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COUNSEL TO DEBTORS AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
	§	
Higher Ground Education, Inc., *et al.*,[1]	§	Case No.: 25-80121-11 (MVL)
	§	
Debtor.	§	(Jointly Administered)
	§	

DECLARATION OF MARC D. KIRSHBAUM IN SUPPORT OF (I) FINAL APPROVAL OF THE DEBTORS' DISCLOSURE STATEMENT, AND (II) CONFIRMATION OF THE MODIFIED SECOND AMENDED JOINT PLAN OF REORGANIZATION OF HIGHER GROUND EDUCATION, INC., ITS AFFILIATED DEBTORS, AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

Pursuant to 28 U.S.C. § 1746, I, Marc D. Kirshbaum, hereby declare as follows under penalty of perjury:

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

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1. I am over the age of 18 and authorized to submit this declaration (this "**Declaration**") in support of (a) final approval of the *Second Amended Disclosure Statement for the Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., Its Affiliated Debtors, and the Official Committee of Unsecured Creditors* [Docket No. 551] (as modified, amended, or supplemented from time to time, the "**Disclosure Statement**") and (b) confirmation of the *Modified Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., Its Affiliated Debtors, and the Official Committee of Unsecured Creditors* [Docket No. 649] (as modified, amended, or supplemented from time to time, the "**Plan**").[2] The statements in this Declaration are, except where otherwise noted, based on (i) my personal knowledge, (ii) information obtained from other members of the Debtors' management team, employees, and advisors, (iii) my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, and (iv) my opinions based upon my experience and knowledge. If called as a witness, I would testify competently to the facts set forth in this Declaration.

2. In further support of confirmation of the Plan, the Debtors have filed the following contemporaneously herewith: (a) the *Declaration of Sean Corwen in Support of Confirmation of the Modified Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., Its Affiliated Debtors, and the Official Committee of Unsecured Creditors* (the "**Corwen Declaration**"); and (b) the *Declaration of Adam J. Gorman with Respect to the Tabulation of Votes on the Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., Its*

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Confirmation Brief, the Plan, or the Disclosure Statement, as applicable.

Affiliated Debtors, and the Official Committee of Unsecured Creditors [Docket No. 652] (the "**Voting Report**").

BACKGROUND AND QUALIFICATIONS

3. I am the sole independent board member (the "**Independent Director**") of the board of directors of Higher Ground Education, Inc. together with its affiliated Debtors, as debtors and debtors in possession (collectively, the "**Debtors**") of the above-captioned chapter 11 cases (the "**Chapter 11 Cases**"). I am also the founder of Kirshbaum Business Advisory.

4. I have over 25 years of diversified business experience, including as a chief executive officer, president, board chair, and strategic advisor, leading and transforming businesses at critical inflection points—from scaling to turnaround.

5. In my capacity as Independent Director, I am generally familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. Except where specifically noted, the statements in this Declaration are based on: (a) my personal knowledge of the Debtors' operations and finances, (b) my review of relevant documents provided to me by other members of the Debtors' management and the Debtors' professional advisors, (c) information provided to me by, or discussions with, other members of the Debtors' management team or its professional advisors, and/or (d) my opinion based upon my experience.

INTRODUCTION

6. The Plan is an embodiment of the significant effort of the Debtors, the Committee, the Settlement Parties, and various other stakeholders before and during the Chapter 11 Cases. The Plan reflects extensive negotiations, meaningful concession by all key stakeholders, and ultimately, global settlement that is now embodied in the Plan.

7. In the months leading up to the Petition Date, the Debtors worked with the Supporting RSA Parties to formulate a joint pre-arranged chapter 11 plan pursuant to the RSA.

Following the Petition Date, on June 26, 2025, the Debtors filed their RSA Plan and RSA Disclosure Statement in accordance with the RSA.

8. After its appointment, however, the Committee raised various concerns with the RSA Plan. Thus, in an effort to avoid the costs and uncertainty of a protracted contested confirmation process, the Debtors, the Committee, the DIP Lenders, and other key stakeholders agreed to explore terms for a consensual plan through mediation and settlement negotiations. On August 8, 2025, the Debtors hosted a settlement conference with the DIP Lenders, the Committee and certain Supporting RSA Parties. Following that conference, the parties agreed to Mediation with retired U.S. Bankruptcy Judge Russell Nelms as the mediator. The Debtors hosted the Mediation on August 19 and August 20, 2025. I attended the Mediation, in person, as the Debtors' representative. While the Mediation did not result in a settlement, the parties were able to narrow the scope of the outstanding issues. Following the Mediation, the parties continued to engage in settlement negotiations, which ultimately led to the Plan Settlement which resolved the Committee's concerns. I was an active participant in negotiating and developing the terms of the Plan Settlement. I evaluated the terms of the Plan Settlement, and after discussions with the Debtors' professionals, I determined the Plan Settlement and transactions contemplated therein were in the best interest of the Debtors, their Estates, and creditors.

9. Following agreement to the Plan Settlement, on September 12, 2025, the Debtors exercised their "fiduciary out" under the RSA and notified the Supporting RSA Parties that the Debtors were terminating the RSA to pursue confirmation of a new plan, which embodies the Plan Settlement between Debtors, Committee, and a majority of the Supporting RSA Parties, now the Settlement Parties.

10. This Plan Settlement and the Plan is the result of a heavily negotiated, good faith negotiation between the Debtors, the Committee, and the Settlement Parties. It provides for a meaningful recovery for the Debtors' stakeholders, including Holders of Allowed General Unsecured Claims. The Plan is also overwhelmingly supported by the vast majority of the voting creditors and is supported by the Committee. Accordingly, I believe that confirmation of the Plan is in the best interests of the Debtors' estates and their stakeholders.

I. The Disclosure Statement Should be Approved on a Final Basis Under Section 1125 of the Bankruptcy Code.

11. It is my understanding that section 1125 of the Bankruptcy Code requires a disclosure statement to contain "adequate information" so that a hypothetical investor may make an informed judgment about the plan.

12. The Disclosure Statement includes, among other things, a description of:

a. ***Preliminary Statement.*** An overview of the Debtors' prior restructuring efforts through the RSA, the Plan Settlement with the Committee, and Plan. *See* Disclosure Statement, Art. II.

b. ***Debtors' Corporate History, Structure, and Business Overview.*** An overview of the Debtors' corporate history, structure, operations, assets, employees, and prepetition capital structure. *See* Disclosure Statement, Art. IV.

c. ***Events Leading to the Chapter 11 Filings.*** An overview of the prepetition Foreclosures and the Debtors' out of court restructuring in response thereto. *See* Disclosure Statement, Art. IV.

d. ***Events of the Chapter 11 Cases*.** An overview of the case timeline, first day relief, retention applications, and the Debtors' assumption and rejection of Executory Contracts and Unexpired Leases, analysis of Estate Causes of Action, and settlement negotiations with the Committee and key stakeholders. *See* Disclosure Statement, Art. V.

e. ***Key Terms of the Plan Settlement and Plan.*** An overview of the key terms of the Plan Settlement and Plan, including classification and treatment of claims and the means for implementation of the Plan. *See* Disclosure Statement Art. VI and VII.

f. ***Liquidation Analysis.*** An analysis of the hypothetical liquidation value of the Debtors and estimations of recovery under the Plan, which is provided in Exhibit B to the Disclosure Statement.

g. ***Risk Factors.*** Certain risks associated with the Debtors' business, as well as certain risks associated with forward-looking statements and an overall disclaimer as to the information provided by and set forth in the Disclosure Statement. *See* Disclosure Statement, Art. X.

h. ***Solicitation and Voting Procedures.*** A description of the procedures for soliciting votes to accept or reject the Plan and voting on the Plan. *See* Disclosure Statement, Art. VIII.

i. ***Approval of the Disclosure Statement and Confirmation of the Plan.*** Procedures and statutory requirements for final approval of the Disclosure Statement and for Confirmation of the Plan as well as a FAQ regarding the same. *See* Disclosure Statement, Art. III & IX.

j. ***Important Securities Law Disclosures.*** An overview of the plan securities, the section 1145 of the Bankruptcy Code exemption, issuance and resale of the new common stock, definition of "underwriter" under section 1145(b) of the Bankruptcy Code, and section 4(a)(2) of the Securities Act Exemption and Subsequent Transfers. *See* Disclosure Statement, Art. XI.

k. ***Certain United States Federal Income Tax Consequences of the Plan.*** A description of certain U.S. Federal income tax law consequences of the Plan to the Debtors and the Reorganized Debtors, as well as to Holders of Allowed Claims. *See* Disclosure Statement, Art. XII.

l. ***Recommendation.*** A recommendation by the Debtors that Holders of Claims in the Voting Classes should support the Confirmation and vote to accept the Plan. *See* Disclosure Statement, Art. XIII.

13. I read and assisted in the preparation of the Disclosure Statement. I believe that the Disclosure Statement accurately describes the Debtors' business and the Plan and contains sufficient information to allow a creditor to vote on the Plan. To my knowledge, no party in interest has requested additional information or disputed that the Disclosure Statement contains information sufficient for Holders of Impaired Classes—i.e., Classes 1, 2, 3, 4, 5, 8, 9, 10, and 11—to be able to cast an informed vote on the Plan.

14. Accordingly, I believe the Disclosure Statement contains "adequate information" for creditors to make an informed judgment about the Plan. Further, I believe that the Debtors at all times took appropriate actions in connection with the solicitation of the Plan with the Solicitation Motion Order and section 1125 of the Bankruptcy Code.

II. The Modifications to the Plan Comply with Section 1127 of the Bankruptcy Code.

15. I understand that Section 1127(a) of the Bankruptcy Code provides that a plan proponent may modify its plan at any time before confirmation.

16. I understand that the Debtors made certain modifications reflected in the Plan (the "**Modifications**"). I believe a majority of the Modifications relate to an agreement between the Debtors, the Committee, the Settlement Parties, and the Girns with respect to the treatment of the Girns' alleged Claims under the Plan. Specifically, I understand that the Girns *agreed* to waive their asserted $500,000 Claim and all other distributions under the Plan. It is my opinion that these Modifications do not materially diminish or alter any other creditor's substantive rights under the Plan, but instead, provide certainty as to the distributions for the Holders of Allowed General Unsecured Claims.

17. I understand the other Modifications were intended to resolve certain formal and informal objections to the Plan, and do not materially adversely affect any parties' substantive rights. I believe that all Modifications are supported by all of the Debtors' key constituencies including the DIP Lenders, the Committee, and the Settlement Parties.

18. Accordingly, I believe no additional solicitation or disclosure is required on account of the Modifications and all creditors in the Voting Classes who accepted the Plan should be deemed to have accepted the Plan as modified.

III. The Plan Satisfies the Requirements of Confirmation.

19. I have been advised of the applicable standards under which a plan of reorganization may be confirmed. For the reasons detailed below, and with the consultation and guidance of the Debtors' advisors and legal counsel, I believe that the Plan satisfies the applicable Bankruptcy Code requirements for confirmation. I have set forth the reasons for such belief below, except where such compliance is apparent on the face of the Plan, the Plan Supplement, or the related documents, or where it will be the subject of evidence introduced at the Combined Hearing.

A. The Plan Satisfies the Applicable Provisions of the Bankruptcy Code—Section 1129(a)(1).

20. I understand that section 1129(a)(1) of the Bankruptcy Code requires a chapter 11 plan to comply with all applicable provisions of the Bankruptcy Code. As set forth below, I believe that the Plan satisfies section 1129(a)(1) of the Bankruptcy Code.

1. Proper Classification of Claims and Interests—Section 1122.

21. It is my understanding that section 1122 of the Bankruptcy Code requires that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.

22. Under Article 2 of the Plan, Claims and Interests are classified as follows:

Class 1: Bridge CN-3 Secured Lend-er Claim
Class 2: WTI Secured Lender Claim
Class 3: CN-1 Note Claims
Class 4: CN-2 Note Claims
Class 5: CN-3 Note Claims
Class 6: Other Secured Claims
Class 7: Non-Tax Priority Claims
Class 8: General Unsecured Claims
Class 9: Intercompany Claims
Class 10: Equity
Class 11: Subsidiary Equity Interests

23. I believe that the Claims and Interests assigned to each particular Class described above are substantially similar to the other Claims or Interests, as applicable, in such Class. I believe that these classifications generally track the Debtors' prepetition capital structure. In addition, I believe that valid business, legal, and factual reasons justify the separate classification of particular Claims or Interests into the Classes created under the Plan, and no unfair discrimination exists between or among Holders of Claims and Interests. Namely, the Plan separately classifies the Claims or Interests because each Holder of such Claims or Interests may hold (or may have held) rights in the Estates legally dissimilar to the Claims or Interests in other Classes or because substantial administrative convenience resulted from such classification. For example, Claims (rights to payment) are classified separately from Interests (representing ownership in the business). Secured Claims are classified separately from unsecured Claims because the Debtors' obligations with respect to the former are secured by collateral. Equity Interests are classified separately based upon their preferred status and are further separated between the Equity in HGE (Class 10) and the Equity Interests held by HGE's subsidiaries (Class 11).

24. Accordingly, I believe that the Plan complies with and satisfies section 1122(a) of the Bankruptcy Code.

2. Designation of Classes of Claims and Interests—Section 1123(a)(1)).

25. I understand that section 1123(a)(1) of the Bankruptcy Code requires that the Plan designate certain classes of claims and interests. As discussed above, Article 2 of the Plan properly designates Classes of Claims and Interests. Accordingly, I believe that the Plan complies with and satisfies section 1123(a)(1) of the Bankruptcy Code.

3. Specification of Unimpaired Classes—Section 1123(a)(2).

26. I understand that section 1123(a)(2) of the Bankruptcy Code requires that the Plan "specify any class of claims or interests that is not impaired under the plan." Article 3 of the Plan identifies each Class that is Unimpaired, and no party has asserted otherwise. As such, I believe that the Plan complies with and satisfies section 1123(a)(2) of the Bankruptcy Code.

4. Treatment of Impaired Classes—Section 1123(a)(3).

27. I understand that section 1123(a)(3) of the Bankruptcy Code requires that the Plan specify the treatment of any impaired Classes of Claims and Interests. Article 3 sets forth the treatment of each impaired Class, and no party has asserted otherwise. Accordingly, I believe that the Plan complies with and satisfies section 1123(a)(3) of the Bankruptcy Code.

5. Equal Treatment within Classes—Section 1123(a)(4).

28. I understand that section 1123(a)(4) of the Bankruptcy Code requires that the Plan provide the same rights and treatment to each holder of claims or interest as other holders of allowed claims or interests within such holders' respective class. The Plan provides the same treatment for each Claim or Interest of a particular class, except where a Holder of such Claim or Interest has agreed to a less favorable treatment. Accordingly, I believe that the Plan satisfies this requirement because each Holder of Allowed Claims or Interests will receive the same rights and treatment as all other Holders of Allowed Claims or Interests within the same class.

6. Means for Implementation—Section 1123(a)(5).

29. I understand that section 1123(a)(5) of the Bankruptcy Code requires that the Plan provide adequate means for its implementation. The Plan satisfies this requirement, because Article 4 of the Plan, as well as the documents and forms of documents, agreements, schedules, and exhibits included in the Plan Supplement (as incorporated into the Plan), provide for the means by which the Plan will be implemented. Among other things, the Plan provides for:

a. the funding and sources of consideration for Plan distributions;

b. the terms of the Plan Settlement between the Debtors, the Committee, and the Settlement Parties;

c. the establishment and creation of the Liquidating Trust, the execution of the Liquidating Trust Agreement, the appointment of the Liquidating Trustee, and the transfer of the Liquidating Trust Assets to the Liquidating Trust;

d. the preservation of the Debtors' Retained Causes of Action and respective assignment of certain causes of action to the Liquidating Trust;

e. the authorization and issuance of Reorganized HGE Common Stock;

f. the contribution of Guidepost Global Assets to Reorganized HGE for the benefit of the Plan Sponsor;

g. the transfer of the Designated EB-5 Entities (except for their assets unless otherwise specified in the Plan Supplement) to Guidepost Global;

h. the cancellation of Equity in the Debtors identified in the Plan Supplement;

i. the release of Liens with respect to any of the Debtors' Property;

j. the exemption of certain securities law matters;

k. the authorization and approval to dissolve certain Debtors;

l. settlement of Claims and Interests and establishment of certain agreements and critical documents, like the Corporate Documents; and

m. other actions that each applicable Entity determines to be necessary, including making filings or records that may be required by applicable Law in connection with the Plan.

30. Accordingly, I believe the Plan satisfies section 1123(a)(5) of the Bankruptcy Code, and no party has asserted otherwise.

7. Prohibition of the Issuance of Non-Voting Securities—Section 1123(a)(6).

31. I understand that section 1123(a)(6) of the Bankruptcy Code requires that a debtor's corporate constituent documents prohibit the issuance of non-voting equity securities. Article 5.1 of the Plan provides that upon the Effective Date, Reorganized HGE's Corporate Documents shall be deemed amended (a) to the extent necessary, to incorporate the provisions of the Plan, and (b) to prohibit the issuance by Reorganized HGE of nonvoting securities to the extent required under section 1123(a)(6) of the Bankruptcy Code. Accordingly, I believe the Plan satisfies section 1123(a)(6) of the Bankruptcy Code, and no party has asserted otherwise.

8. Directors and Officers — Section 1123(a)(7).

32. I understand that section 1123(a)(7) of the Bankruptcy Code requires that plan provisions with respect to the manner of selection of any director, officer, or trustee, or any other successor thereto, be consistent with the interests of creditors and equity security holders and with public policy. The Plan satisfies this requirement by providing for the appointment of the officers and directors of Reorganized HGE and Reorganized HGE Subsidiaries upon the Effective Date. The members of Reorganized HGE are set forth in Exhibit J of the Plan Supplement.

33. Accordingly, I believe the Plan satisfies section 1123(a)(7) of the Bankruptcy Code, and no party has asserted otherwise.

B. The Plan Complies with the Discretionary Provisions of Section 1123(b) of the Bankruptcy Code.

34. I understand that the Plan includes various discretionary provisions that are consistent with section 1123(b) of the Bankruptcy Code, but not necessary for confirmation under the Bankruptcy Code. For example, the Plan provides for (a) a general settlement of Claims and Interests, including the Plan Settlement, (b) impairs certain Classes of Claims and Interests and leaves others Unimpaired, (c) proposes treatment for Executory Contracts and Unexpired Leases,

and (d) provides a structure for Claim allowance and disallowance, and establishes a distribution process for the satisfaction of Allowed Claims entitled to distributions under the Plan.

35. In addition, Articles 4 and 10 of the Plan also contains release, exculpation, and injunction provisions. I believe each of these provisions is appropriate because, among other things, each (a) is the product of arm's-length negotiations, (b) has been critical to obtaining the support of the various constituencies for the Plan, (c) is given for valuable consideration, (d) was a material inducement for parties to enter into the Plan Settlement and support the Plan, and (e) is fair and equitable and in the best interests of the Debtors, their Estates, and these Chapter 11 Cases. Further, these provisions were fully and conspicuously disclosed to all parties in interest through the Combined Notice, Notice of Non-Voting Status, Ballots, and Opt-Out Form. The Combined Notice excerpted the full text of the release, exculpation and injunction provisions and relevant definitions as set forth in the Plan. Moreover, the Ballot and Opt-Out Form contained the full text of the Third-Party Release provision and relevant definitions. Such provisions are discussed in turn below but, in summary, I believe each satisfy the requirements of section 1123(b) of the Bankruptcy Code.

1. The Plan Appropriately Incorporates a Settlement of Claims and Causes of Action.

36. The Plan provides for a general settlement of Claims and Interests, including the Global Settlement. I understand that pursuant to section 1123 of the Bankruptcy Code debtors may release causes of action held by their estates as consideration for the concession made by their various stakeholders pursuant to the plan. I also understand that Bankruptcy Rule 9019 provides debtors with a mechanism through which to seek approval of compromises and settlements.

37. On or around September 12, 2025, the Debtors, the Committee and the Settlement Parties agreed in principle to the Plan Settlement, which is incorporated in the Plan. The Plan Settlement provides for, among other things:

- Sources of Consideration for Plan Distributions. The Debtors, DIP Lenders, and Settlement Parties are contributing the following: (a) the Plan Sponsor Consideration, (b) the Surplus DIP Cash, (c) the Settlement Payment, (d) any D&O Claim Resolution, (e) the Liquidating Trust Assets, and (f) D&O Insurance Policies.

- Creation of Liquidating Trust. The Plan will provide for the creation of a Liquidating Trust to hold and monetize certain assets for the benefit of the Liquidating Trust Beneficiaries.

- Settlement Party Payment. On the Effective Date, the Settlement Parties shall pay or cause to be paid to the Debtors or Liquidating Trustee, as applicable, aggregate Cash in the amount of $1,950,000 (the "**Settlement Party Payment**"). The amount of the Settlement Party Payment shall be reduced on a dollar-for-dollar basis by the amount of the Excess Surplus DIP Cash. For example, if the Excess Surplus DIP Cash is $100,000, then the Settlement Party Payment will be reduced by $100,000 to $1,895,000.

- Settlement Party Payment True-Up Mechanism. In the event the Debtors or the Liquidating Trustee, as applicable, receive Excess Surplus DIP Cash after the Settlement Parties contribute the Settlement Party Payment, then the Debtors or the Liquidating Trustee, as applicable, shall return such Excess Surplus DIP Cash to Reorganized HGE or otherwise true-up such Excess Surplus DIP Cash as agreed upon by the Settlement Parties.

- Plan Sponsor Consideration. On the Plan Effective Date, the Plan Sponsor shall distribute the Plan Sponsor Consideration, if any, to the Liquidating Trust.

- Junior DIP Lender Consideration. On the Effective Date, in the event the Junior DIP Lender has not fully funded the Junior DIP Loan, the Junior DIP Lender shall contribute all remaining amounts outstanding and available to the Debtors under the Junior DIP Loan to the Liquidating Trust. Notwithstanding the foregoing, the Debtors shall be permitted to setoff valid amounts owed by the Debtors to the Junior DIP Lender against the Junior DIP Lender's remaining funding obligations under the Junior DIP Loan.

- D&O Claim Resolution. On the Effective Date, all Debtors' Retained Causes of Action against all Non-Released D&Os shall be transferred and

assigned to, and shall vest in, the Liquidating Trust for the benefit of the Liquidating Trust Beneficiaries.

- Settlement Party Release of Certain Claims. On the Effective Date, unless as otherwise expressly set forth in the Plan, the Settlement Parties shall release and waive all Claims and Causes of Action against the Debtors' Estates.

- Settlement Party Mutual Releases. On the Effective Date and upon payment in full of the Settlement Party Payment, the Releasing Parties and the Settlement Parties shall be mutually released as set forth in Article 10.3 of the Plan.

38. I understand that to approve the settlements contemplated in the Plan, including the Plan Settlement, the Court must find that settlements are "fair and equitable" and in the best interests of the Estates and creditors. It is my understanding that "fair and equitable" requires compliance with the absolute priority rule; that is, junior stakeholders, such as equity, receive payment than they are entitled to under the Bankruptcy Code. It is also my understanding that to satisfy the "best interests" test in this context, the Court will consider the (a) probability of success of litigation, (b) the complexity and duration of the litigation, (c) the interest of creditors, giving some deference to their reasonable views, and (d) whether the settlement of such claims was truly the product of arm's-length negotiation, and not of fraud or collusion. After discussing these standards with the Debtors' advisors, reviewing the terms of the settlements contemplated in the Plan, and conducting a fulsome investigation of potential Estate Claims and Causes of Actions, it is my opinion, as Independent Director of the Debtors, that the settlements, including the Plan Settlement, are fair and equable and in the best interest of the Debtors' Estates and their creditors.

39. ***First***, I believe that the general settlement of Claims and Interests under the Plan, including the Plan Settlement, is "fair and equitable," because based on discussions with the Debtors' advisors, I understand that the Plan does not violate the absolute priority rule since the Plan Settlement does not provide any class skipping or other violations of the payment priorities

governed by the Bankruptcy Code. To the best of my knowledge, I understand that the Plan and settlements provided therein do not allow junior stakeholders to receive distributions before senior claims are paid in full. In fact, it is my understanding that Holders of Claims in more senior classes (*i.e.,* Classes 1, 2, 4, and 5) agreed to waive their distributions under the Plan so that general unsecured creditors (Class 8) will receive distributions on account of their Allowed Claims. This was done via the Plan Settlement. As detailed below, I understand that without the general settlement of Claims and Causes of Action, including the Plan Settlement, general unsecured creditors would receive nothing under the Plan (or in a hypothetical chapter 7 liquidation). Accordingly, I believe that the general settlement of Claims and Interests under the Plan, including the Plan Settlement, is "fair and equitable."

40. ***Second***, I believe the Plan and Plan Settlement are in the best interest of the Debtors' Estates and a sound exercise of the Debtors' business judgement. I firmly believe that without the settlements contemplated in the Plan, including the Plan Settlement, significant litigation would ensue. To that end, before agreeing to the Plan and as detailed below, I have evaluated the potential Claims and Causes of Action against the Released Parties that the Debtors propose to release or otherwise settle through the Plan and have determined that they are complex. I believe that if the Debtors were to pursue these Claims and Causes of Action, it would be costly to the Estates as the potential defendants (*i.e.*, the Released Parties) would vigorously defend and assert various counterclaims. I believe the likelihood of success on such litigation is uncertain. Moreover, it is my opinion that pursuing such litigation would be time consuming, costly, lengthy, and could potentially go for multiple years. The funding to pursue the litigation of these Claims and Causes of Action is not readily available for the Debtors, and they would likely need to obtain financing from a third party not currently involved in these Chapter 11 Cases. These unknown

factors, which add costs and time to any potential recoveries, were material in my considerations when agreeing to the settlements and releases of potential Claims and Causes of Action, including the Plan Settlement.

41. Moreover, the Plan and settlements therein have the support of the Committee and a majority of the Debtors' creditors. Furthermore, I participated in the negotiations surrounding the Plan Settlement and development of the Plan. These complex and protracted discussions were done all in good faith and at arm's-length between the Debtors, the Committee, the Plan Sponsor, the other Settlement Parties, and their respective professionals. There is no evidence of fraud or collusion or any other misconduct. In sum, I firmly believe that the settlements and releases contemplated in the Plan, including the Plan Settlement, ensures a larger recovery for Holders of Allowed General Unsecured Claims because as part of the Plan Settlement, the Holders of Claims in Classes 1, 2, 4, and 5 (*i.e.*, the Settlement Parties) agreed to waive distributions under the Plan to allow for a distribution to Holders of Allowed General Unsecured Claims in Class 8.

42. Accordingly, I believe that the general settlement of Claims and Interests under the Plan, including the Plan Settlement, is in the best interests of the Debtors' Estates, satisfies the requirements of section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and should be approved by the Bankruptcy Court.

2. Debtor Release.

43. I understand that Article 10.2 provides for the Debtor Release. It is my understanding that approval of the Debtor Release requires the same standard as approval of compromises and settlements—that is, the release is fair and equitable and in the best interest of the estate. I believe that the Debtor Release is "fair and equitable" because the Debtor Release does not violate the absolute priority rule. While certain Classes have rejected the Plan, the Debtor

Release and settlements embodied therein, and in the Plan, do not result in any junior Classes receiving or retaining any property on account of junior Claims or Interests.

44. In addition to being fair and equitable, I believe that the Debtor Release is in the best interest of the Debtors' Estates and a sound exercise of the Debtors' business judgement. ***First***, as the Independent Director, I conducted a thorough investigation into the viability of potential Claims or Causes of Action held by the Debtors' Estates. After extensive analysis of the potential Claims and Causes of Action and consultation with the Debtors' advisors, I ultimately concluded, if litigated, the Debtors' Claims or Causes of Action against the Released Parties that were not likely to provide value to the Estates beyond that provided under the Plan Settlement. As such, after completing the investigation and with the assistance of the Debtors' legal and other advisors, I determined on behalf of the Debtors in a sound exercise of their business judgement that the Debtor Release set forth in Article 10.2 of the Plan is appropriate, and integral to the Plan. Accordingly, I believe the Debtor Release satisfies the requirements of section 1123(b) of the Bankruptcy Code.

45. ***Second***, as a piece of the Plan Settlement, the Debtor Release is supported by the Committee in light of the consideration that the Settlement Parties have agreed to provide and the waiver of the Senior and Junior DIP Claims under the Plan.

46. ***Third***, it is my belief that the Debtor Release is integral to the Plan, including the Plan Settlement. The Plan and Plan Settlement are the product of extensive negotiation between the Debtors, the Committee, the Plan Sponsor, and the other Settlement Parties, all of whom were represented by sophisticated counsel. I believe that the Plan Settlement, which includes the Debtor Release, paves the path forward for a consensual exit from the Chapter 11 Cases, provides for a meaningful distribution to Holders of Allowed General Unsecured Claims, and avoids lengthy,

complex, and value-destructive litigation that would potentially destroy any recoveries for Allowed General Unsecured Claims. Moreover, these Chapter 11 Cases stand or fall on the support and contributions of the Released Parties, which I believe would not be possible without providing the Debtor Release in exchange.

47. For these reasons, I believe that the Debtor Release is justified, is a sound exercise of the Debtors' business judgment, and should be approved.

3. Third-Party Release

48. I understand that Article 10.3 of the Plan provides that the each Releasing Party—including Holders of Claims and Interests who do not specifically opt-out to their inclusion as a Releasing Party—and Related Parties, solely in their respective capacities as such and to the maximum extent permitted by the law, shall release any and all Causes of Action such parties could assert against the Released Parties.

49. It is my understanding that Third-Party Releases are permissible only if they are consensual, which require that all Releasing Parties to receive adequate notice with a meaningful opportunity the chance to "opt-out" of such release. As detailed in the Voting Report and accompanying Declaration, I believe that all parties were provided with such notice. Parties in interest were provided detailed notice about the Plan, the Objection Deadline, the Voting Deadline, and the opportunity to opt-out of the Third-Party Release through the information in the Solicitation Package, specifically the Ballots and Opt-Out Forms. The Disclosure Statement also included a detailed description of the Third-Party Release and the opt-out mechanism. Moreover, the Ballots each quoted the entirety of the Third-Party Release in bold, conspicuous font and clearly informed Holders in the Voting Classes that a vote to accept the Plan is deemed consent to the Third-Party Release. The Opt-Out Form also quoted the Third-Party Release and included an option to check a box to opt-out of the Third-Party Release. The certificate of service show that

the Ballots and Opt-Out Forms were served on the Voting Classes and Non-Voting Classes, such that all parties in interest had the opportunity to opt-out. As a result, I believe that every known stakeholder, including creditors not entitled to vote on the Plan, was served with the means by which such stakeholder could opt-out of the Third-Party Release.

50. I also believe that the Third-Party Release is given for consideration. As part of the Plan Settlement, many of the Released Parties, including the Settlement Parties and the DIP Lenders, have made significant concessions and commitments that will allow the Holders of Allowed General Unsecured Claims to receive a distribution under the Plan and to facilitate the transactions therein. The Debtors, the Committee, the DIP Lenders, and the Settlement Parties spent months negotiating these concessions, which lead to the Plan Settlement embodied in the Plan. Even pre-petition, the Debtors, DIP Lenders, and the Settlement Parties (which were formally the Supporting RSA Parties) worked together for months prior to the commencement of these Chapter 11 Cases in an effort to reach a value-maximizing deal for the Debtors' stakeholders. And the Debtors' directors and officers steadfastly maintained their duties to maximize value for the benefit of all stakeholders, investing countless hours both prior to and after filing these Chapter 11 Cases in addition to performing their ordinary course responsibilities.

51. I believe that the Plan embodies a global compromise and the release of claims and Causes of Action among various parties including, among others, the Debtors, the DIP Lenders, the Committee, the Settlement Parties and the Debtors' directors, officers, managers, and employees (in their capacities as such). I believe that the Plan resolves a series of issues that could have cast uncertainty over the Debtors' restructuring and avoids further protracted and expensive litigation related to confirmation of the Plan.

52. I further believe that the Third-Party Release is an integral aspect of the Plan Settlement, without which, there would be no value available to Holders of General Unsecured Claims under the Plan because there would be no Plan Settlement. Moreover, it is my understanding that the availability of the Third-Party Release was key in securing the support of the Released Parties (including the Settlement Parties) to, among other things, negotiate and agree to the Plan Settlement, which inured to the benefit of all stakeholders. Put simply, it is my understanding that the Debtors' key stakeholders are unwilling to support the Plan without the assurance that they and their collateral would not be subject to post-emergence litigation or other disputes related to these cases. I firmly believe that the Third-Party Release not only benefits the non-Debtor Released Parties, but the Estates as a whole.

4. Exculpation.

53. I understand that Article 10.4 of the Plan provides that each Exculpated Party—*i.e.*, (a) each of the Debtors; (b) the Independent Director; and (c) the Committee and each of its members—shall be released and exculpated from any Cause of Action arising out of acts or omissions in connection with these Chapter 11 Cases and certain related transactions, except for acts or omissions that are found to have been the product of actual fraud, willful misconduct, or gross negligence (the "**Exculpation Provision**").

54. I also understand that part of the Exculpation Provision provides that each of the 1125(e) Exculpation Parties—*i.e.*, (a) each of the Exculpated Parties; (b) Reorganized HGE, (c) the Professional Persons retained in the Chapter 11 Cases, and (d) the Related Parties of each to the extent permitted under section 1125(e) of the Bankruptcy Code—shall not incur liability for any Cause of Action or Claim related to any act or omission in connection with the (y) the solicitation of acceptance or rejection of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code or (z) the participation, in good faith and in

compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the Plan.

55. I believe that the Exculpation Provision in the Plan is an integral piece of the overall settlement embodied by the Plan. It is limited to parties who have performed valuable services in connection with the Debtors' restructuring, and is the product of good faith, arm's-length negotiations. The Exculpation Provision is narrowly tailored to exclude acts of actual fraud, willful misconduct, or gross negligence, and relates only to acts or omissions in connection with, or arising out, of the Debtors' restructuring. It is my understanding that the Exculpation Provision was important to the development of a feasible, confirmable Plan, and the Exculpated Parties participated in these Chapter 11 Cases in reliance upon the protections afforded to those constituents by the Exculpation Provision. Moreover, I believe that the 1125(e) Exculpation Parties would not have been willing to participate in the Debtors' restructuring efforts absent assurances that they would be exculpated for their conduct during these chapter 11 cases to the extent they acted in good faith.

56. Accordingly, I believe that the Exculpation Provision is appropriate, justified, and necessary under the facts and circumstances of these Chapter 11 Cases.

5. Injunction.

57. It is my understanding that the injunction provision set forth in Article 10.5 of the Plan (the "**Injunction Provision**") is a necessary part of the Plan because it enforces the Debtors' discharge, Debtor Release, Third-Party Release, and the Exculpation and by extension the Plan Settlement on which the Plan is founded. The Injunction Provision affords the Debtors and their stakeholders (including, among others, the Released Parties and the Exculpated Parties) a greater degree of certainty with respect to the Chapter 11 Cases and transactions contemplated therein by requiring the Court's authorization for parties to commence or pursue Claims or Causes of Action

that relate to or are reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action subject to the Debtor Release, or the Exculpation Provision. Further, I understand the Injunction Provision is consensual as to any party who did not specifically object to it. I also understand that it the Injunction Provision is permissible as to legally exculpated parties.

58. Accordingly, I believe that the Injunction Provision is appropriate, justified, and necessary under the facts and circumstances of these Chapter 11 Cases.

C. The Plan Complies with Section 1123(d) of the Bankruptcy Code.

59. I understand that section 1123(d) of the Bankruptcy Code provides that the amount proposed in a plan to cure a default will be determined in accordance with the underlying agreement and applicable nonbankruptcy law. I understand that the Plan complies with section 1123(d) of the Bankruptcy Code because in accordance with Article 9 of the Plan and section 365 of the Bankruptcy Code, payment of a Cure Claim on account of each assumed or assumed and assigned Executory Contract and Unexpired Lease shall be made on the Effective Date or as soon as reasonably practicable thereafter, or in the ordinary course of business or on other terms as the parties to such Executory Contract or Unexpired Lease may agree. I also understand that the Plan provides that the Cure Claims related to designation of an Executory Contract and Unexpired Lease by the Plan Sponsor shall be paid by the Plan Sponsor in addition to the funding of the Plan Sponsor Consideration; and any and all Cure Claims related to a Transferred Executory Contract / Unexpired Lease shall be paid by Guidepost Global, CEA, or TNC, as applicable. To the extent there is a dispute related to any such Cure Claim, then payment of such Cure Claim shall be made following the entry of a Final Order or orders resolving such dispute and approving such assumption (and, if applicable, assignment).

D. The Debtors Have Satisfied the Applicable Provisions of the Bankruptcy Code—Section 1129(a)(2).

60. I understand that section 1129(a)(2) of the Bankruptcy Code requires the plan proponent to comply with the applicable provisions of the Bankruptcy Code. I have been advised that section 1129(a)(2) encompasses both the disclosure and solicitation requirements set forth in section 1125 of the Bankruptcy Code, as well as the plan acceptance requirements set forth in section 1126 of the Bankruptcy Code.

61. I understand that the Court conditionally approved the Disclosure Statement as containing adequate information, and the Debtors solicited and tabulated votes on the Plan in accordance with the Solicitation Procedures approved by the Court in the Solicitation Motion Order. As further detailed in the Voting Report, the Debtors, through their Claims and Noticing Agent, complied with the content and delivery requirements of the Solicitation Motion Order. I understand that the Debtors transmitted the same Disclosure Statement to each Holder of a Claim entitled to vote on the Plan.

62. I further understand that the Debtors solicited votes from the Holders of Claims in Impaired Classes entitled to vote under the Plan, as indicated below. The remaining Holders of Claims and Interests in the Classes listed in the table below are either Unimpaired under the Plan and therefore were deemed to accept the Plan or will not receive any distribution under the Plan and are therefore deemed to reject the Plan. While the Debtors did not solicit votes from the Holders of Claims and Interests in such Classes, the Debtors mailed (a) the Combined Hearing Notice and (b) the applicable Notice of Non-Voting Status to such Holders in accordance with the Solicitation Motion Order. The Classes not entitled to vote on the Plan and each Class's respective status are as follows:

Class	Claims and Interests	Status	Voting Rights
Class 1	Bridge CN-3 Secured Lender Claim	Impaired	Entitled to Vote

Class	Claims and Interests	Status	Voting Rights
Class 2	WTI Secured Lender Claim	Impaired	Entitled to Vote
Class 3	CN-1 Note Claims	Impaired	Entitled to Vote
Class 4	CN-2 Note Claims	Impaired	Entitled to Vote
Class 5	CN-3 Note Claims	Impaired	Entitled to Vote
Class 6	Other Secured Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 7	Non-Tax Priority Claims	Unimpaired	Deemed to Accept; Not Entitled to Vote
Class 8	General Unsecured Claims	Impaired	Entitled to Vote
Class 9	Intercompany Claims	Impaired	Deemed to Reject; Not Entitled to Vote
Class 10	Equity	Impaired	Deemed to Reject; Not Entitled to Vote
Class 11	Subsidiary Equity Interests	Impaired	Deemed to Reject; Not Entitled to Vote

E. The Debtors Proposed the Plan in Good Faith—Section 1129(a)(3).

63. I understand that section 1129(a)(3) of the Bankruptcy Code requires that a chapter 11 plan be proposed in good faith. I believe that the Plan was proposed in good faith, with the legitimate and honest purpose of maximizing value for the Debtors and their estates.

64. It is my testimony that the Plan is the result of collaborative efforts between the Debtors, the Committee, the Settlement Parties, and their respective advisors and legal counsel. I believe that the Plan and Plan Settlement were negotiated in good faith and solely for the purpose to maximize recoveries for creditors. The Plan, including the Plan Settlement, is the product of months of extensive arm's-length negotiations between the Debtors, the Committee, the Plan Sponsor, the other Settlement Parties, and their respective professionals. I believe the Plan Settlement, which is embodied in the Plan, reflects a good faith compromise among the parties that achieves the best possible result for all of the Debtors' creditors and settles litigation that likely would have included material risk and been time consuming and costly. Accordingly, I believe the Plan satisfies section 1129(a)(3) of the Bankruptcy Code.

F. Payment of Professional Fees and Expenses Is Subject to Court Approval—Section 1129(a)(4).

65. It is my understanding that section 1129(a)(4) of the Bankruptcy Code requires that certain fees and expenses paid by the plan proponent, a debtor, or a person receiving distributions

of property under the plan be approved by the Court or remain subject to approval by the Court as reasonable. The Plan provides that Professional Fee Claims and corresponding payments are subject to prior Court approval and the reasonableness requirements under sections 328 and 330 of the Bankruptcy Code. Article 3.2.5.1 of the Plan provides that Professionals shall file all final requests for payment of Professional Fee Claims no later than forty-five (45) days after the Effective Date. Accordingly, I believe that the Plan complies with section 1129(a)(4) of the Bankruptcy Code.

G. The Plan Satisfies the Bankruptcy Code's Governance Disclosure Requirements—Section 1129(a)(5).

66. It is my understanding that section 1129(a)(5) of the Bankruptcy Code requires that the plan proponent disclose the identity and affiliation of any individual proposed to serve as a director or officer of the debtor or a successor to the debtor under the plan; appointment or continuance of such officers and directors be consistent with the interests of creditors and equity security holders and with public policy; and to disclose the identity of insiders to be retained by the reorganized debtor and the nature of any compensation for such insider. Article 5 of the Plan provides that, upon the Effective Date, the terms of the current members of the Debtors' board of directors and officers will no longer serve in any such capacity with Reorganized HGE. It is my understanding that corporate governance for Reorganized HGE, including charters, bylaws, operating agreements, or other organization documents, as applicable, will be consistent with section 1123(a)(6) of the Bankruptcy Code and the Reorganized HGE Corporate Documents. Additionally, the Debtors have disclosed the identities of their new directors in the Plan Supplement. I believe that the control of Reorganized HGE and Reorganized HGE Subsidiaries by the individuals to be appointed in accordance with the Plan and Corporate Documents will be consistent with public policy.

67. I further understand that the Plan appoints a Liquidating Trustee whose identity has been disclosed the Plan Supplement. Moreover, the Plan and Liquidating Trust Agreement (which is also part of the Plan Supplement)[3] describes, among other things, the Liquidating Trustee's right to administer the Estates, including making distributions to Holders of Claims and Interests and pursue any Claims or Causes of Action that constituted a Liquidating Trust Asset on behalf of the Debtors and their Estates.

68. Accordingly, I believe that the Plan complies with section 1129(a)(5) of the Bankruptcy Code.

H. The Plan Does Not Require Government Regulatory Approval of Rate Changes—Section 1129(a)(6).

69. It is my understanding that the Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and, accordingly, will not require governmental regulatory approval.

I. The Plan Is in the Best Interests of Holders of Claims and Interests—Section 1129(a)(7).

70. I have reviewed the classification of Claims and Interests under the Plan and the proposed distributions to each class of Claims or Interests. Pursuant to that review, I believe that the Plan satisfies the requirements of the Bankruptcy Code regarding the "best interests of creditors" test.

71. I understand that section 1129(a)(7) of the Bankruptcy Code, known as the "best interests of creditors test," requires that each Holder of an impaired Claim or Interest either (a) accepts the Plan or (b) receives or retains property under the Plan having a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under

[3] Plan Supplement, Exhibit E.

chapter 7 of the Bankruptcy Code. My understanding is that the best interests of creditors test applies to each non-consenting member of an impaired class and is generally satisfied by comparing estimated recoveries for a debtor's stakeholders in a hypothetical chapter 7 liquidation against the estimated recoveries under that debtor's plan of reorganization. Based on the analysis discussed below and as detailed in the Corwen Declaration, I believe that the projected recoveries for the non-consenting Impaired Claims and Interests under the Plan are equal to or in excess of the recoveries estimated in a hypothetical chapter 7 liquidation and that the Plan therefore satisfies the best interests of creditors test.

72. To determine whether the Plan satisfies the best interests of creditors test, the Debtors, with the assistance of SCP, prepared a hypothetical liquidation analysis, which is attached to the Disclosure Statement as Exhibit B (the "**Liquidation Analysis**"). SCP oversaw the preparation of the Liquidation Analysis and worked closely with the Debtors and their advisors in its development. The Liquidation Analysis was completed after due diligence by the Debtors and their advisors and was based on a variety of assumptions, which I believe are reasonable under the circumstances.

73. The Liquidation Analysis attached to the Disclosure Statement is based upon the most recent financial statements of the Debtors, which the Debtors used to estimate the Debtors' assets and liabilities as of the hypothetical conversion date. As disclosed in the Disclosure Statement, the Debtors believe they have approximately $243 million of federal net operating losses, $174 million of state net operating losses, and $2.5 million of foreign net operating losses as of the Petition Date.

74. To estimate the liquidation proceeds, the Liquidation Analysis attached to the Disclosure Statement assumes a hypothetical conversion date October 14, 2025 with $840,000 of

cash on hand available to provide for an estimate of cash proceeds (the "**Net Estimated Proceeds**") that a chapter 7 trustee would generate if the Debtors' Chapter 11 Cases were converted to chapter 7 cases, and the assets of the Debtors' estates were liquidated.

75. A comparison of the range of estimated liquidation recoveries to the estimated Plan recoveries indicates that each Holder of a non-consenting Impaired Claim or Interest will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Specifically, the projected recoveries under the Plan and the results of the Liquidation Analysis for all Holders of Claims and Interests are as follows:

Class	Claims/Interest	Estimated Recovery Under Hypothetical Ch. 7 Liquidation	Estimated Recovery Under Plan
N/A	DIP Claims	93.7%	0%
N/A	Administrative Claim	0%	100%
N/A	Priority Tax Claim	0%	100%
Class 1	Bridge CN-3 Secured Lender Claim	0%	0%
Class 2	WTI Secured Lender Claim	0%	0%
Class 3	CN-1 Note Claims	0%	0% - 1.8%
Class 4	CN-2 Note Claims	0%	0%
Class 5	CN-3 Note Claims	0%	0%
Class 6	Other Secured Claims	0%	N/A
Class 7	Non-Tax Priority Claims	0%	100%
Class 8	General Unsecured Claims	0%	1.8% - 10.1%
Class 9	Intercompany Claims	0%	0%
Class 10	Equity	0%	0%
Class 11	Subsidiary Equity Interests	0%	0%

76. Pursuant to section 1129(a)(7) of the Bankruptcy Code, I understand that the Court may not confirm a plan of reorganization unless each holder in impaired classes will receive value under the plan that is not less than what they would receive in a chapter 7 liquidation. Here, based on the Liquidations Analysis, no Holder of Claims or Interests would receive more in a hypothetical chapter 7 liquidation than it would receive under the Plan. Notably, in a hypothetical chapter 7 liquidation, ***all*** creditors junior to the DIP Claims, including the Holders of General Unsecured Claims (Class 8), would receive zero recovery. Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

J. Voting Requirements—Section 1129(a)(8).

77. I understand that the Bankruptcy Code generally requires that each class of claims or interests must either accept the plan or be unimpaired under the plan. I further understand that if any class of claims or interests rejects the plan, the plan must satisfy the "cramdown" requirements with respect to the claims or interests in that class. Here, I understand that because Class 8 (General Unsecured Claims) voted to reject the Plan, the Debtors do not satisfy section 1129(a)(8) of the Bankruptcy Code. However, even though certain Classes are deemed to reject the Plan, I understand that the Debtors still satisfy section 1129(b) of the Bankruptcy Code as at least one Impaired Class voted to accept the Plan. I believe that the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the deemed rejecting Classes and, therefore, the Plan satisfies section 1129(b) of the Bankruptcy Code with respect to such Classes.

K. Priority Cash Payments—Section 1129(a)(9).

78. I have been advised that section 1129(a)(9) of the Bankruptcy Code generally requires that claims entitled to administrative priority must be repaid in full in cash or receive certain other specified treatment. Article 3.2.3 of the Plan contemplates that Allowed

Administrative Claims will be repaid in full in Cash. Further, no Holders of the types of Claims specified by section 1129(a)(9) of the Bankruptcy Code are Impaired under the Plan. Article 3.3 of the Plan specifically provides that each Holder of Allowed Priority Tax Claims shall be paid in accordance with section 1129(a)(9)(C) of the Bankruptcy Code. The Plan also provides for sufficient funds to pay other priority claims, such as Other Non-Tax Priority Claims and Professional Fee Claims. Finally, it is my understanding that Claims related to wages and benefits entitled to priority either do not exist or have already been paid pursuant to the first day relief.

L. At Least One Impaired Class of Claims Accepted the Plan—Section 1129(a)(10).

79. I understand that the Bankruptcy Code provides that, to the extent there is an impaired class of claims, at least one impaired class of claims must accept the plan "without including any acceptance of the plan by any insider," as an alternative to the requirement under section 1129(a)(8) of the Bankruptcy Code that each class of claims or interests must either accept the plan or be unimpaired under the plan. I understand that of the Impaired Classes entitled to vote, Holders of Claims in Class 1 (Bridge CN-3 Secured Lender Claim), Class 2 (WTI Secured Lender Claim), Class 3 (CN-1 Note Claims), Class 4 (CN-2 Note Claims), and Class 5 (CN-3 Note Claims) voted to accept the Plan independent of any insiders' votes. Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

M. The Plan Is Feasible—Section 1129(a)(11).

80. I understand that section 1129(a)(11) of the Bankruptcy Code requires a court to determine that a chapter 11 plan is feasible and that confirmation of such plan is not likely to be followed by the liquidation or further financial reorganization of the Debtors (or any successors thereto) unless such liquidation or reorganization is proposed in the Plan. I have been advised that to demonstrate that a plan is feasible, it is not necessary for a debtor to guarantee success.

81. I believe that the Plan will provide the Debtors with a reasonable assurance of commercial viability upon emergence and will not be followed by liquidation or the need for further financial reorganization of the Debtors or any successor to the Debtors. Upon the Effective Date, the Debtors expect to have sufficient funds and proceeds from (a) the Plan Sponsor Consideration, (b) the Surplus DIP Cash, (c) the Settlement Party Payment, (d) any D&O Claim Resolution, (e) the Liquidating Trust Assets, and (f) the D&O Insurance Policies. These sources of Plan funding were heavily negotiated and are integral components to the Plan Settlement. I understand that on the Effective Date, the Settlement Parties will pay the Debtors or Liquidating Trustee, as applicable, in Cash the Settlement Party Payment. Following the Petition Date, additional sources of funding is expected to come from proceeds of the Debtors' Retained Causes of Action (which are transferred to the Liquidating Trust for the benefit of Liquidating Trust Beneficiaries). Moreover, because the DIP Lenders and Settlement Parties are waiving their right to receive distributions under the Plan, I believe that the Debtors and Liquidating Trustee, as applicable, will have sufficient funds to pay Allowed Administrative Expense Claims and other priority claims in accordance with the Plan and to make the other distributions contemplated by the Plan.

82. Accordingly, I believe that the Plan is feasible and not likely to be followed by liquidation or further reorganization, satisfying section 1129(a)(11) of the Bankruptcy Code.

N. The Plan Provides for Payment of All Fees—Section 1129(a)(12).

83. Article 3.4 of the Plan includes an express provision requiring payment of all fees under 28 U.S.C. § 1930 until these Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first, in compliance with section 1129(a)(12) of the Bankruptcy Code.

O. Retiree Benefits, Domestic Support Obligations, Individuals, and Nonprofit Corporations— Section 1129(13)-(16).

84. Based on my knowledge of the Debtors' business and information provided by the Debtors' advisors, I believe the Debtors do not have any obligations to pay any retiree benefits, so section 1129(a)(13) of the Bankruptcy Code is inapplicable. Moreover, I believe that sections 1129(a)(14) through 1129(a)(16) of the Bankruptcy Code do not apply to the Plan because the Debtors are not subject to domestic support obligations, are not "individuals," and are not nonprofit corporations.

P. The Plan Satisfies the Requirements for Confirmation of the Plan Over Nonacceptance of Impaired Classes—Section 1129(b).

85. I understand that if all applicable requirements of section 1129(a) of the Bankruptcy Code are satisfied, other than section 1129(a)(8), a plan may still be confirmed so long as the requirements set forth in section 1129(b) are satisfied.

86. I understand that (a) Classes 1, 2, 3, 4, and 5 voted to accept the Plan, and (b) the Plan does not discriminate unfairly and is fair and equitable with respect to the Rejecting Classes—*i.e.*, Class 8 (General Unsecured Claims), Classes 9 (Intercompany Claims), 10 (Equity), and 11 (Subsidiary Equity Interests).

87. In particular, I believe that the Plan does not unfairly discriminate and the treatment of the Rejecting Classes is proper because all similarly situated holders of Claims and Interests will receive substantially similar treatment, and the Plan's classification scheme rests on a legally acceptable rationale. That is, Class 8 is comprised of Holders of General Unsecured Claims. Holders of Intercompany Claims are in Class 9, while Holders of Equity and Subsidiary Equity Interests are in Classes 10 and 11, respectively. In addition, I believe that the Plan is fair and equitable and satisfies the absolute priority rule because no Claims or Interests that are junior to the Rejecting Classes will receive or retain any property under the Plan. Rather, I understand the

Classes junior (*i.e.*, Classes 9, 10, and 11) to Class 8 are deemed to reject the Plan because they will not receive distributions under the Plan.

88. Accordingly, I believe that the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code.

Q. The Plan Complies with the Other Provisions of Section 1129 of the Bankruptcy Code— Sections 1129(c)-(e).

89. I understand that section 1129(c) of the Bankruptcy Code prohibits the confirmation of multiple plans. Section 1129(c) of the Bankruptcy Code is not implicated here because there is only one proposed plan.

90. The Plan was not filed for the purpose of avoidance of taxes or the application of section 5 of the Securities Act of 1933, as amended. Moreover, I understand that no party that is a governmental unit, or any other entity, has requested that the Bankruptcy Court decline to confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933. Accordingly, I believe that the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

91. I understand that section 1129(e) of the Bankruptcy Code does not apply to the Plan because none of the Debtors' Chapter 11 Cases is a "small business case" within the meaning of the Bankruptcy Code.

IV. Good Cause Exists to Waive the Stay of the Confirmation Order.

92. I understand that certain Bankruptcy Rules provide for the 14-day stay of an order confirming a chapter 11 plan, but that such a stay may be waived upon court order after a showing of good cause.

93. Given the complexity of the Plan and the various transactions implicated by the Plan, and that each day the Debtors remain in chapter 11 they incur significant administrative and

professional costs, the Debtors seek to waive the stay so that the Effective Date can occur as soon as needed. Accordingly, I believe that good cause exists to waive any stay imposed by the Bankruptcy Rules so that the proposed Confirmation Order may be effective immediately upon its entry.

V. Conclusion.

94. In conclusion, it is my opinion that the Plan satisfies the confirmation requirements of the Bankruptcy Code and thus, should be approved.

[Remainder of page intentionally left blank.]

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

DATED: November 21, 2025

/s/ Marc D. Kirshbaum
Marc D. Kirshbaum