NOTES**

BNP Paribas, New York Branch  
BNP Paribas Prime Brokerage Custodian  
Jefferies LLC  
National Financial Services LLC  
BofA Securities, Inc. (Safekeeping)  
JP Morgan Securities LLC  
JPMorgan Chase & Co.  
Stifel, Nicolaus & Company, Incorporated  
Goldman Sachs & Co. LLC  
Morgan Stanley & Co. LLC  
Highbridge Capital Management LLC  
Aequim Alternative Investments LP  
Context Capital Management  
Walleye Capital LLC  
Opti Capital Management LP

**2028 CONVERTIBLE NOTES**

The Bank of New York Mellon  
BofA Securities, Inc.  
Fifth Third Bank, National Association  
Manufacturers and Traders Trust Company  
Principal Bank  
SG Americas Securities, LLC  
UMB Bank, National Association  
BMO Bank NA (Trust)  
BofA Securities, Inc. (Safekeeping)

Goldman Sachs & Co. LLC  
Morgan Stanley & Co. LLC  
Reliance Trust Company  
FIS TrustDesk MKE  
State Street Bank and Trust Company  
U.S. Bank National Association  
BNP Paribas, New York Branch  
BNP Paribas Prime Brokerage Custodian  
Comerica Bank  
JP Morgan Securities LLC  
JPMorgan Chase & Co.  
Nomura Securities International, Inc.  
Scotia Capital (USA) Inc.  
Stifel, Nicolaus & Company, Incorporated  
Wells Fargo Securities, LLC  
Highbridge Capital Management LLC  
Braidwell LP  
Davidson Kempner Capital Management LP  
Aequim Alternative Investments LP  
Context Capital Management  
Walleye Capital LLC  
Silverback Asset Management, LLC  
Wolverine Asset Management, LLC  
Opti Capital Management LP  
Zazove Associates  
Findell Capital Management  
GAMCO Investors, Inc.

**2029 CONVERTIBLE NOTES**

The Bank of New York Mellon  
The Bank of Nova Scotia  
Fifth Third Bank, National Association  
JP Morgan Securities LLC  
JPMorgan Chase & Co.  
National Financial Services LLC  
Reliance Trust Company  
FIS TrustDesk MKE  
UMB Bank, National Association  
BMO Bank NA (Trust)  
Comerica Bank  
Goldman Sachs & Co. LLC  
Manufacturers and Traders Trust Company  
PNC Bank, National Association  
Scotia Capital (USA) Inc.  
U.S. Bank National Association  
BNP Paribas, New York Branch

BNP Paribas Prime Brokerage Custodian  
Commerce Bank  
Jefferies LLC  
Morgan Stanley & Co. LLC  
Principal Bank  
State Street Bank and Trust Company  
Braidwell LP  
Aequim Alternative Investments LP  
Context Capital Management  
Walleye Capital LLC  
Wolverine Asset Management, LLC  
Whitebox Advisors LLC  
Zazove Associates  
Deepcurrents Investment Group  
Findell Capital Management  
TFG Asset Management

**BANKS**

Silicon Valley Bank  
Wells Fargo Bank, N.A.  
Banco Bilbao Vizcaya Argentaria, S.A.  
Scotiabank  
BMO Bank N.A.

**MAJOR EQUITY HOLDERS<sup>1</sup>**

Associated Capital Group, Inc.  
BlackRock, Inc.  
Cubist Systematic Strategies, LLC  
Efrem Kamen  
FMR LLC  
Gabelli Foundation, Inc.  
Gabelli Funds, LLC  
GAMCO Asset Management Inc.  
GAMCO Investors, Inc.  
GGCP, Inc.  
Integrated Core Strategies (US) LLC  
Israel A. Englander  
Mario J. Gabelli  
Millennium Group Management LLC  
Millennium Management LLC  
MJG Associates, Inc.  
Point72 Asset Management, L.P.  
Point72 Capital Advisors, Inc.

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<sup>1</sup> For purposes of this list, major equity holders are considered to be persons or entities who have filed Schedule 13D or Schedule 13G with the Securities and Exchange Commission since June 2023, regarding the Debtors' equity securities.

Pura Vida Investments, LLC  
Roderick Wong  
RTW Investments, LP  
Steven A. Cohen  
Teton Advisors, LLC  
The Vanguard Group  
Voce Capital Management LLC

**INSURANCE PROVIDERS AND BROKERS**

Alliant Insurance Services, Inc.  
National Union Fire Insurance Company of Pittsburgh, PA.  
AIG  
Federal Insurance Company  
Chubb Group of Insurance Companies  
Allied World Surplus Lines Insurance Company  
Old Republic Professional Liability, Inc.  
Beazley Insurance Company, Inc.  
CNA  
XL Specialty Insurance Company  
XL Professional Insurance  
Continental Casualty Company  
Endurance Risk Solutions Assurance Co.  
Sompo International  
ProAssurance Specialty Insurance Company  
Hudson Financial Products  
Open Brokerage Global Specialty Lines  
Hudson Insurance Company  
Commercial Management Liability  
CNA Global Specialty Lines  
Medmarc  
Chubb National Insurance Company

**SIGNIFICANT UNSECURED CLAIMANTS OF THE DEBTORS**

U.S. Bank Trust Company, National Association  
U.S. Bank National Association  
Silicon Valley Bank  
Johari Digital Healthcare Ltd  
Wilson Sonsini Goodrich Rosati  
Innovative Machining  
Classys Inc  
Sidley Austin LLP  
Creation Technologies Ltd  
Aeronet Worldwide Inc  
Veritiv Operating Company  
Oxid Corporation  
Michelman & Robinson, LLP

Eclipse Metal Fab  
Pro Stainless, Inc.  
Northrop Grumman  
Advanced Thin Films  
Poretta & Orr, Inc.  
Nasdaq, Inc  
Ogletree, Deakins, Nash, Smoak, & Stewart  
Optosigma Corporation  
Bay Electronic Support Tronics Inc.  
Chubb  
Vigience, Inc.  
Starfish Product Engineering US Inc DBA Omnica, A StarFish Company  
Crytur USA Inc  
Laser Material Corp.  
Hi-Tech Products  
Phase 3 Technologies, Inc.

**MATERIAL CONTRACT COUNTERPARTIES**

NIHON L'Oreal K.K.  
Leader Healthcare Company  
Gamma Beam Medical Instruments L.L.C.  
Varun Consulting Inc.  
Esnad General Trading  
Leader Healthcare FZCO & Leader Medical Supplies Trading LLC Abu Dhabi  
LC Rhea Medical Care  
Maxim Med Holding LLC  
BG Med  
Sia Arbor Medical Korporacija  
Med Pharm Engineering Srl  
Global SCP Medical Systems PTE Ltd.  
Optopol Technology SP. Z.O.O.  
Go North Medical Derma AB  
ATT Medikal, Estetik VE Kozmetik Ltd. Sti  
Anita Tecnica S.L.  
LeasePoint Funding Group, LLC  
Salesforce, Inc.  
7E Wellness Corporation  
Johari Digital Healthcare Limited  
Johari Digital Healthcare, Inc.  
CLEAR Acne Treatment Centers LLC  
University of Miami  
Coherent NA. Inc.  
E\*TRADE Financial Corporate Services, Inc.  
FEDEX ERS  
FEDEX FREIGHT  
FEDEX TRADE NETWORKS TRANSPORT & BROKERAGE, INC



FEDEX FREIGHT, INC  
Alpine Technical  
William Sage Group  
SAP America, Inc.  
DHL EXPRESS USA  
DHL GLOBAL FORWARDING  
Tradomed Invest  
Estex Baltic OU  
Medlog SIA  
Cosmo Trade  
M.Kamal Alshareaf & Partner (BTCO medical)

**PARTIES TO MATERIAL UNEXPIRED LEASES WITH DEBTORS**

BRE Edison LP  
BMR-Bayshore Boulevard LP  
Affinity Investment LLC

**TAXING/LICENSING/REGULATORY AUTHORITIES**

Nasdaq, Inc  
The Nasdaq Stock Market  
CT Corporation System  
Public Company Accounting Oversight Board (PCAOB)  
Financial Accounting Standards Board (FASB)  
Alabama Department of Revenue  
Alaska Department of Revenue  
Arizona Department of Revenue  
Arkansas Department of Finance and Administration  
California Department of Tax and Fee Administration  
Franchise Tax Board  
Colorado Department of Revenue  
Connecticut Department of Revenue Services  
Delaware Division of Revenue  
Delaware Department of State  
D.C. Office of Tax and Revenue  
Florida Department of Revenue  
Georgia Department of Revenue  
Hawaii Department of Taxation  
Idaho State Tax Commission  
Illinois Department of Revenue  
Indiana Department of Revenue  
Iowa Department of Revenue  
Kansas Department of Revenue  
Kentucky Department of Revenue  
Louisiana Department of Revenue  
Maine Revenue Services  
Comptroller of Maryland

Massachusetts Department of Revenue  
Michigan Department of Treasury  
Minnesota Department of Revenue  
Mississippi Department of Revenue  
Missouri Department of Revenue  
Montana Department of Revenue  
Nebraska Department of Revenue  
Nevada Department of Taxation  
New Hampshire Department of Revenue Administration  
New Jersey Department of the Treasury  
New Mexico Taxation and Revenue Department  
New York City Department of Finance  
New York Department of Taxation and Finance  
North Carolina Department of Revenue  
North Dakota Office of State Tax Commissioner  
Ohio Department of Taxation  
Oklahoma Tax Commission  
Oregon Department of Revenue  
Pennsylvania Department of Revenue  
Puerto Rico Department of Treasury  
City of Philadelphia Department of Revenue  
Rhode Island Division of Taxation  
South Carolina Department of Revenue  
South Dakota Department of Revenue  
Tennessee Department of Revenue  
Texas Comptroller of Public Accounts  
Utah State Tax Commission  
Vermont Department of Taxes  
Virginia Department of Taxation  
Washington Department of Revenue  
West Virginia Tax Division  
Wisconsin Department of Revenue  
Wyoming Department of Revenue  
United States Treasury  
City of Brisbane  
San Mateo County Tax Collector  
Food and Drug Administration  
California Department of Motor Vehicles

**UTILITIES PROVIDERS**

Hayward Water System  
AT&T  
AT&T Long Distance  
City of Brisbane  
Comcast  
Pacific Gas and Electric Company

South S.F. Scavenger Co., Inc.  
Verizon Wireless  
Green Citizen, Inc.  
Waste Management of Alameda County

**DEBTORS' PROFESSIONALS**

Houlihan Lokey Capital, Inc.  
FTI Consulting, Inc.  
Ropes & Gray LLP  
Kurtzman Carson Consultants, LLC dba Verita Global  
Hunton Andrews Kurth LLP

**DEBTORS' ORDINARY COURSE PROFESSIONALS**

Wilson Sonsini Goodrich & Rosati  
Sidley Austin LLP  
Michelman & Robinson, LLP  
Ogletree, Deakins, Nash, Smoak, & Stewart PC  
Winthrop & Weinstine, P.A.  
McCarter & English LLP  
Connor Group Global Services, LLC  
Gable Tax Consulting Group Inc.  
Knobbe, Martens, Olson & Bear, LLP  
BDO USA, LLP  
Andersen Tax Holdings LLC  
Deloitte & Touche LLP  
CliftonLarsonAllen LLP  
Alpine Rewards LLC  
Goodwin Procter LLP  
Varun Consulting Inc  
ICR LLC  
Redding, Lucente & McTier, PLL

**PROFESSIONALS OF OTHER PARTIES**

Centerview Partners LLC  
Paul, Weiss Rifkind, Wharton & Garrison LLP  
McDermott Will & Emery LLP  
Porter Hedges LLP

**BANKRUPTCY JUDGES**

Chief Judge Eduardo V. Rodriguez  
Judge Marvin Isgur  
Judge Christopher M. Lopez  
Judge Jeffrey P. Norman  
Judge Alfredo R Pérez

**UNITED STATES TRUSTEE OFFICE**

Millie Aponte Sall  
Alicia Barcomb  
Alethea Caluza  
Samantha Chilton  
Hector Duran  
Mayra Gaona  
Vianey Garza  
Ivette Gerhard  
Andrew Jimenez  
Luci Johnson-Davis  
Rajalakshmi Krishnan  
Linda Motton  
Ha Nguyen  
Glenn Otto  
Yasmine Rivera  
Jayson B. Ruff  
Alina Samko-Yu  
Christy Simmons  
Gwen Smith  
Christopher R. Travis  
Jana Whitworth

**EXHIBIT B-2**

**Match List**

**Match List<sup>1</sup>**

<b>Interested Party</b>	<b>Business Line</b>
Aeronet Worldwide Inc	FVA Closed
AIG	CF Closed, FVA Closed, FRG Closed
Alliant Insurance Services, Inc.	CF Active, FVA Active, FVA Closed
Allied World Surplus Lines Insurance Company	FVA Closed
AT&T Long Distance	FVA Closed, FRG Closed
Balyasny Asset Management LP	FVA Active
Banco Bilbao Vizcaya Argentaria, S.A.	FRG Closed
Bank of Montreal	FVA Closed, FRG Closed
BDO USA, LLP	CF Closed, FVA Closed
BlackRock, Inc.	CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
Bluefin Capital Management LLC	FVA Closed
BMO Bank NA (Trust)	FVA Closed, FRG Closed
BNP Paribas, New York Branch	FVA Active, FVA Closed, FRG Active, FRG Closed
BofA Securities, Inc. (Safekeeping)	FVA Active, FVA Closed, FRG Active, FRG Closed
Braidwell LP	FRG Closed, FVA Active
Chubb National Insurance Company	FVA Closed
Coherent NA. Inc.	CF Closed, FVA Closed
Comcast	CF Closed, FVA Closed
Comerica Bank	FRG Closed
Context Capital Management	FRG Active
Continental Casualty Company	FRG Closed
Davidson Kempner Capital Management LP	CF Active, CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
Deepcurrents Investment Group	FRG Active
Deloitte & Touche LLP	CF Closed, FRG Closed
Dinsmore Capital Management Co	FVA Closed
E*TRADE Financial Corporate Services, Inc.	FVA Closed
Federated Hermes	FVA Active, FVA Closed

<sup>1</sup> The abbreviations used in this match list are as follows: CF = Corporate Finance; FRG = Financial Restructuring Group; and FVA = Financial and Valuation Advisory.

<b>Interested Party</b>	<b>Business Line</b>
FEDEX ERS	FVA Closed
Fifth Third Bank, National Association	FVA Closed, FRG Closed
FMR LLC	FVA Active, FVA Closed, FRG Active, FRG Closed
FTI Consulting	FVA Active, FVA Closed, FRG Active, FRG Closed
Goldman Sachs & Co. LLC	CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
Goodwin Procter LLP	FVA Active, FVA Closed
Highbridge Capital Management LLC	FRG Closed, FVA Active, FRG Active
HighTower Advisors LLC	FVA Active
Hunton Andrews Kurth LLP	FVA Closed, FVA Active
ICR LLC	FVA Closed
Jefferies LLC	CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
JPMorgan Chase & Co.	CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
McCarter & English LLP	FVA Closed
McDermott Will & Emery LLP	FVA Closed, FVA Active
Michelman & Robinson, LLP	FVA Closed
Millennium Management LLC/NY	FVA Active, FVA Closed, FRG Active, FRG Closed
Morgan Stanley	CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
Nantahala Capital Management LLC	FVA Active
Nasdaq, Inc	CF Closed, FVA Closed
New Era Life Insurance Co	FVA Closed
NIHON L'Oreal K.K.	CF Closed
Nomura Securities International, Inc.	FVA Active, FVA Closed, FRG Active, FRG Closed
Northern Trust Corp	CF Active, CF Closed, FVA Closed
Ogletree, Deakins, Nash, Smoak, & Stewart	FVA Closed
Paul, Weiss, Rifkind, Wharton, & Garrison	FVA Closed, FRG Active, FRG Closed
Point72	CF Closed, FVA Closed
ProAssurance Specialty Insurance Company	CF Active
Readystate Asset Management LP	FRG Active, FRG Closed
Reliance Trust Company	FVA Closed
Ropes & Gray LLP	FVA Active, FVA Closed, FRG Active, FRG Closed

<b>Interested Party</b>	<b>Business Line</b>
RTW Investments LP	FVA Active
Salesforce.com	CF Closed, FVA Closed
Sculptor Capital Management	CF Closed, FVA Closed, FRG Active, FRG Closed
Sidley Austin LLP	CF Closed, FVA Active, FVA Closed, FRG Active, FRG Closed
Silicon Valley Bank	FVA Closed, FRG Closed
Silverback Asset Management, LLC	FRG Active, FRG Closed
State Street	CF Closed, FVA Closed, FRG Closed
Stifel Financial Corp	CF Closed, FVA Closed
Tenor Capital Management Co LP	FRG Active
TFG Asset Management	FVA Active
The Bank of New York Mellon	CF Closed, FVA Closed, FRG Closed
The Nasdaq Stock Market	CF Closed, FVA Closed
U.S. Bank Trust Company, National Association	FVA Closed, FRG Closed
UMB Bank, National Association	FVA Closed, FRG Active, FRG Closed
Vanguard Group Inc/The	FRG Closed
Verition Fund Management LLC	FRG Active
Verizon Wireless	FVA Closed, FRG Closed
Walleye Capital LLC	FVA Active, FRG Active
Wells Fargo & Co	CF Closed, FVA Closed, FRG Closed
Wilmington Savings Fund Society, FSB	FRG Closed
Whitebox Advisors LLC	FVA Active, FVA Closed, FRG Active, FRG Closed
Wilson Sonsini Goodrich Rosati	FVA Active, FVA Closed
Wolverine Asset Management, LLC	CF Closed, FVA Closed, FRG Active, FRG Closed



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

Cutera, Inc. *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-90088 (ARP)

(Jointly Administered)

**ORDER AUTHORIZING RETENTION AND EMPLOYMENT OF HOULIHAN LOKEY  
CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE  
DEBTORS AND DEBTORS IN POSSESSION AS OF THE PETITION DATE**

[Relates to Docket No. \_\_\_\_]

Upon consideration of the application (the “Application”)<sup>2</sup> of the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an order (this “Order”) pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002, Bankruptcy Local Rules 2014-1 and 2016-1, and the Complex Case Procedures, authorizing the employment and retention of Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) as its financial advisor and investment banker pursuant to the terms of that certain *Engagement Agreement*, dated as of February 19, 2025 (the “Engagement Agreement”), a copy of which is attached hereto as **Exhibit 1**; and the Court having considered the Application and the Braun Declaration and having considered the statements of counsel and the evidence adduced with respect to the Application at a hearing before the Court (the “Hearing”); and the Court finding that (A) the terms and conditions of Houlihan Lokey’s employment set forth in the Engagement Agreement (including the Fee and

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<sup>1</sup> The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: Cutera, Inc. (2262) and Crystal Sub, LLC (6339). The Debtors’ service address is 3240 Bayshore Boulevard, Brisbane, CA 94005.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application or the Engagement Agreement, as applicable.

Expense Structure) as modified by this Order, are reasonable as required by section 328(a) of the Bankruptcy Code; (B) Houlihan Lokey (i) does not hold or represent an interest adverse to the interest of the estate; and (ii) is a “disinterested person” as that term is defined under section 101(14) of the Bankruptcy Code; (C) the Application and the Braun Declaration are in full compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules; (D) the relief requested in the Application is in the best interests of the Debtors, their estates and creditors; and (E) notice of the Application was due and proper under the circumstances; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby

IT IS HEREBY ORDERED THAT:

1. The Debtors are authorized to retain and employ Houlihan Lokey as their financial advisor and investment banker pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002, and Bankruptcy Local Rule 2014-1, *nunc pro tunc* to the Petition Date, on the terms and conditions set forth in the Engagement Agreement and the Application, and are directed to perform their obligations set forth therein, except as expressly modified herein.
2. None of the fees payable to Houlihan Lokey shall constitute a “bonus” or fee enhancement under applicable law.
3. The compensation, fees, and expenses payable to Houlihan Lokey pursuant to the Engagement Agreement, together with the indemnification, reimbursement of expenses, and contribution obligations owed to Houlihan Lokey and any other HL Party (as defined in the Engagement Agreement) under the Engagement Agreement, shall be subject to review only pursuant to the standard of review set forth in section 328(a) of the Bankruptcy Code and shall not

be subject to the standard of review set forth in section 330 of the Bankruptcy Code or any other standard of review.

4. Notwithstanding the preceding paragraph or anything to the contrary in this Order, the U.S. Trustee and the Court shall retain the right to object to the compensation, fees, and expenses to be paid to Houlihan Lokey pursuant to the Application and the Engagement Agreement, including the Monthly Fee and the Transaction Fee, based on the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court shall consider any such objection by the U.S. Trustee under section 330 of the Bankruptcy Code. This Order and the record relating to the Court's consideration of the Application shall not prejudice or otherwise affect the rights of the U.S. Trustee to challenge the reasonableness of Houlihan Lokey's compensation, fees, and expenses under the standard set forth in the preceding sentence. Accordingly, nothing in this Order or such record shall constitute a finding of fact or conclusion of law binding the U.S. Trustee, on appeal or otherwise, with respect to the reasonableness of Houlihan Lokey's fees.

5. The Debtors are authorized to compensate and reimburse Houlihan Lokey pursuant to the terms of the Engagement Agreement, subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable orders of this Court.

6. In light of the services to be provided by Houlihan Lokey and the compensation structure in the Engagement Agreement, Houlihan Lokey and its professionals shall be excused from: (i) any requirement to maintain or provide detailed time records in accordance with Bankruptcy Rule 2016(a) and the United States Trustee Fee Guidelines; and (ii) conforming with a schedule of hourly rates for its professionals. Instead, notwithstanding that Houlihan Lokey does

not charge for its services on an hourly basis, Houlihan Lokey will nonetheless maintain reasonably detailed time records in 0.5 hour increments containing descriptions of those services rendered for the Debtors, and the individuals who provided those services, and will present such records together with its fee applications filed with the Court.

7. The Debtors shall be bound by the indemnification, contribution, reimbursement and exculpation provisions set forth in the Engagement Agreement, subject during the pendency of these cases to the following:

a. Subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, the HL Parties for any claims arising from, related to, or in connection with the services to be provided by Houlihan Lokey as specified in the Application, but not for any claim arising from, related to, or in connection with Houlihan Lokey's post-petition performance of any other services (other than those in connection with the engagement), unless such post-petition services and indemnification therefor are approved by this Court;

b. The Debtors shall have no obligation to indemnify any HL Party, or provide contribution or reimbursement to any HL Party, for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen from such HL Party's bad faith, gross negligence or willful misconduct, (ii) for a contractual dispute in which the Debtors allege the breach of such HL Party's contractual obligations if the Court determines that indemnification, contribution, or reimbursement would not be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003), or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which such HL Party is not entitled to receive indemnity, contribution, or reimbursement under the terms of the Engagement Agreement as modified by this Order; and

c. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, any HL Party believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including, without limitation, the advancement of defense costs, such HL Party must file an application therefor in this Court, and the Debtors may not pay any such amounts to such HL Party before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period during which the Court shall have jurisdiction over any request for fees and expenses by HL Parties for indemnification, contribution, or reimbursement, and not as a provision limiting the duration of the Debtors' obligation to indemnify the HL Parties.

8. Notwithstanding any provision in the Engagement Agreement to the contrary, the contribution obligations of the HL Parties shall not be limited to the aggregate amount of fees actually received by Houlihan Lokey from the Debtors pursuant to the Engagement Agreement.

9. Notwithstanding anything in the Application or the Engagement Agreement to the contrary, to the extent Houlihan Lokey retains the services of subcontractors or employees of foreign affiliates or subsidiaries (collectively, the “Contractors”) in these chapter 11 cases to conduct certain of its investment banking services under the Engagement Agreement in its stead and Houlihan Lokey seeks to pass through to the Debtors, and requests to be reimbursed for, the fees and/or costs of the Contractors, Houlihan Lokey shall (a) pass through the fees of such Contractors to the Debtors at the same rate that Houlihan Lokey pays the Contractors; (b) seek reimbursement for actual costs of the Contractors only; and (c) ensure that the Contractors perform the conflicts check required by Bankruptcy Rule 2014 and file with the Court such disclosures as required by Bankruptcy Rule 2014.

10. Houlihan Lokey will review its files periodically through these chapter 11 cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Houlihan Lokey will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry, notwithstanding the possible applicability of Bankruptcy Rule 6004, 7062, or 9014.

13. The relief granted herein shall be binding upon any chapter 11 trustee appointed in these chapter 11 cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these chapter 11 cases to cases under chapter 7.

14. To the extent that this Order is inconsistent with the Engagement Agreement, the terms of this Order shall govern.

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

Signed: \_\_\_\_\_

\_\_\_\_\_  
United States Bankruptcy Judge

**EXHIBIT 1**

**Engagement Agreement**

# Houlihan Lokey

**Personal and Confidential**

February 19, 2025

Ropes & Gray LLP  
1211 Avenue of the Americas  
New York, NY 10036-8704  
Attn: Ryan Preston Dahl

Cutera, Inc.  
3240 Bayshore Blvd.  
Brisbane, California 94005  
Attn: Taylor Harris, CEO

Dear Ladies and Gentlemen:

Reference is hereby made to the letter agreement between Cutera, Inc. and Houlihan Lokey dated July 17, 2024 (the "Prior Agreement"). The parties hereby agree that the Prior Agreement is superseded by this letter agreement (this "Agreement"). This Agreement confirms the terms under which Ropes & Gray LLP, in its capacity as counsel ("Counsel") to Cutera, Inc. ("Cutera" and collectively with its direct and indirect subsidiaries, the "Company" and, together with Counsel, the "Client Group") has engaged Houlihan Lokey Capital, Inc. ("Houlihan Lokey") (together with Cutera referred to herein as "Parties" or individually as a "Party"), effective as of the date indicated above (the "Effective Date"), as its exclusive financial advisor to provide financial advisory and investment banking services in connection with a financial restructuring or reorganization of and/or one or more merger and/or acquisition transactions involving the Company and with respect to such other financial matters as to which the Client Group and Houlihan Lokey may agree in writing during the term of this Agreement.

1. **Services.** Houlihan Lokey's services in connection with each potential Transaction (as defined below) will consist of, (i) assisting Cutera in the development and distribution of selected information, documents and other materials, including, if appropriate, advising Cutera in the preparation of an offering memorandum (it being expressly understood that the Company will remain solely responsible for such materials and all of the information contained therein), (ii) assisting the Client Group in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, and/or equity investors, except to the extent provided below, (iii) assisting the Client Group with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s), except to the extent provided below, (iv) attending meetings of Cutera's Board of Directors, creditor groups, official constituencies and other interested parties, as Cutera and Houlihan Lokey mutually agree, except to the extent provided below, (v) providing expert advice, and testimony regarding financial matters related to any Transaction(s), if necessary, and (vi) providing such other financial advisory and investment banking services as may be agreed upon by Houlihan Lokey and Cutera. In the event that, in order to accomplish a Transaction, the Company undertakes an "exchange offer" pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended (a "3(a)(9) Offer") it is agreed and understood that Houlihan Lokey shall not (a) engage, directly or indirectly, in the solicitation of the exchange or any consent, or (b) make recommendations regarding the exchange to security holders or their advisors.

2. **Exclusivity.** The Company agrees that neither it nor its management will initiate any discussions regarding a Transaction during the term of this Agreement, except with prior consultation with Houlihan Lokey. In the event Counsel, the Company or its management receives any inquiry regarding a Transaction



from any party, the Company, as applicable, shall use commercially reasonable efforts to promptly inform Houlihan Lokey of such inquiry so that Houlihan Lokey can assist the Client Group in evaluating such party and its interest in a Transaction and in any resulting negotiations. For the avoidance of doubt, this provision shall not apply to, and nothing in this Agreement shall prevent, the Company from initiating or engaging in, any discussions with respect to the Company's process to identify a business partner in China.

3. **Fees.** In consideration of Houlihan Lokey's acceptance of this engagement, the Company shall pay the following:

- (i) *Monthly Fees:* In addition to the other fees provided for herein, upon the 17<sup>th</sup> of each month during the term of this engagement, the Company shall pay Houlihan Lokey in advance, without notice or invoice, a nonrefundable cash fee of \$100,000 ("Monthly Fee"); provided, however, that no additional Monthly Fee shall be paid after the payment of any Transaction Fee (as defined below) referred to in paragraph 3(ii) below with respect to a 3(a)(9) Offer. Each Monthly Fee shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement and performing services as described herein. Beginning with the seventh Monthly Fee, 50% of the Monthly Fees previously paid to Houlihan Lokey shall be credited against the next Transaction Fee to which Houlihan Lokey becomes entitled hereunder (it being understood and agreed that no Monthly Fee shall be credited more than once and it being further understood that as of the Effective Date, Houlihan Lokey had already earned seven Monthly Fees), and
- (ii) *Transaction Fee(s):* In addition to the other fees provided for herein, the Company shall pay Houlihan Lokey the following Transaction Fee(s):
  - a. *Restructuring Transaction Fee.* Upon the earlier to occur of: (I) in the case of an out-of-court Restructuring Transaction (as defined below), the closing of such Restructuring Transaction, and (II) in the case of an in-court Restructuring Transaction, the date of consummation of a plan of reorganization or liquidation under Chapter 11 or Chapter 7 of the Bankruptcy Code (as defined below) as promptly as possible in accordance with the terms of this Agreement and applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee ("Restructuring Transaction Fee") of \$4,250,000, provided that, in the event the Restructuring Transaction is undertaken as a 3(a)(9) Offer, the Restructuring Transaction Fee, whether or not as a part of a plan, shall be earned and payable immediately upon the first mailing, delivery or other dissemination of offering documents pursuant to the 3(a)(9) Offer,
  - b. *Sale Transaction Fee.* Upon the consummation of a Sale Transaction, and if such transaction is in-court, subject to applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, Houlihan Lokey shall earn, and the Company shall thereupon pay to Houlihan Lokey immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee ("Sale Transaction Fee") based upon Aggregate Gross Consideration ("AGC"), calculated as the greater of (x) \$3,500,000 and (y) the sum of:
    - i. For AGC up to \$100 million: 2.5% of such AGC, plus
    - ii. For AGC above \$100 million: 5.0% of such incremental AGC,If more than one Sale Transaction is consummated, Houlihan Lokey shall be compensated based on the AGC from all Sale Transactions on a cumulative basis, calculated in the manner set forth above.
  - c. *Financing Transaction Fee.* Upon the consummation of each Financing Transaction (as defined below), and if such transaction is in-court, subject to applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules

and orders, Houlihan Lokey shall earn, and the Company shall thereupon pay to Houlihan Lokey immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee ("Financing Transaction Fee") equal to the sum of: (I) 2.00% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Company, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Company (including debtor-in-possession financing), ("1L Secured Debt Fee"), (II) 3.50% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien), is unsecured and/or is subordinated, and (III) 4.50% of the gross proceeds of all equity or equity-linked securities (including, without limitation, common stock, convertible securities, preferred stock, and debt or equity instruments with warrants) placed or committed, *provided* that 100% of such Financing Transaction Fee payable on account of proceeds provided by an insider (as identified in Exhibit A in the Prior Agreement) shall be credited against the next Restructuring Transaction Fee to which Houlihan Lokey becomes entitled hereunder (it being understood and agreed that no Financing Transaction Fee shall be credited more than once). Any warrants issued in connection with the raising of debt or equity capital shall, upon the exercise thereof, be considered equity for the purpose of calculating the Financing Transaction Fee, and such portion of the Financing Transaction Fee shall be paid upon such exercise and from the gross proceeds thereof, regardless of any prior termination or expiration of this Agreement. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by Houlihan Lokey, by another agent or directly by the Company or any of its affiliates. Any non-cash consideration provided to or received in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities (as defined below) issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth herein shall be in addition to any other fees that the Company may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.

Notwithstanding the foregoing or anything herein to the contrary, the total maximum fees to be earned by Houlihan Lokey under the terms of this Agreement on account of all Restructuring Transaction Fees, Sale Transaction Fees, Financing Transaction Fees, and Monthly Fees shall not exceed \$6,750,000 in the aggregate (the "Fee Cap").

Any Restructuring Transaction Fee, Sale Transaction Fee, and Financing Transaction Fee is each referred to herein as a "Transaction Fee" and are collectively referred to herein as "Transaction Fees." All payments received by Houlihan Lokey pursuant to this Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to this Agreement will be put into a trust or other segregated account.

If a Sale Transaction is effectuated under Sections 363, 1129 or any other provision of Title 11, United States Code (11 U.S.C. §§ 101 et seq.), then Houlihan Lokey shall be entitled to a fee equal to the greater of the (i) Restructuring Transaction Fee and (ii) Sale Transaction Fee, as calculated in accordance with the terms of this Agreement, subject to the Fee Cap.

The Company shall be solely responsible for the payment of all fees, expenses, indemnification obligations and any other amounts payable to Houlihan Lokey under this Agreement. Notwithstanding anything to the contrary herein, Counsel shall not be responsible or liable for payment of any such fees, expenses, indemnification obligations, or any other amounts that may be owed by the Company to Houlihan Lokey under this Agreement.

4. **Term and Termination.** This Agreement will commence as of the Effective Date and will continue thereafter for a period of twelve months, with monthly automatic renewals until terminated by Houlihan Lokey or the Company upon thirty days' prior written notice of termination to the other party. The expiration or termination of this Agreement shall not affect (i) any provision of this Agreement other than Sections 1 through 3 and (ii) Houlihan Lokey's right to receive, and the Company's obligation to pay, any and all fees, expenses and other amounts due, whether or not any Transaction shall be consummated prior to or subsequent to the effective date of expiration or termination, as more fully set forth in this Agreement.

In addition, notwithstanding the expiration or termination of this Agreement, so long as no Transaction Fee has previously been paid to Houlihan Lokey under this Agreement, Houlihan Lokey shall be entitled to full payment by the Company of the Transaction Fees described in this Agreement (such fees, a "Tail Fee"): (i) so long as a Transaction is consummated during the term of this Agreement, or within 12 months after the date of expiration or termination of this Agreement ("Tail Period"), and/or (ii) if an agreement in principle to consummate a Transaction is executed by any entity comprising the Company during the term of this Agreement, or within the Tail Period, and such Transaction is consummated at any time following such execution with the counterparty named in such agreement, or with any affiliate or employee of, or investor in, such counterparty, or any affiliate of any of the foregoing. Notwithstanding the foregoing, subject in all respects to the limitations in Sections 3 and 8 of this Agreement, to the extent Houlihan Lokey has been paid a Transaction Fee under this Agreement and such Transaction Fee was (a) on account of a Transaction which was the first Transaction in a series of integrated or related Transactions, (b) prior to the expiration or termination of this Agreement, Houlihan Lokey provides substantial advice, guidance, strategy or work product regarding related secondary Transaction(s), (c) no such secondary Transaction(s) are consummated prior to the expiration or termination of this Agreement, and (d) during the Tail Period, the Company consummates or agrees to consummate secondary Transaction(s) based upon or incorporating, in whole or in part, substantial advice, guidance, strategy, or work product provided by Houlihan Lokey prior to the termination of this Agreement, Houlihan Lokey shall be entitled to payment in full of a Tail Fee under the terms set forth in clauses (i) and (ii) of the preceding sentence.

Notwithstanding the foregoing, Houlihan Lokey will not be entitled to a Transaction Fee payable in accordance with the immediately preceding paragraph in the event that (a) Houlihan Lokey terminates this Agreement or (b) during the term of this Agreement and prior to the time the Company (and/or any of its subsidiaries or affiliates) enters into a written agreement to engage in a Transaction (i) Houlihan Lokey has engaged in any action or failure to act (other than an action or failure to act undertaken at the written request or with the written consent of the Company) with respect to the engagement hereunder that constitutes bad faith, actual fraud, gross negligence or willful misconduct, and, as a result, there is a material failure of Houlihan Lokey to perform the services set forth in Section 1 of this Agreement, (ii) within 10 days after being made aware of the foregoing, the Company gives Houlihan Lokey at least thirty (30) days written notice of the Company's intention to terminate this Agreement as a result thereof (a "Pre-Termination Notice"), which Pre-Termination Notice shall specify in reasonable detail the action or failure to act constituting Houlihan Lokey's bad faith, actual fraud, gross negligence or willful misconduct, (iii) Houlihan Lokey fails to cure such specified action or failure to act, or fails to take reasonable steps to ensure that no such action or failure to act shall occur again, within thirty (30) days after receipt of such Pre-Termination Notice, (iv) promptly following Houlihan Lokey's failure to take the action set forth in subsection (iii) within such time period, the Company terminates this Agreement by delivering to Houlihan Lokey written notice of termination which specifies the reasons for the Company's termination of this Agreement which termination shall be valid and effective as of the date of such written termination notice regardless of whether the initial twelve month term provided for in this Section 4 has fully elapsed, and (v) Houlihan Lokey is finally judicially determined by a court of competent jurisdiction to have engaged in such bad faith, actual fraud, gross negligence or willful misconduct. This paragraph only concerns the payment of a Tail Fee to Houlihan Lokey, and nothing contained herein shall modify the terms of Section 17 or any other part of this Agreement in any respect.

5. **Transaction.** As used in this Agreement, the term "Transaction" shall mean any of the following:

- (i) *Restructuring Transaction.* Any transaction or series of transactions that constitute a recapitalization or restructuring of the equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations) of any entity comprising the Company, including accrued and/or accreted interest thereon, which are outstanding as of the Effective Date, including, without limitation, interest bearing trade debt and any of the Company's 2.25% Convertible Notes due 2026, 2.25% Convertible Notes due 2028, and/or 4.00% Convertible Notes due 2029, which recapitalization or restructuring is effected pursuant to an exchange transaction, tender offer, a plan of reorganization or liquidation under the Bankruptcy Code, a solicitation of consents, waivers, acceptances or authorizations, any change of control transaction, any refinancing, sale, acquisition, merger, repurchase, exchange, conversion to equity, cancellation, forgiveness, retirement and/or a modification or amendment to the terms, conditions, or covenants (including, without limitation, the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant) of any agreements or instruments governing any of the equity and/or debt securities and/or other indebtedness of any entity comprising the Company (such modification or amendment shall include, without limitation, any forbearance for more than twelve (12) months with respect to any payment obligation) or any combination of the foregoing transactions (each a "Restructuring Transaction"), or
- (ii) *Sale Transaction.* Any transaction or series of related transactions that constitute the disposition to one or more third parties (including, without limitation, any person, group of persons, partnership, corporation or other entity, and also including, among others, any of the existing owners, shareholders, employees, or creditors of any entity comprising the Company and/or the affiliates of each) in one or a series of related transactions of (a) all or substantially all of the equity securities of any entity comprising the Company or any interest held by any entity comprising the Company, any direct or indirect subsidiary or affiliate in any joint venture or partnership or other entity formed by any of them, and/or (b) all or substantially all of the assets (including the assignment of any executory contracts) or operations of any entity comprising the Company or any joint venture or partnership or other entity formed by it, in either case, including, without limitation, through a sale or exchange of capital stock, options or assets with or without a purchase option, a merger, consolidation or other business combination, an exchange or tender offer, a recapitalization, the formation of a joint venture, partnership or similar entity, or any similar transaction, including, without limitation, any sale transaction under Sections 363, 1129 or any other provision of Title 11, United States Code (11 U.S.C. §§ 101 et seq.) (the "Bankruptcy Code") (each a "Sale Transaction"), or
- (iii) *Financing Transaction.* (a) Any transaction or series of related transactions that constitutes any refinancing of all or any portion of the existing obligations of any entity comprising the Company and/or (b) the placement, raising or issuance of any form of equity, equity-linked or debt securities (including, without limitation, any convertible securities, preferred stock, unsecured, non-senior or subordinated debt securities, and/or senior notes or bank debt) or any loan or other financing, including any "debtor in possession financing" or "exit financing" in connection with a case under the Bankruptcy Code by any entity comprising the Company (any or all of which being "Securities"), from any source including, without limitation, any of the existing owners, shareholders, employees, or creditors of any entity comprising the Company (whether or not such transaction is effectuated in-court, out-of-court, through the confirmation of a plan of reorganization or otherwise under the Bankruptcy Code, or whether the requisite consents to such transaction(s) are obtained in-court or out-of-court) (each a "Financing Transaction").

6. **Aggregate Gross Consideration ("AGC").** For the purpose of calculating the Sale Transaction Fee, the AGC shall be the gross proceeds and other consideration paid to, or received by, or to be paid to or received by, any entity comprising the Company, or any of its equity or debt holders, or other parties in interest, including, without limitation, holders of warrants and convertible securities, and holders of options or stock appreciation rights, whether or not vested (collectively "Constituents"), in connection with the



relevant Sale Transaction. Such proceeds and consideration shall be deemed to include, without limitation: amounts in escrow and any deposits or other amounts forfeited by any investor; cash, notes, securities, and other property; payments made in installments; amounts payable under consulting agreements, above-market employment contracts, non-compete or severance agreements, consulting contracts or similar arrangements with any equity holder; Contingent Payments (as defined below); and/or insurance proceeds upon the occurrence of an insurable event that diminishes the value of the Company. Upon the closing of a Sale Transaction in which less than 100% of the ownership of the equity interests are sold, the AGC shall be calculated as if 100% of the ownership of the equity interests of the Company on a fully diluted basis had been sold by dividing (i) the total consideration, whether in cash, securities, notes or other forms of consideration, received or receivable by the Company and/or its Constituents by (ii) the percentage of ownership which is sold. If, in the Sale Transaction, no consideration is being paid in respect of the existing equity, AGC of the retained equity shall be determined by the good faith agreement of the parties as to the value of such retained equity implied by the Sale Transaction. In addition, if any of the liabilities of any entity comprising the Company are assumed, decreased, reinstated, satisfied or otherwise paid off in conjunction with a Sale Transaction (by any entity comprising the Company or any investor, in the form of “cure” payments or otherwise), or any of the assets of any entity comprising the Company are sold or otherwise transferred outside of the Company’s ordinary course of business to another party prior to the closing of a Sale Transaction (including, without limitation, any dividends or distributions paid to security holders or amounts paid to repurchase any securities) or are retained by any entity comprising the Company after the closing of the Sale Transaction, the AGC will be increased to reflect the face value of any such liabilities and the fair market value of any such assets. For purposes of calculating the Sale Transaction Fee, the term “Contingent Payments” shall mean the consideration received or receivable by the Company, or any of its Constituents and/or any other parties in the form of deferred performance-based payments, “earn-outs”, or other contingent payments based upon the future performance of any entity comprising the Company, or any of its businesses or assets.

7. **Value of Consideration.** For the purpose of calculating the AGC received in a Sale Transaction, any securities, other than a promissory note, will be valued at the time of the closing of the Sale Transaction, without regard to any restrictions on transferability, as follows: (i) if such securities are traded on a stock exchange, the securities will be valued at the average last sale or closing price for the ten trading days immediately prior to the closing of the Sale Transaction, (ii) if such securities are traded primarily in over-the-counter transactions, the securities will be valued at the mean of the closing bid and asked quotations similarly averaged over a ten trading day period immediately prior to the closing of the Sale Transaction, and (iii) if such securities have not been traded prior to the closing of the Sale Transaction, Houlihan Lokey and the Company shall negotiate in good faith to agree on a fair valuation thereof, without regard to any restrictions on transferability, for the purposes of calculating the AGC. For any lease payments and other consideration that is not freely tradable or has no established public market, if the consideration utilized consists of property other than securities, then the value of such property shall be the fair market value thereof as determined in good faith by Houlihan Lokey and the Company. If any consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such consideration is payable. The value of any purchase money or other promissory notes shall be deemed to be the face amount thereof. In the event the AGC includes any Contingent Payments, Houlihan Lokey’s Sale Transaction Fee shall be calculated based on the value of such Contingent Payments as of closing, as mutually agreed upon by the parties acting in good faith. If the parties cannot reach such an agreement, an additional Sale Transaction Fee shall be paid to Houlihan Lokey from, and on account of, such Contingent Payments at the same time that each of such Contingent Payments are received regardless of any prior termination or expiration of this Agreement. Each such additional Sale Transaction Fee shall be calculated pursuant to the provisions of this Agreement based upon the amount of each such Contingent Payment.

8. **Characterization of Multiple and/or Complex Transactions.** In the event the Company and Houlihan Lokey are unable to agree in good faith upon the classification of any single Transaction as a Restructuring Transaction, Sale Transaction or Financing Transaction, or if a single Transaction with only one third party shall consist of two, or more, of the foregoing types of Transactions, or elements thereof, Houlihan Lokey shall receive only one Transaction Fee in respect of such Transaction, which shall be equal to the greater of the Restructuring Transaction Fee, Sale Transaction Fee or Financing Transaction Fee, as applicable, as calculated in accordance with the terms of this Agreement. For the avoidance of doubt, if

two or more single Transactions occur simultaneously or at different times, whether or not they are connected with or related to one another, the Company shall pay Houlihan Lokey the Transaction Fee for each such Transaction in addition to, and not in lieu of, each other.

9. **Reasonableness of Fees.** The Company acknowledges that it believes that Houlihan Lokey's general restructuring experience and expertise, its knowledge of the capital markets and of the industry in which the Company operates, financing skills and merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Transaction, that the value to the Company of Houlihan Lokey's services derives in substantial part from that experience, expertise, knowledge, skills and capabilities and that, accordingly, the structure and amount of the contingent Transaction Fee(s) is reasonable, regardless of the number of hours to be expended by Houlihan Lokey's professionals in the performance of the services to be provided hereunder.

The parties also acknowledge that this engagement will require a substantial professional commitment of time and effort by Houlihan Lokey. Moreover, the amount of time and effort may vary substantially during different periods of the engagement, thereby creating potential "peak load" issues. As a result, in order to ensure the availability of all necessary professional resources, whenever required, Houlihan Lokey may be foreclosed from pursuing other alternative engagement opportunities. In light of the foregoing, and given: (i) the numerous issues which can currently be anticipated in engagements such as this, (ii) Houlihan Lokey's commitment to the variable level of time and effort necessary to address such issues, (iii) the expertise and capabilities of Houlihan Lokey that will be required in this engagement, and (iv) the market rate for professionals of Houlihan Lokey's stature and reputation for services of this nature, whether in-court or out-of-court, the parties agree that (x) the fee and expense reimbursement arrangement provided for herein is reasonable, fairly compensates Houlihan Lokey, and provides the requisite certainty to the Company and (y) none of the fees hereunder shall be considered to be "bonuses" or fee enhancements under applicable law. The parties further agree and acknowledge that: (a) additional issues and developments, not currently anticipated, may arise and have an impact upon the services to be rendered by Houlihan Lokey hereunder, and may result in substantially more work and/or services being performed by Houlihan Lokey than is anticipated at this time, and (b) as a result of such unanticipated issues and/or developments, the results of Houlihan Lokey's services under this Agreement may also be substantially more beneficial than anticipated at this time. Accordingly, in the event of the occurrence of (a) and/or (b), in the prior sentence, each of the parties to this Agreement may, at the conclusion of the services rendered by Houlihan Lokey pursuant hereto, agree to a modification of the Transaction Fees described herein to more appropriately reflect the actual work performed, services rendered and/or any extraordinary results achieved by Houlihan Lokey pursuant to its engagement hereunder.

10. **Expenses.** In addition to all of the other fees and expenses described in this Agreement, and regardless of whether any Transaction is consummated, the Company shall, upon Houlihan Lokey's request, reimburse Houlihan Lokey for its reasonable and documented out-of-pocket expenses incurred from time to time, but in no event greater than \$50,000 without the Company's prior approval, which approval shall not be unreasonably withheld (provided that such limitation shall not affect the Company's obligations to otherwise pay any such expenses under this Agreement). Houlihan Lokey bills its clients for its reasonable and documented out-of-pocket expenses including, but not limited to travel-related and certain other expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from, or fixed-fee arrangements made with, travel agents, airlines or other vendors.

Houlihan Lokey shall, in addition, be reimbursed by the Company for the reasonable and documented fees and expenses of Houlihan Lokey's legal counsel incurred in connection with the negotiation and performance of this Agreement and the matters contemplated hereby, but in no event greater than \$15,000 without the Company's prior approval, which approval shall not be unreasonably withheld (provided that such limitation shall not affect the Company's obligations to otherwise pay any such legal fees and other expenses under this Agreement).

11. **Invoicing and Payment.** All amounts payable to Houlihan Lokey shall be made in lawful money of the United States in accordance with the payment instructions set forth on the invoice provided with this Agreement, or to such accounts as Houlihan Lokey shall direct, and the Company shall provide contemporaneous written notice of each such payment to Houlihan Lokey. All amounts invoiced by

Houlihan Lokey shall be exclusive of value added tax, withholding tax, sales tax and any other similar taxes ("Taxes"). All amounts charged by Houlihan Lokey will be invoiced together with Taxes where appropriate.

12. **Information.** The Company will provide Houlihan Lokey with access to management and other representatives of the Company and other participants in any Transaction, as reasonably requested by Houlihan Lokey. The Company will furnish Houlihan Lokey with such information as Houlihan Lokey may reasonably request for the purpose of carrying out its engagement hereunder, all of which will be, to the Company's best knowledge, accurate and complete at the time furnished. In addition, with respect to financial forecasts and projections that may be furnished to or discussed with Houlihan Lokey by the Company or any other entity, Houlihan Lokey will be entitled to assume that such financial forecasts and projections have been or will be reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the Company's or such other entity's management, as the case may be, as to the matters covered thereby. The Company will promptly notify Houlihan Lokey in writing of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to, or discussed with, Houlihan Lokey, or any materials provided to any interested party. Houlihan Lokey shall rely, without independent verification, on the accuracy and completeness of all information that is publicly available and of all information furnished by or on behalf of the Client Group or any other potential party to any Transaction or otherwise reviewed by, or discussed with, Houlihan Lokey. The Client Group understands and agrees that Houlihan Lokey will not be responsible for the accuracy or completeness of such information and shall not be liable for any inaccuracies or omissions therein. The Client Group acknowledges that Houlihan Lokey has no obligation to conduct any appraisal of any assets or liabilities of the Company or any other party or to evaluate the solvency of any party under any applicable laws relating to bankruptcy, insolvency or similar matters. Houlihan Lokey's role in reviewing any information is limited solely to performing such a review as it shall deem necessary to support its own advice and analysis and shall not be on behalf of any other party. Any advice (whether written or oral) rendered by Houlihan Lokey pursuant to this Agreement is intended solely for the use of the Board of Directors of Cutera (solely in its capacity as such) in evaluating a Transaction, and such advice may not be relied upon by any other person or entity or used for any other purpose. Any advice rendered by, or other materials prepared by, or any communication from, Houlihan Lokey may not be disclosed, in whole or in part, to any third party, or summarized, quoted from, or otherwise referred to in any manner without the prior written consent of Houlihan Lokey, which consent shall not be unreasonably withheld or delayed. In addition, neither Houlihan Lokey nor the terms of this Agreement may otherwise be referred to without our prior written consent.

13. **Additional Provisions Regarding Financing Transaction.** The Company authorizes Houlihan Lokey to provide an information memorandum (or similar document) approved by the Company (as such document may be amended or supplemented and including any information incorporated therein by reference, the "Information Memorandum") and other pertinent information to prospective investors and other lenders which have been approved by the Company and subject to execution by each such prospective investor or lender a confidentiality agreement acceptable to the Company and agrees not to transmit the Information Memorandum to prospective investors or other lenders without Houlihan Lokey's prior approval. The Company will be solely responsible for the contents of the Information Memorandum and any and all other written or oral communications provided by or on behalf of the Company to any actual or prospective investor or other lender. The Company represents and warrants that the Information Memorandum and such other communications will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If an event occurs as a result of which the Information Memorandum (as then supplemented or amended) would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company will promptly notify Houlihan Lokey of such event and Houlihan Lokey will suspend solicitations of prospective investors and other lenders until such time as the Company prepares (and the Company agrees that, if the solicitation of prospective investors and other lenders has been so suspended after the Company has accepted orders from prospective investors or other purchasers, the Company will promptly prepare) a supplement or amendment to the Information Memorandum which corrects such statement(s) or omission(s). The Company will use commercially reasonable efforts to (i) make available to each bona fide

offeree of the Securities such information (in addition to that contained in the Information Memorandum) concerning the offering of the Securities, the Company and any other relevant matters, and (ii) provide each bona fide offeree the opportunity to ask questions of, and receive answers from, the officers and employees of the Company concerning the terms and conditions of the offering of the Securities.

The Company acknowledges that closing of a Financing Transaction is subject, among other factors, to acceptable documentation, market conditions, and satisfaction of the conditions set forth in one or more agreements to be entered into with any financier, lender, investor or other purchaser of Securities. It is expressly understood that this engagement does not constitute any commitment, express or implied, on the part of Houlihan Lokey to (a) acquire, and does not ensure the successful placement of, any portion of the Securities, (b) secure any other financing on behalf of any person or entity, or (c) ensure that any agreements are executed by any financier, lender, investor or other prospective purchaser of Securities or guarantee the obligations of any such party. The Company further acknowledges and agrees that Houlihan Lokey is not acting as an underwriter of the Securities and shall have no responsibility or obligation to underwrite the Securities, and that Houlihan Lokey's undertaking is subject to our continued satisfaction with the results of our ongoing review of the Company's business and affairs.

In the event a Transaction involves the offer and sale of any securities, as defined in Section 2(1) of the Securities Act of 1933, as amended (the "Act"), or Section 3(a)(10) of the Securities Exchange Act of 1934, as amended (any such offering, a "Securities Offering"), the Company will cause to be addressed and delivered to Houlihan Lokey a written opinion of Company counsel acceptable to Houlihan Lokey containing (i) an opinion to the effect that the placement of Securities was exempt from registration under the Securities Act of 1933, as amended (the "Act"), and (ii) any other opinions of counsel that have been provided to investors or other purchasers of the Securities or which Houlihan Lokey may reasonably request. The Company also will cause to be furnished to Houlihan Lokey at or after each closing of a sale of Securities copies (addressed to Houlihan Lokey, if requested and as appropriate) of such agreements, opinions, certificates and other documents (including, without limitation, accountant's letters) as Houlihan Lokey may reasonably request. The Company hereby acknowledges and agrees that Houlihan Lokey shall be entitled to rely upon the representations and warranties made in the definitive agreement to investors, lenders, or other purchasers of Securities and the Company shall be deemed to have made such representations and warranties to and for the benefit of Houlihan Lokey.

It is understood that the offer and sale of the Securities in a Securities Offering will be exempt from the registration requirements of the Act, pursuant to Section 4(a)(2) thereof. The Company has not taken, and will not take, any action, directly or indirectly, so as to cause the transactions contemplated by this Agreement to fail to be entitled to exemption under Section 4(a)(2) of the Act. The Company will promptly from time to time take such reasonable action as necessary to qualify the Securities in a Securities Offering as a private placement under the securities laws of such States and foreign jurisdictions as any prospective investor or other purchaser may reasonably request and will comply with applicable laws. The Company shall cause the issuer of the Securities in a Securities Offering to offer and sell the Securities only to investors and other purchasers of the Securities that they reasonably believe to be "accredited investors", as defined in Rule 501 of Regulation D under the Act or pursuant to another applicable exemption from the registration requirements of the Act. The Company will cause the issuer of the Securities to file in a timely manner with the Securities and Exchange Commission (the "SEC") and/or each other regulatory authority any notices or other filings with respect to the Securities required by Rule 503 of Regulation D under the Act and/or other applicable law or regulation and will upon request furnish to Houlihan Lokey a signed copy of each such notice or filing promptly after its submission.

The Company represents and warrants that it has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended ("1934 Act") (all of the foregoing filed prior to the Effective Date and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). As of their respective dates, all SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to



make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto.

14. **Limitations on Services as Advisor.** Houlihan Lokey's services are limited to those specifically provided in this Agreement, or subsequently agreed upon in writing by the parties hereto. Houlihan Lokey shall have no obligation or responsibility for any other services including, without limitation, any crisis management or business consulting services related to, among other things, the implementation of any operational, organizational, administrative, cash management, profitability or liquidity improvements or similar activities. Houlihan Lokey makes no representation or warranty about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a Transaction. The Client Group understands that Houlihan Lokey is being engaged hereunder as an independent contractor to provide the services hereunder solely to the Client Group, and that Houlihan Lokey is not acting as an agent or fiduciary of any entity comprising the Company, its security holders or creditors or any other person or entity in connection with this engagement, and the Company agrees that it shall not make, and hereby waives, any claim based on an agency or fiduciary relationship or the assertion thereof. In performing its services pursuant to this Agreement, Houlihan Lokey is not assuming any responsibility for the Company's decision on whether to pursue, endorse or support any business strategy, or to effect, or not to effect, any Transaction(s), which decision shall be made by the Company in its sole discretion. Any duties of Houlihan Lokey arising by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder will be owed solely to the Client Group. In connection with any Transaction purported by the Company to be made pursuant to a 3(a)(9) Offer, the Company has not paid any commission or other remuneration, directly or indirectly, for soliciting or recommending such 3(a)(9) Offer to any soliciting broker, dealer, salesman, agent, employee or director of the Company, or any other person involved in any way on behalf of the Company in conflict with such Section 3(a)(9).

15. **Bankruptcy Court Approval.** In the event that the Company is or becomes a debtor under Chapter 11 of the Bankruptcy Code, whether voluntarily or involuntarily, the Company shall seek an order authorizing the employment of Houlihan Lokey pursuant to the terms of this Agreement, as a professional person pursuant to, and subject to the standard of review of, Sections 327(a) and 328(a) of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and applicable local rules and orders, and Houlihan Lokey's employment hereunder shall not be subject to any other standard of review, including under Section 330 of the Bankruptcy Code. In so agreeing to seek Houlihan Lokey's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges the reasonableness of Houlihan Lokey's fee and expense reimbursement arrangement (as set forth more fully in Section 9 hereof). The Company shall submit Houlihan Lokey's employment application as soon as practicable following the Company's filing of a voluntary Chapter 11 case, or the entry of an order for relief in any involuntary case filed against the Company, and use its commercially reasonable efforts to cause such application to be considered on the most expedited basis. The employment application and the proposed order authorizing employment of Houlihan Lokey shall be provided to Houlihan Lokey as much in advance of any Chapter 11 filing as is reasonably practicable, and must be acceptable to Houlihan Lokey in its sole discretion. Following entry of the order authorizing the employment of Houlihan Lokey, the Company shall pay all fees and expenses due pursuant to this Agreement, as approved by the court having jurisdiction of the bankruptcy case involving the Company (the "Bankruptcy Court"), as promptly as possible in accordance with the terms of this Agreement and applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and will work with Houlihan Lokey to promptly file any and all necessary applications regarding such fees and expenses (including, without limitation, interim fees and final fees) with the Bankruptcy Court.

The Company agrees that Houlihan Lokey's post-petition compensation as set forth herein and payments made pursuant to the expense reimbursement and indemnification provisions of this Agreement shall be entitled to priority as expenses of administration under sections 503(b)(1)(A), 503(b)(2) and 507(a)(2) of the Bankruptcy Code, and shall be entitled to the benefits of any "carve-outs" for professional fees and expenses (which carve-outs shall be adequate to enable the Company to pay Houlihan Lokey's fees and expenses, fully and promptly) in effect pursuant to one or more financing or cash collateral orders

entered by the Bankruptcy Court in accordance with the terms thereof, provided, however, that the form of documentation to be used to satisfy the foregoing obligations of the Company shall be reasonably acceptable to Houlihan Lokey in its sole discretion. The Company will use its commercially reasonable best efforts to ensure that any sale order, debtor-in-possession financing order, cash collateral order, adequate protection order and/or similar order entered in any bankruptcy case involving the Company (i) permits the use of sale, financing and cash collateral proceeds for the full and prompt payment of all of Houlihan Lokey's fees and expenses contemplated hereby (including, without limitation, all fees contingent upon the occurrence of any Transaction) and (ii) contains the agreements by the Company's lenders (or parties whose cash collateral is being used) that Houlihan Lokey's fees and expenses will be paid at the times and from the sources specified herein and subject to applicable orders of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders. If such orders and carve-outs are or become insufficient to provide the foregoing assurances, Houlihan Lokey shall then have no obligation to provide further services under this Agreement. In no event shall the Company move to reject this Agreement during any bankruptcy case involving the Company.

Houlihan Lokey shall have no obligation to provide services under this Agreement in the event that the Company becomes a debtor under the Bankruptcy Code unless the foregoing authorizations, including authorization to employ Houlihan Lokey under Section 328(a) of the Bankruptcy Code, are granted by final order of the Bankruptcy Court that is no longer subject to appeal, rehearing, reconsideration or petition for certiorari and is acceptable to Houlihan Lokey in all respects. If such an order is not obtained, or is later reversed, vacated, stayed or set aside for any reason, Houlihan Lokey may terminate this Agreement upon five (5) days notice, and the Company shall reimburse Houlihan Lokey for all fees and reasonable expenses incurred prior to the date of such termination, subject to any requirements of the Bankruptcy Code, the Bankruptcy Rules, applicable orders of such Bankruptcy Court and applicable local rules and orders. Prior to commencing a Chapter 11 case, the Company shall pay all amounts due and payable to Houlihan Lokey in cash, provided Houlihan Lokey provides an invoice to the Company three (3) business days prior. No fee payable to any other person, by the Company or any other party, shall reduce or otherwise affect any fee payable hereunder to Houlihan Lokey.

The Company will use its commercially reasonable best efforts to ensure that, to the fullest extent permitted by law, any confirmed plan in any bankruptcy case involving the Company contains typical and customary release provisions (both from the Company and from third parties) and exculpation provisions releasing, waiving and forever discharging the HL Parties (as defined below) from any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities related to the Company or the engagement described in this Agreement. The terms of this Section are solely for the benefit of Houlihan Lokey, and may be waived, in whole or in part, only by Houlihan Lokey.

16. **Additional Services.** To the extent Houlihan Lokey is requested to perform any financial advisory or investment banking services which are not within the scope of this engagement, the Company shall pay Houlihan Lokey such fees as shall be mutually agreed upon by the parties hereto in writing, in advance, depending on the level and type of services required, and such fees shall be in addition to the fees and expenses described hereinabove. The Company acknowledges that this Agreement is neither an express nor an implied commitment by Houlihan Lokey to act in any such expanded capacity, which commitment shall only be set forth in a separate agreement.

17. **Required Services.** If Houlihan Lokey is required to render services not described herein, but which relate directly or indirectly to the subject matter of this Agreement (including, but not limited to, producing documents, answering interrogatories, attending depositions, giving expert or other testimony, whether by subpoena, court process or order, or otherwise), the Company shall pay Houlihan Lokey additional fees to be mutually agreed upon for such services, plus reasonable and documented related out-of-pocket costs and expenses, including, among other things, the reasonable legal fees and expenses of Houlihan Lokey's counsel in connection therewith.

18. **Credit.** After the announcement or closing of any Transaction, Houlihan Lokey may, at its own expense, place announcements on its corporate website and in financial and other newspapers and periodicals (such as a customary "tombstone" advertisement, including the Company's logo or other identifying marks) describing its services in connection therewith. Furthermore, if requested by Houlihan

Lokey, the Company agrees that in any press release announcing any Transaction, the Company will include in such press release a mutually acceptable reference to Houlihan Lokey's role as financial advisor with respect to such Transaction.

19. **Choice of Law; Jury Trial Waiver; Jurisdiction.** THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN NEW YORK. THIS AGREEMENT AND ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH OF HOULIHAN LOKEY AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS EQUITY HOLDERS) IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT. REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE PARTIES HERETO, EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE BROUGHT AND MAINTAINED IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND AGREES TO VENUE IN SUCH COURTS; PROVIDED THAT SUCH CONSENT AND AGREEMENT SHALL NOT BE DEEMED TO REQUIRE ANY BANKRUPTCY CASE INVOLVING THE COMPANY TO BE FILED IN SUCH COURTS, AND IF THE COMPANY BECOMES A DEBTOR UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, DURING ANY SUCH CASE, ANY CLAIMS MAY ALSO BE HEARD AND DETERMINED BEFORE THE BANKRUPTCY COURT. EACH PARTY FURTHER IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE EXCLUSIVELY TO SUCH JURISDICTION AND VENUE IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURTS, AND HEREBY WAIVES IN ALL RESPECTS ANY CLAIM OR OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. THE COMPANY AND COUNSEL EACH AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR CLAIM BROUGHT IN ANY OF THE COURTS REFERRED TO ABOVE SHALL BE CONCLUSIVE AND BINDING UPON IT AND MAY BE ENFORCED IN ANY OTHER COURTS HAVING JURISDICTION OVER IT BY SUIT UPON SUCH JUDGMENT. THE COMPANY AND COUNSEL EACH IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ALL SUCH DISPUTES BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH PARTY AT ITS ADDRESS SET FORTH ABOVE.

20. **Indemnification.** As a material part of the consideration for the agreement of Houlihan Lokey to furnish its services under this Agreement, the Company agrees (i) to indemnify and hold harmless each HL Party (as defined below), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, and (ii) to reimburse each HL Party for all expenses (including, without limitation, the fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling, compromising or otherwise becoming involved in any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person or entity (including, without limitation, any shareholder or derivative action or any claim to enforce this Agreement), arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement. However, the Company shall not be liable under the foregoing indemnification provision to the extent of any loss, claim, damage or liability which arises out of any action or failure to act by such HL Party (other than an action or failure to act undertaken at the written request or with the written consent of the Company or Counsel) and is finally judicially determined by a court of

competent jurisdiction to have resulted from the actual fraud, bad faith, willful misconduct or gross negligence of such HL Party.

If for any reason the foregoing indemnification or reimbursement is unavailable to any HL Party or insufficient to fully indemnify any HL Party or hold it harmless in respect of any losses, claims, damages, liabilities or expenses referred to in subsections (i) or (ii) of such indemnification or reimbursement provisions, then the Company shall contribute to the amount paid or payable by such HL Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection with the matters contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by such HL Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors), on the one hand, and such HL Party, on the other hand, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, in no event shall the HL Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Houlihan Lokey from the Company pursuant to this Agreement. Relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, shall be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company, and its security holders, creditors, and other affiliates, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, bears to (ii) the fees received by Houlihan Lokey under this Agreement. Neither Counsel nor the Company shall settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action, suit, dispute, inquiry, investigation or proceeding arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement (whether or not an HL Party is an actual or potential party thereto), or participate in or otherwise facilitate any such settlement, compromise, consent or termination by or on behalf of any person or entity, unless such settlement, compromise, consent or termination contains a release of the HL Parties reasonably satisfactory in form and substance to Houlihan Lokey. The Company shall not be required to indemnify Houlihan Lokey or any other HL Party for any amount paid or payable by such party in the settlement or compromise of any action or proceeding for which indemnification is sought hereunder, unless such settlement or compromise is consented to in writing by the Company, which consent shall not be unreasonably withheld, conditioned or delayed; provided that the Company shall be required to indemnify such HL Party for such amount, even if such settlement or compromise is not consented to by the Company, if (a) any HL Party has submitted a request for reimbursement for fees and expenses as provided in this Section and such request has been outstanding for more than thirty (30) days as of the date of such settlement or compromise, or (b) the HL Party that is considering such settlement or compromise submits the terms of such settlement or compromise to the Company and the Company has not, within ten (10) days thereafter, engaged in good faith discussions with such HL Party regarding the Company's obligation to indemnify it for the amount payable thereunder.

The Company further agrees that neither Houlihan Lokey nor any other HL Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company or any person or entity asserting claims on behalf of or in right of the Company arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, except to Cutera to the extent of losses, claims, damages or liabilities incurred by Cutera, which arise out of any action or failure to act by such HL Party (other than an action or failure to act undertaken at the written request or with the written consent of the Company or Counsel) and are finally judicially determined by a court of competent jurisdiction to have resulted from the actual fraud, bad faith, willful misconduct or gross negligence of such HL Party, and no HL Party shall have any liability whatsoever to the Counsel or any other person or entity.

The Company shall cause any new company or entity that may be formed by the Company, for any purpose, to agree to all of the obligations in this Section to Houlihan Lokey in accordance with the foregoing provisions. Prior to entering into any agreement or arrangement with respect to, or effecting, any (i) merger, statutory exchange or other business combination or proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets, or (ii) significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations



of the Company set forth in this Agreement, the Company will notify Houlihan Lokey in writing thereof (if not previously so notified) and, if requested by Houlihan Lokey, shall arrange in connection therewith alternative means of providing for the obligations of the Company set forth in this Agreement, including the assumption of such obligations by another party, insurance, surety bonds, the creation of an escrow, or other credit support arrangements, in each case in an amount and upon terms and conditions satisfactory to Houlihan Lokey.

The indemnity, reimbursement, and other obligations and agreements of the Company set forth herein (i) shall, for the avoidance of doubt, apply to any activities or actions arising out of or related to Houlihan Lokey's engagement under, or any matter referred to in, this Agreement, prior to the Effective Date, and to any modifications of this Agreement, and (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any HL Party. The Company agrees that Houlihan Lokey would be irreparably injured by any breach of any such obligations or agreements, that money damages alone would not be an adequate remedy for any such breach and that, in the event of any such breach, Houlihan Lokey shall be entitled, in addition to any other remedies, to injunctive relief and specific performance.

For purposes of this Agreement, the term "HL Parties" shall mean Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, partners, members, employees, agents, representatives, advisors, subcontractors and controlling persons (each, an "HL Party").

21. **Miscellaneous.** This Agreement shall be binding upon the parties hereto and their respective successors, heirs and assigns and any successor, heir or assign of any substantial portion of such parties' respective businesses and/or assets, including any Chapter 11 or Chapter 7 trustee appointed on behalf of the Company.

Nothing in this Agreement, express or implied, is intended to confer or does confer on any person or entity, other than Cutera, the HL Parties and each of their respective successors, heirs and assigns, any rights or remedies (directly or indirectly as a third party beneficiary or otherwise) under or by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder.

This Agreement is the complete and exclusive statement of the entire understanding of the parties regarding the subject matter hereof, and supersedes all previous agreements or understandings regarding the same, whether written or oral. This Agreement may not be amended, and no portion hereof may be waived, except in a writing duly executed by the parties hereto.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof.

To help the United States government fight the funding of terrorism and money laundering activities, the federal law of the United States requires all financial institutions to obtain, verify and record information that identifies each person with whom they do business as a condition to doing business with that person. Accordingly, the Company will provide Houlihan Lokey upon request (i) certain information regarding the identities of all individuals who, directly or indirectly, own 25% or more of the Company's equity interests as well as the Company's executive officers and other control persons, and (ii) certain identifying information necessary to verify the Company's identity, such as a government-issued identification number (e.g., a U.S. taxpayer identification number), certified articles of incorporation, a government-issued business license, partnership agreement, or trust instrument. By executing this Agreement, the Company confirms that all such information provided to Houlihan Lokey is accurate and complete.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. Such counterparts may be delivered by one party to the other by facsimile or other electronic transmission, and such counterparts shall be valid for all purposes. The parties hereto agree that the use of electronic signatures for the execution of this Agreement shall be legal and binding and shall have the same force and effect as manual signatures.

Counsel and Cutera each represents and warrants that (a) it has all requisite power and authority to enter into this Agreement on behalf of itself and each of its direct and indirect subsidiaries, and (b) this Agreement has been duly and validly authorized by all necessary action on the part of each such party and has been duly executed and delivered by or on behalf of each such party and constitutes a legal, valid and binding agreement of each such party, enforceable in accordance with its terms. This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against Houlihan Lokey because this Agreement was drafted by Houlihan Lokey, and the parties waive any statute or rule of law to such effect.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law. The Client Group understands that Houlihan Lokey is not undertaking to provide any legal, regulatory, accounting, insurance, tax or other similar professional advice and the Company confirms that it is relying on its own counsel, accountants and similar advisors for such advice.

To the extent that the Company hereunder is comprised of more than one entity or company, the obligations of the Company under this Agreement are joint and several, and any consent, direction, approval, demand, notice or the like given by any one of such entities or companies shall be deemed given by all of them and, as such, shall be binding on the Company.

The Client Group understands and acknowledges that Houlihan Lokey and its affiliates (collectively, the "Houlihan Lokey Group") engage in providing investment banking, securities trading, financing, financial advisory, and consulting services and other commercial and investment banking products and services to a wide range of institutions and individuals. In the ordinary course of business, the Houlihan Lokey Group and certain of its employees, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Company or any other party that may be involved in the matters contemplated by this Agreement or have other relationships with such parties. With respect to any such securities, financial instruments and/or investments, all rights in respect of such securities, financial instruments and investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. In addition, the Houlihan Lokey Group may in the past have had, and may currently or in the future have, financial advisory or other investment banking or consulting relationships with parties involved in the matters contemplated by this Agreement, including parties that may have interests with respect to the Company, a Transaction or other parties involved in a Transaction, from which conflicting interests or duties may arise. Although the Houlihan Lokey Group in the course of such other activities and relationships or otherwise may have acquired, or may in the future acquire, information about the Company, a Transaction or such other parties, or that otherwise may be of interest to the Client Group, the Houlihan Lokey Group shall have no obligation to, and may not be contractually permitted to, disclose such information, or the fact that the Houlihan Lokey Group is in possession of such information, to the Client Group or to use such information on the Client Group's behalf.

In order to enable Houlihan Lokey to bring relevant resources to bear on its engagement hereunder from among its global affiliates, the Client Group agrees that Houlihan Lokey may share information obtained from the Client Group and other parties hereunder with other members of the Houlihan Lokey Group, and may perform the services contemplated hereby in conjunction with such other members.

The Company acknowledges that Houlihan Lokey has, in the past and currently, provided certain investment banking and financial advisory services to holders of the Company's debt and/or equity securities, and the Company (on its own behalf and, to the extent permitted by applicable law, on behalf of its security holders) knowingly and voluntarily (a) waives and releases, to the fullest extent permitted by law, any claims it may have against Houlihan Lokey or its affiliates arising out of, resulting from or based upon such services/engagements, and (b) waives any actual or potential conflicts of interest which may result from Houlihan Lokey's multiple roles as an advisor to such holders and an advisor pursuant to this Agreement.

If the foregoing correctly sets forth our agreement, please sign and return to us a copy of this Agreement.

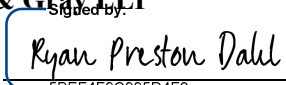
Very truly yours,

**HOULIHAN LOKEY CAPITAL, INC.**

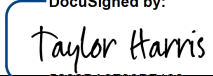
By:   
Eric Winthrop  
Managing Director

Accepted and agreed to as of the Effective Date:

**Ropes & Gray LLP**

Signed by:  
By:   
5BEE4F9C995D4E3  
Ryan Preston Dahl  
Partner

**Cutera, Inc.** on its own behalf, and on behalf of its direct and indirect subsidiaries

DocuSigned by:  
By:   
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Taylor Harris  
CEO