

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

Chapter 11

OREXIGEN THERAPEUTICS, INC.,

Case No. 18-10518 (KG)

Debtor.<sup>1</sup>

**MODIFIED** PLAN SUPPLEMENT

THIS **MODIFIED** PLAN SUPPLEMENT IS FILED IN CONNECTION WITH THE DEBTOR'S **MODIFIED** AMENDED PLAN OF LIQUIDATION DATED ~~MARCH 27~~MAY 14, 2019.

THIS **MODIFIED** PLAN SUPPLEMENT, INCLUDING THE AMOUNTS SET FORTH HEREIN AND DOCUMENTS ATTACHED HERETO, ARE SUBJECT TO BEING MODIFIED, AMENDED OR SUPPLEMENTED FROM TIME TO TIME PRIOR TO THE EFFECTIVE DATE. THE DOCUMENTS ~~CONTAINED OR REFERENCED IN~~ATTACHED TO THIS **MODIFIED** PLAN SUPPLEMENT ARE INTEGRAL TO THE PLAN AND THE DEBTOR WILL SEEK APPROVAL OF **THE FORMS OF** SUCH DOCUMENTS PURSUANT TO THE CONFIRMATION ORDER.

Wilmington, Delaware

~~April 29~~May 14, 2019

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-and -

*Counsel for the Debtor and Debtor in Possession*

<sup>1</sup> The last four digits of the Debtor's federal tax identification number are 8822. The Debtor's mailing address for purposes of this Chapter 11 Case is Orexigen Therapeutics, Inc. c/o Hogan Lovells US LLP, 390 Madison Avenue, New York, NY 10017. Capitalized terms used, but not otherwise defined, herein shall have the meanings set forth in the Liquidation, dated March 27, 2019 [[Dkt. No.1007](#)].



**I. Identity of the Wind Down Administrator**

The Committee has appointed Province, Inc. as the Wind Down Administrator. A copy of the draft Wind Down Entity Agreement is attached as Exhibit A. Province, Inc.'s proposed engagement letter is attached hereto as Exhibit B.

**II. Identities of Members of the Wind Down Committee**

The Creditors' Committee has designated the following Persons to serve on the Wind Down Committee:

1. Wilmington Savings Funds Society, FSB
2. McKesson Specialty Health
3. Young & Rubicam, LLC

**III. 401(k) Administrator Reserve**

To be funded on the Effective Date from Cash on Hand in the amount of \$45,500, which is comprised of the following, and shall constitute the 401(k) Administrator Budget:

1. \$15,000: 401(k) Administrator compensation, to be paid in accordance with at the 401(k) Administrator Consulting Agreement to be filed with the Bankruptcy Court at least seven (7) days prior to the Confirmation Hearing the proposed form of which is attached hereto as Exhibit C.
2. \$7,500: legal fees
3. \$5,000: broker fees
4. \$13,000: fees and expense for audit
5. \$5,000: expenses for Purchaser support with audit

**IV. Lender Litigation Expense Reserve**

To be funded on the Effective Date from Cash on Hand in the amount of \$1,000,000. This amount was determined by the Required Prepetition Secured Noteholders, in consultation with the Creditors' Committee, to be sufficient for use by the Wind Down Entity to fund Lender Litigation Expenses.

**V. Priority Claim Reserve**

To be funded on the Effective Date from Cash on Hand in the amount of \$~~96,968~~146,968.

This amount was determined by the Debtor, in consultation with, and with the consent of, the Required Prepetition Secured Noteholders, to make the following distributions:

1. Allowed Administrative Claims: ~~\$25,000~~\$75,000
  - a. \$50,000 is earmarked for payment of the administrative claims asserted by Discovery, Inc., Food Network, Home & Garden Television and DIY Network in their motion filed May 6, 2019 [Dkt. No. 1092], to the extent such claims are allowed in whole or part.
2. Allowed Professional Fee Claims: \$71,968
  - a. Hogan Lovells US LLP: \$63,804
  - b. Morris, Nichols, Arsht & Tunnell LLP: \$8,164
3. Allowed Priority Tax Claims: \$0 (will be paid in full on Effective Date)

4. Allowed Claims in Class 1 (Priority Claims): \$0 (will be paid in full on Effective Date)
5. Allowed Claims in Class 2 (Other Secured Claims): \$0 (there are no such Claims)

**VI. Wind Down Operating Expense Reserve**

To be funded on the Effective Date from Cash on Hand in the amount of ~~\$682,600~~882,600.

This amount was determined by the Required Prepetition Noteholders to be sufficient for use by the Wind Down Entity to fund the following estimated Wind Down Operating Expenses:

1. Wind Down Administrator fees: \$180,000
2. Costs and expenses incurred by the Wind Down Administrator in administering the Wind Down Entity: \$50,000
3. U.S. Trustee fees: \$252,600
4. Fees and expenses of the Wind Down Advisors: \$200,000
5. U.S. Bank, as Prepetition Secured Notes Indenture Trustee: \$50,000
6. Quinn Emanuel Urquhart & Sullivan, LLP and other counsel for the Required Prepetition Noteholders: \$150,000

**VII. Professional Fee Escrow**

To be funded on the Effective Date from Cash on Hand in the amount of \$1,590,000. Obligations with respect to Allowed Professional Fee Claims shall not be limited nor deemed limited to the balance of funds held in the Professional Fee Escrow.

This amount is equal to the Professional Fee Claims Estimate as of this date, as determined by the Debtor with the consent of the Required Prepetition Secured Noteholders, and is comprised of the following amounts:

Hogan Lovells US LLP:	\$375,000
Ernst & Young LLP	\$420,000
Morris, Nichols, Arsht & Tunnell LLP	\$112,500
KCC LLC	\$240,000
Landis Roth & Cobb	\$262,500
Irell & Manella LLP	\$150,000
Elliot Greenleaf, P.C.	\$15,000
Berkeley Research Group	\$15,000

**VIII. Distribution of Balances**

All amounts remaining in the (i) 401(k) Administrator Reserve, (ii) Lender Litigation Expense Reserve, (iii) Priority Claim Reserve, (iv) Wind Down Operating Expense Reserve and (v) Professional Fee Escrow shall be distributed to the Holders of Class 3 Prepetition Secured Noteholder Claims in accordance with the Plan, Wind Down Entity Agreement and Confirmation Order.

**IX. Wind Down Entity Documents**

Exhibit A: (Draft) Wind Down Entity Agreement

Exhibit B: (Proposed) Province, Inc. Engagement Letter

Exhibit C: (Proposed) 401(k) Administrator Consulting Agreement