

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
Debtors.	)	(Jointly Administered)
	)	Re: Docket Nos. 66-68, 101, 155, 190

**NOTICE OF REVISED PROPOSED ORDER
REGARDING BIDDING PROCEDURES MOTION**

PLEASE TAKE NOTICE that on June 4, 2023 (the “Petition Date”), each of the above-captioned debtors and debtors in possession (the “Debtors”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), with the Clerk of the United States Bankruptcy Court for the District of Delaware. The Debtors are continuing to operate their businesses and manage their affairs as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE on June 6, 2023, the Debtors filed the *Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter Into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof;*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.



(II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief [Docket No. 66] (the "Bidding Procedures Motion").

PLEASE TAKE FURTHER NOTICE that a hearing (the "Hearing") on the bidding procedures relief sought in the Bidding Procedures Motion is currently scheduled to commence on Friday, July 21, 2023 at 10:30 a.m. (ET).

PLEASE TAKE FURTHER NOTICE that the Debtors have revised the proposed order that they intend to present at the hearing. A copy of that order as revised (the "Revised Proposed Order") is attached hereto as **Exhibit A**. A copy of the Revised Proposed Order marked to show changes from the version filed with the Bidding Procedures and Sale Motion is attached hereto as **Exhibit B**.

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Dated: July 19, 2023
Wilmington, Delaware

/s/ Michael W. Yurkewicz

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EXHIBIT A

Revised Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
In re:	)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
	)	Re: Docket Nos. 66-68, 101, 155, 190

**ORDER (I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS’ ASSETS; (B) AUTHORIZING
THE DEBTORS TO ENTER INTO ONE OR MORE STALKING HORSE
AGREEMENTS AND TO PROVIDE BIDDING PROTECTIONS THEREUNDER;
(C) SCHEDULING AN AUCTION AND APPROVING THE FORM AND MANNER
OF NOTICE THEREOF; (D) APPROVING ASSUMPTION AND ASSIGNMENT
PROCEDURES; AND (E) SCHEDULING A SALE HEARING AND APPROVING
THE FORM AND MANNER OF NOTICE THEREOF; (II)(A) APPROVING THE
SALE OF THE DEBTORS’ ASSETS FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS AND ENCUMBRANCES AND (B) APPROVING
THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS
AND UNEXPIRED LEASES; AND (III) GRANTING RELATED RELIEF**

Upon the Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief [Docket No. 66] (the “Motion”)² filed by the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”); the Court having reviewed the Motion, the First Day Declaration [Docket No. 12], the Augustine Declaration [Docket No. 67], and the Frejka Declaration [Docket No. 68], and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court on July 21, 2023 to consider certain of the relief requested in the Motion (the “Bidding Procedures Hearing”); and after due deliberation, this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors, and the Debtors having demonstrated good, sufficient and sound business justifications for the relief granted herein;

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. Jurisdiction and Venue. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.B.

B. Statutory and Legal Predicates. The statutory and legal predicates for the relief requested in the Motion are sections 105(a), 363, 365, 503, and 507 of the Bankruptcy

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion or in the Bidding Procedures, as applicable.

³ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014 and Local Rules 2002-1, 6004-1, and 9006-1.C.

C. Sale Process. The Debtors and their advisors engaged pre-petition with a number of potential interested parties prior to the execution of the Stalking Horse Agreements to solicit and develop the highest and otherwise best offers for the Assets.

D. Bidding Procedures. The Debtors have articulated good and sufficient business reasons for the Court to approve the bidding procedures attached hereto as **Exhibit 1** (the "Bidding Procedures"). The Bidding Procedures are fair, reasonable and appropriate and are designed to maximize the value of the proceeds of one or more sales (each, a "Sale Transaction") of all or substantially all of the Debtors' assets (the "Assets"). The Bidding Procedures were negotiated in good faith and at arm's-length and are reasonably designed to promote a competitive and robust bidding process to generate the greatest level of interest in the Debtors' Assets. The process for selecting the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder (each as defined below) as Stalking Horse Bidders (as defined below), respectively, was fair and appropriate under the circumstances and in the best interests of the Debtors' estates. The Bidding Procedures comply with the requirements of Local Rule 6004-1(c).

E. Designation of the Progrexion Stalking Horse Bid. The Progrexion Stalking Horse Bid, as defined in the Progrexion APA,⁴ represents the highest and otherwise best

⁴ "Progrexion APA" means that certain *Asset Purchase Agreement*, substantially in the form attached hereto as **Exhibit 2**, between and among (A) (i) PGX Holdings, Inc., a Delaware corporation, (ii) Progrexion Holdings, Inc., a Delaware corporation, (iii) Credit.com, Inc. a Delaware corporation, (iv) eFolks Holdings, Inc., a Delaware corporation, (v) Creditrepair.com Holdings, Inc., a Delaware corporation, (vi) Progrexion ASG, Inc., a Delaware corporation, (vii) Progrexion IP, Inc., a Delaware corporation, (viii) Progrexion Marketing, Inc., a Delaware corporation, (ix) Progrexion Teleservices, Inc., a Delaware corporation, (x) eFolks,

offer the Debtors have received to date to purchase the Transferred Assets, as defined and set forth in the Progrexion APA. The Progrexion APA provides the Debtors with the opportunity to sell the Transferred Assets in a manner designed to preserve and maximize their value and provide a floor for a further marketing and auction process. Without the Progrexion Stalking Horse Bid, the Debtors are at a significant risk of realizing a lower price for the Transferred Assets. As such, the contributions of the Progrexion Stalking Horse Bidder to the process have indisputably provided a substantial benefit to the Debtors, their estates, and the creditors in these Chapter 11 Cases. The Progrexion Stalking Horse Bid will enable the Debtors to minimize disruption to the Debtors' restructuring process and secure a fair and adequate Baseline Bid (as defined in the Bidding Procedures) for the Transferred Assets at the Auction(s) (if any), and, accordingly, will provide a clear benefit to the Debtors' estates, their creditors, and all other parties in interest.

F. Designation of the Progrexion Stalking Horse Bidder. The Progrexion Stalking Horse Bidder shall act as a "stalking horse bidder" pursuant to the Progrexion APA and the Progrexion Stalking Horse Bid shall be subject to higher or otherwise better offers in accordance with the Progrexion APA and the Bidding Procedures. Pursuit of the Progrexion

LLC, a Delaware limited liability company, (xi) Creditrepair.com, Inc., a Florida corporation and (xii) Credit Repair UK, Inc., a Delaware corporation, (B) Lender AcquisitionCo LLC (together with each of its permitted successors, assigns and designees, the "Progrexion Stalking Horse Bidder"), (C) Purchaser HoldCo (solely for the purposes stated expressly in the Progrexion APA) and (D) Blue Torch Finance LLC, in its capacity as administrative agent under that certain First Lien Financing Agreement (signing solely for the purposes stated expressly in the Progrexion APA). The "First Lien Financing Agreement" means that certain First Lien Financing Agreement, dated as of July 21, 2021, among the Borrowers (as defined therein), the guarantors from time to time party thereto, the lenders party thereto from time to time (the "Prepetition First Lien Lenders"), and Blue Torch Finance LLC as administrative agent and collateral agent (the "Prepetition First Lien Agent") (as amended by that certain Amendment No. 1 to First Lien Financing Agreement, dated as of July 20, 2022, that certain Amendment No. 2 to First Lien Financing Agreement, dated as of December 28, 2022, that certain Amendment No. 3 to First Lien Financing Agreement, dated as of March 31, 2023, and as further amended, restated, amended and restated, supplemented or otherwise modified through the Petition Date, the "Prepetition First Lien Financing Agreement" and, together with all related loan documents, the "Prepetition First Lien Loan Documents").

Stalking Horse Bidder as a “stalking horse bidder” and the Progrexion APA as a “stalking horse purchase agreement” is in the best interests of the Debtors and the Debtors’ estates and their creditors, and it reflects a sound exercise of the Debtors’ business judgment.

G. The Progrexion Stalking Horse Bidder and its counsel and advisors have acted in “good faith” in connection with the Progrexion Stalking Horse Bidder’s negotiation of the Bidding Procedures and entry into the Progrexion APA.

H. Designation of the Lexington Law Stalking Horse Bid. The Lexington Law Stalking Horse Bid, as defined in the Lexington Law APA,⁵ represents the highest and best offer the Debtors have received to date to purchase the Purchased Assets, as defined and set forth in the Lexington Law APA (the “Lexington Law Assets”). The Lexington Law APA provides the Debtors with the opportunity to sell the Lexington Law Assets in a manner designed to preserve and maximize their value and provide a floor for a further marketing and auction process. Without the Lexington Law Stalking Horse Bid, the Debtors are at a significant risk of realizing a lower price for the Lexington Law Assets. As such, the contributions of the Lexington Law Stalking Horse Bidder to the process have indisputably provided a substantial benefit to the Debtors, their estates, and the creditors in these Chapter 11 Cases. The Lexington Law Stalking Horse Bid will enable the Debtors to minimize disruption to the Debtors’ restructuring process and secure a fair and adequate Baseline Bid for the Lexington Law Assets at the Auction(s) (if

⁵ “Lexington Law APA” means that certain *Asset Purchase Agreement*, substantially in the form attached hereto as **Exhibit 3**, between and among (A) John C. Heath, Attorney At Law PC d/b/a Lexington Law Firm (the “Lexington Law Firm”) and (B) AcquisitionCo (together with each of its permitted successors, assigns and designees, the “Lexington Law Stalking Horse Bidder” and, together with the Progrexion Stalking Horse Bidder and any other “Additional Stalking Horse Bidder” as defined in Section II.B of the Bidding Procedures, collectively, the “Stalking Horse Bidders” and, each a “Stalking Horse Bidder”).

any), and, accordingly, will provide a clear benefit to the Debtors' estates, their creditors, and all other parties in interest.

I. Designation of the Lexington Law Stalking Horse Bidder. The Lexington Law Stalking Horse Bidder, or such other person or entity to which the Lexington Law APA is assigned, in whole or in part, pursuant to sections 11.03(a) or (b) thereof shall act as a "stalking horse bidder" pursuant to the Lexington Law APA and the Lexington Law Stalking Horse Bid shall be subject to higher or otherwise better offers in accordance with the Lexington Law APA and the Bidding Procedures. Pursuit of the Lexington Law Stalking Horse Bidder as a "stalking horse bidder" and the Lexington Law APA as a "stalking horse purchase agreement" is in the best interests of the Debtors and the Debtors' estates and their creditors, and it reflects a sound exercise of the Debtors' business judgment.

J. The Lexington Law Stalking Horse Bidder and its counsel and advisors have acted in "good faith" in connection with the Lexington Law Stalking Horse Bidder's negotiation of the Bidding Procedures and entry into the Lexington Law APA.

K. Sale Notice. The sale notice, the form of which is attached as **Exhibit 4** (the "Sale Notice"), is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, the Sale Hearing (as defined in the Bidding Procedures), the Bidding Procedures, the Sale Transaction(s), and all relevant and important dates and objection deadlines with respect to the foregoing, and no other or further notice of the Sale Hearing, the Sale Transaction(s) or the Auction shall be required.

L. Assumption and Assignment Provisions. The Debtors have articulated good and sufficient business reasons for the Court to approve the assumption and assignment

procedures set forth herein, in the Bidding Procedures and in the Stalking Horse Agreements (the “Assumption and Assignment Procedures”) and the assumption and assignment notice attached hereto as **Exhibit 5** (the “Assumption and Assignment Notice”), which are fair, reasonable, and appropriate. The Assumption and Assignment Procedures comply with the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

M. Assumption and Assignment Notice. The Assumption and Assignment Notice, the form of which is attached hereto as **Exhibit 5**, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Assumption and Assignment Procedures, as well as any and all objection deadlines related thereto, and no other or further notice shall be required for the Motion and the procedures described therein, except as expressly required herein.

N. Notice. Notice of the Motion, the proposed Bidding Procedures, the proposed designation of the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, and the Bidding Procedures Hearing was (i) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (ii) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and (iii) adequate and sufficient under the circumstances of the Debtors’ Chapter 11 Cases, such that no other or further notice need be provided except as set forth in the Bidding Procedures and the Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief granted herein has been afforded to all parties in interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. All objections to the relief granted in this order (the “Order”) that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits with prejudice.

A. The Bidding Procedures

3. The Bidding Procedures attached hereto as **Exhibit 1** are hereby approved, are incorporated herein by reference, and shall govern the bids and proceedings related to the sale(s) of the Assets and the Auctions. The procedures and requirements set forth in the Bidding Procedures, including those associated with submitting a “Qualified Bid,” are fair, reasonable and appropriate, and are designed to maximize recoveries for the benefit of the Debtors’ estates, creditors, and other parties in interests. The Debtors are authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

4. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or this Order shall not diminish or otherwise impair the effectiveness of such procedures, it being the Court’s intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Order.

5. Subject to this Order and the Bidding Procedures, the Debtors, in the exercise of their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law, shall have the right to (a) determine which bidders qualify as Qualified Bidders and which bids qualify as Qualified Bids, (b) make final determinations as to Auction Packages (as defined in the Bidding Procedures), (c) select the Baseline Bid for each Auction Package; (d) determine the amount of each Minimum Overbid (as defined in the Bidding

Procedures), (e) determine the Leading Bid (as defined in the Bidding Procedures) for each Auction Package; (f) determine which Qualified Bid is the Successful Bid and which Qualified Bid is the Backup Bid (each as defined in the Bidding Procedures) after the Successful Bid for an Auction Package; (g) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of this Order or any other applicable order of the Court, the Bidding Procedures, the Bankruptcy Code or other applicable law, and/or (iii) contrary to the best interests of the Debtors and their estates; (h) schedule and conduct Sub-Auctions for each Auction Package that has at least one Qualified Bid; (i) cancel the Auction with respect to any or all of the Assets in accordance with the Bidding Procedures; and (j) adjourn or reschedule the Sale Hearing with respect to a Sale Transaction involving any or all of the Assets in accordance with the Bidding Procedures.

6. The Progexion Stalking Horse Bidder is a Qualified Bidder and the bid reflected in the Progexion Stalking Horse Bid (including as it may be increased at the Auction (if any)) is a Qualified Bid, as set forth in the Bidding Procedures.

7. The Lexington Law Stalking Horse Bidder is a Qualified Bidder (as defined in the Bidding Procedures) and the bid reflected in the Lexington Law Stalking Horse Bid (including as it may be increased at the Auction (if any)) is a Qualified Bid, as set forth in the Bidding Procedures.

8. Without prejudice to the rights of any Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors shall have the right to, in their reasonable business judgment, and in a manner consistent with their fiduciary duties and applicable law, modify the Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth therein, (b) adopt new rules and procedures for conducting

the bidding and Auction process, (c) if applicable, provide reasonable accommodations to a Stalking Horse Bidder, or (d) otherwise modify the Bidding Procedures to further promote competitive bidding for and maximizing the value of the Assets; provided, that such extensions, waivers, new rules and procedures, accommodations and modifications (i) do not conflict with and are not inconsistent with this Order, the Bidding Procedures, the DIP Orders, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are promptly communicated to each Qualified Bidder and (iii) are in form and substance acceptable to the DIP Lenders (as defined in the Bidding Procedures).

B. The Progexion Stalking Horse Bid

9. Lender AcquisitionCo LLC is approved as the Progexion Stalking Horse Bidder for the Transferred Assets pursuant to the terms of the Progexion APA.

10. The Debtors entry into the Progexion APA is authorized and approved, and the Progexion Stalking Horse Bid shall be subject to higher or better Qualified Bids, in accordance with the terms and procedures of the Progexion APA and the Bidding Procedures.

11. The Debtors are authorized to perform any obligations under the Progexion APA that are intended to be performed prior to the entry of the order approving the Sale Transaction.

C. The Lexington Law Stalking Horse Bid

12. AcquisitionCo is approved as the Lexington Law Stalking Horse Bidder for the Lexington Law Assets pursuant to the terms of the Lexington Law APA.

13. The Debtors entry into the Lexington Law APA is authorized and approved, and the Lexington Law Stalking Horse Bid shall be subject to higher or better Qualified Bids, in

accordance with the terms and procedures of the Lexington Law APA and the Bidding Procedures.

14. The Debtors are authorized to perform any obligations under the Lexington Law APA that are intended to be performed prior to the entry of the order approving the Sale Transaction.

D. Bid Deadline and Auction

15. Any Prospective Bidder (as defined in the Bidding Procedures) that intends to participate in the Auction must submit in writing to the Bid Notice Parties (as defined in Section X.A of the Bidding Procedures) a Bid on or before **August 3, 2023 at 5 p.m. (prevailing Eastern Time)** (the "Bid Deadline").

16. Subject to the terms of the Bidding Procedures, if the Debtors receive more than one Qualified Bid for an Asset, the Debtors shall conduct an Auction for such Asset. With respect to Assets for which the Debtors only receive one Qualified Bid, the Debtors, in their reasonable business judgment, may determine to consummate a Sale Transaction with the applicable Qualified Bidder (subject to Court approval).

17. The Auction, if required, will be conducted on **August 8, 2023, at 5 p.m. (prevailing Eastern Time)**, virtually through Zoom, after providing notice to the Sale Notice Parties (as defined in Section X.B of the Bidding Procedures). If held, the Auction proceedings shall be transcribed or video recorded.

18. Only a Qualified Bidder that has submitted a Qualified Bid shall be eligible to participate in the Auction, subject to any other limitations as the Debtors may reasonably impose in accordance with the Bidding Procedures. Qualified Bidders participating in the Auction must appear virtually at the Auction or through a duly authorized representative. The Debtors may

establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction. Notwithstanding the foregoing, the Auction shall be conducted openly, and all creditors shall be permitted to attend.

19. Each Qualified Bidder participating in the Auction shall confirm in writing on the record at the Auction that (a) it has not engaged in any collusion with respect to the Auction or the submission of any bid for any of the Assets and (b) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the Auction constitutes a binding, good-faith and *bona fide* offer to purchase the Assets identified in such bids.

20. In the event the Debtors determine not to hold an Auction for some or all of the Assets, the Debtors shall file with the Court, serve on the Sale Notice Parties and cause to be published on the website maintained by Kurtzman Carson Consultants LLC located at www.kccllc.net/PGX (the "Claims Agent Website"), a notice containing the following information (as applicable): (a) a description of the Assets available for sale in accordance with the Bidding Procedures, (b) the date, time and location of the Sale Hearing, (c) the Sale Objection Deadline and Post-Auction Objection Deadline (each as defined in Section X.D of the Bidding Procedures) and the procedures for filing such objections, and, if applicable, (d) a summary of the material terms of any Stalking Horse Agreement, including the terms and conditions of any "Expense Reimbursement" to be provided thereunder, as of the date of the Sale Notice.

21. By the **later of (a) August 9, 2023 and (b) one day after the conclusion of the Auction**, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction (the

“Notice of Auction Results”), which shall (i) identify each Successful Bidder and each Backup Bidder, (ii) include a copy of each Successful Bid and each Backup Bid or a summary of the material terms of such bids, including any assumption and assignment of Contracts (as defined in the Bidding Procedures) contemplated thereby, and (iii) set forth the Post-Auction Objection Deadline, the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction.

E. Credit Bidding

22. Any bidder holding a perfected security interest in any of the Assets may seek to credit bid all, or a portion of, such bidder’s claims for its respective collateral in accordance with section 363(k) of the Bankruptcy Code (each such bid, a “Credit Bid”); *provided*, that such Credit Bid complies with the terms of the Bidding Procedures.

23. Pursuant to the terms and conditions of the DIP Loan Agreement (as defined in the DIP Motion), both the DIP Agent (acting at the direction of the Required DIP Lenders) and the Prepetition Agents (acting at the direction of the applicable required lenders) (each as defined in the DIP Motion), acting on behalf of the Progexion Stalking Horse Bidder and/or the Lexington Law Stalking Horse Bidder (as applicable) are entitled, but not required, to credit bid up to the full amount of the Prepetition Secured Loan Obligations, Adequate Protection Obligations and/or the DIP Obligations (each as defined in the DIP Motion) (including the Roll-Up Amount (as defined in the DIP Motion)), as applicable, pursuant to section 363(k) of the Bankruptcy Code without further challenges from the Debtors or any other party. Further, any credit bids by the Progexion Stalking Horse Bid and/or the Lexington Law Stalking Horse Bid

shall both be deemed Credit Bids in compliance with the applicable requirements of the Bidding Procedures.

F. Sale Hearing and Objection Procedures

24. Consummation of any Sale Transaction pursuant to a Successful Bid shall be subject to Court approval. The Sale Hearing shall be held before the Court on **August 11, 2023, at 5 p.m. (prevailing Eastern Time)**; *provided*, that the Debtors may seek an adjournment or rescheduling of the Sale Hearing, consistent with the Bidding Procedures and without prejudice to the rights of the Progexion Stalking Horse Bidder or Lexington Law Stalking Horse Bidder under the Progexion APA and Lexington Law APA, respectively.

25. All general objections to any Sale Transaction (each, a “Sale Objection”) shall be (i) in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (ii) be filed with the Court, and (iii) served on the Objection Notice Parties (as defined in Section X.D of the Bidding Procedures) by no later than **August 3, 2023, at 5 p.m. (prevailing Eastern Time)** (the “Sale Objection Deadline”).

26. Following service of the Notice of Auction Results, parties may object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in a Successful Bid, other than with respect to the Progexion Stalking Horse Bid, the Lexington Law Stalking Horse Bid, or any other Stalking Horse Bid (each such objection, a “Post-Auction Objection”). Any Post-Auction Objection shall be (a) in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (b) be filed with the Court, and (c) served on the Objection Notice Parties by no later than the later of (i) **August 9, 2023, at 5 p.m. (prevailing Eastern Time)** and (ii) **three days prior to the Sale Hearing** (the “Post-Auction Objection Deadline”).

27. Any party who fails to file and serve a timely Sale Objection or Post-Auction Objection in accordance with the terms of this Order shall be forever barred from asserting, at the Sale Hearing or thereafter, any Sale Objection or Post-Auction Objection to the relief requested in the Motion, or to the consummation or performance of the applicable Sale Transaction(s), including the transfer of Assets to the applicable Successful Bidder free and clear of liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code, and shall be deemed to “consent” to such sale for purposes of section 363(f) of the Bankruptcy Code.

G. Notice of Sale Transaction

28. The Sale Notice, substantially in the form attached hereto as **Exhibit 4**, is approved, and no other or further notice of the proposed sale of the Assets, the Auction, the Sale Hearing, the Sale Objection Deadline or the Post-Auction Objection Deadline shall be required if the Debtors serve and publish the Sale Notice in the manner provided in the Bidding Procedures and this Order.

29. **Within three business days (or as soon as reasonably practicable thereafter) after the entry of this Order**, the Debtors shall file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, the Sale Notice.

30. Within four business days, or as soon reasonably practicable after the entry of this Order, the Debtors shall cause the information contained in the Sale Notice to be published once in *The New York Times* (national edition) (the “Publication Notice”).

31. The Publication Notice complies with the provisions of Bankruptcy Rule 9008 and is deemed sufficient and proper notice of the proposed sale of the Assets, the Auction,

the Sale Hearing, the Sale Objection Deadline, and the Post-Auction Objection Deadline to any other interested parties whose identities are unknown to the Debtors.

H. Assumption and Assignment Procedures

32. The Assumption and Assignment Procedures are reasonable and appropriate under the circumstances, fair to all non-Debtor parties, comply in all respects with the Bankruptcy Code, Bankruptcy Rules and Local Rules, and are approved.

33. The Assumption and Assignment Notice, substantially in the form attached hereto as **Exhibit 5**, is approved, and no other or further notice of the Debtors' proposed Cure Amounts (as defined below) with respect to Contracts listed on an Assumption and Assignment Notice is necessary or required.

1. **Within three business days (or as soon as reasonably practicable thereafter) after the entry of this Order**, the Debtors shall file with the Court, serve on the applicable Counterparties, (as defined in the Bidding Procedures) and cause to be published on the Claims Agent Website, the Assumption and Assignment Notice. In the event that the Debtors later identify any Counterparty which was not served with the Assumption and Assignment Notice, the Debtors may subsequently serve such Counterparty with the Assumption and Assignment Notice substantially in the form attached hereto as the Assumption and Assignment Notice (each, a "Supplemental Assumption Notice"), and the Assumption and Assignment Procedures will nevertheless apply to such Counterparty; provided, that the Contract Objection Deadline (as defined below) with respect to such Counterparty listed on a Supplemental Assumption Notice shall be the later of the Contract Objection Deadline or fourteen (14) days following the date of service of a Supplemental Assumption Notice (each, a "Supplemental Contract Objection Deadline"). Each Supplemental Assumption Notice shall (i) identify the relevant Contract(s),

(ii) set forth a good faith estimate of the Cure Amount(s), (iii) include a statement that assumption and assignment of each such Contract is not required nor guaranteed, and (iv) inform such Counterparty of the requirement to file any Contract Objection(s) by the Supplemental Contract Objection Deadline.

34. Any objection to the Debtors' proposed Cure Amounts (as defined in the Stalking Horse Agreements) or assumption and assignment on any basis (each such objection, a "Contract Objection") (except objections solely related to adequate assurance of future performance by a Successful Bidder other than a Stalking Horse Bidder) shall (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (b) be filed with the Court; and (c) served on the Objection Notice Parties by no later than the date that is **14 calendar days after service of the applicable Assumption and Assignment Notice** (the "Contract Objection Deadline").

35. The Debtors and any objecting Counterparty shall first confer in good faith to attempt to resolve the Contract Objection without Court intervention. If the parties are unable to consensually resolve the Contract Objection prior to the commencement of the Sale Hearing, the Court shall make all necessary determinations relating to the applicable Cure Amounts or assumption and assignment and the Contract Objection at a hearing scheduled pursuant to paragraph 39 of this Order. If a Contract Objection is resolved in a manner that is not in the best interests of the Debtors and their estates, whether or not such resolution occurs prior to or after the closing of the applicable Sale Transaction, the Debtors may determine that any Contract subject to such resolved Contract Objection no longer will be assumed and assigned in connection with the applicable Sale Transaction (subject to the terms of the applicable Sale

Transaction). All other objections to the Debtors' proposed assumption and assignment of the Debtors' right, title and interest in, to and under a Contract shall be heard at the Sale Hearing.

36. If a timely Contract Objection cannot otherwise be resolved by the parties, the Contract Objection may be heard at the Sale Hearing or, at the Debtors' option and with the consent of the applicable Successful Bidder, be adjourned to a subsequent hearing (each such Contract Objection, an "Adjourned Contract Objection"). An Adjourned Contract Objection may be resolved after the closing date of the applicable Sale Transaction. Upon resolution of an Adjourned Contract Objection and the payment of the applicable Cure Amount or resolution of the assumption and assignment issue, if any, the Contract that was the subject of such Adjourned Contract Objection shall be deemed assumed and assigned to the applicable Successful Bidder as of the closing date of the applicable Sale Transaction.

37. If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Contract Objection, the Counterparty forever shall be barred from asserting any objection with regard to the proposed assumption and assignment of such Contract and the cost to cure any defaults under the applicable Contract and shall be deemed to have consented to the assumption and assignment of the Contract in connection therewith. The Cure Amounts set forth in the applicable Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract and satisfy the requirements of section 365(b) of the Bankruptcy Code, and the Counterparty to the Contract shall be bound by and deemed to have consented to the Cure Amounts.

38. In accordance with the Bidding Procedures, Qualified Bids shall be accompanied by Adequate Assurance Information (as defined in the Bidding Procedures). The Debtors shall use commercially reasonable efforts to furnish all available Adequate Assurance

Information to applicable Counterparties as soon as reasonably practicable following their receipt of such information.

39. Any objection to the proposed assumption and assignment of a Contract, other than with respect to a Stalking Horse Bidder, the subject of which objection is: (a) a Successful Bidder's (or any other relevant assignee's) proposed form of adequate assurance of future performance with respect to the Contract (each, such objection, an "Adequate Assurance Objection"), shall (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (b) be filed with the Court, and (c) served on the Objection Notice Parties by no later than the Post-Auction Objection Deadline.

40. The Debtors and any Counterparty that has filed an Adequate Assurance Objection shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, the Adequate Assurance Objection and all issues of adequate assurance of future performance of the applicable Successful Bidder shall be determined by the Court at the Sale Hearing.

41. If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Adequate Assurance Objection, the Counterparty shall be forever barred from asserting any objection to the assumption and/or assignment of a Contract with regard to adequate assurance of future performance. The applicable Successful Bidder (or any other relevant assignee) shall be deemed to have provided adequate assurance of future performance with respect to a Contract in accordance with sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code and, if applicable, section 365(b)(3) of the Bankruptcy Code, notwithstanding anything to the contrary in the Contract or any other document.

42. Successful Bidders (including any Stalking Horse Bidder or Backup Bidder ultimately named a Successful Bidder) may, pursuant to the terms of an applicable asset purchase agreement executed with the Debtors (including any applicable Stalking Horse Agreement), designate (a) for assumption and assignment Contracts that were not originally included in the Assets to be acquired in connection with the applicable Successful Bid and (b) Contracts that previously were included among the Assets to be acquired in connection with the applicable Successful Bid as “excluded assets” that will not be assigned to or otherwise acquired by the Successful Bidder. The Debtors shall use commercially reasonable efforts to, as soon as reasonably practicable after the Debtors receive notice of any such designation, file with the Court, serve on the applicable Counterparties and cause to be published on the Claims Agent Website, a notice of such designation containing sufficient information to apprise Counterparties of the designation of their respective Contracts.

43. As soon as reasonably practicable after the closing of a Sale Transaction, the Debtors will file with the Court, serve on the applicable Counterparties and cause to be published on the Claims Agent Website, a notice containing the list of Contracts that the Debtors assumed and assigned pursuant to any asset purchase agreement with a Successful Bidder.

44. The inclusion of a Contract or Cure Amounts with respect to any Contract on any Assumption and Assignment Notice or any Notice of Auction Results, shall not constitute or be deemed a determination or admission by the Debtors, any Successful Bidder or any other party that such Contract is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code, and shall not be a guarantee that such Contract ultimately will be assumed or assigned. The Debtors reserve all of their rights, claims and causes of action with respect to each Contract listed on any Assumption and Assignment Notice.

I. Other Related Relief

45. In the ordinary course of business, the Lexington Law Firm maintain certain records relating to the clients of Lexington Law that are customary and appropriate for law firms of a similar nature to the Lexington Law Firm (the “Lexington Law Records”). It is anticipated that the Lexington Law Records will be transferred to the Successful Bidder for the Lexington Law Assets as part of the Sale Transaction. In connection with such Sale Transaction, the Lexington Law Records will be maintained and transferred in accordance with any and all applicable rules of professional conduct.

46. All persons and entities that participate in the Auction or bidding for any Asset during the Sale Transaction process shall be deemed to have knowingly and voluntarily (i) consented to the core jurisdiction of the Court to enter any order related to the Bidding Procedures, the Auction or any other relief requested in the Motion or granted in this Order, (ii) waived any right to a jury trial in connection with any disputes relating to the Bidding Procedures, the Auction or any other relief requested in the Motion or granted in this Order, and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to the Bidding Procedures, the Auction or any other relief requested in the Motion or granted in this Order, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

47. The Debtors are authorized to take all steps and pay all amounts necessary or appropriate to implement the relief granted in this Order.

48. This Order shall be binding on the Debtors and its successors and assigns, including any chapter 7 or chapter 11 trustee or other fiducially appointed for the estates of the Debtors.

49. Nothing in this Order and/or the Bidding Procedures, shall be deemed to waive any rights, remedies or defenses that any party (including the Debtors' Surety, Capitol Indemnity Corporation) has or may have under applicable bankruptcy and non-bankruptcy law, under any indemnity agreements, surety bonds or related agreements, or any rights, remedies, or defenses of the Debtors with respect thereto. Nothing in this Order shall be deemed to authorize or provide the Surety's consent to the substitution of any principal under any surety bond.

50. Notwithstanding anything to the contrary herein, nothing in this Order shall (a) have any effect on or otherwise limit or diminish the extent to which the Final DIP Order preserves the Challenge rights of the Committee or (b) be considered as a waiver of the right of the Committee or any other party in interest to object to, or seek to limit, the Credit Bid during the Challenge Period under section 363(k) of the Bankruptcy Code. Terms used in this paragraph 50 but not defined herein shall have the respective meanings ascribed to such terms as in the Final DIP Order.

51. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

52. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control. To the extent any provisions of this Order are inconsistent with the Bidding Procedures, the terms of this Order shall control.

53. Notwithstanding the applicability of any of Bankruptcy Rules 6004(h), 6006(d), 7062, 9014 or any other provisions of the Bankruptcy Rules or the Local Rules stating the contrary, the terms and provisions of this Order shall be immediately effective and enforceable upon its entry, and any applicable stay of the effectiveness and enforceability of this Order is hereby waived.

54. The Debtors are authorized to make non-substantive changes to the Bidding Procedures, the Assumption and Assignment Procedures, and any related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors.

55. This Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

EXHIBIT 1

Bidding Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
In re:	)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

BIDDING PROCEDURES

The debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”) will use the procedures set forth herein (the “Bidding Procedures”) in connection with a sale or disposition of all or substantially all of the Debtors’ assets (the “Assets”) in one or more sale transactions (each, a “Sale Transaction”).

On June 6, 2023, the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) the *Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. 66] (the “Motion”). By the Motion, the Debtors sought, among other things, entry of an order approving Bidding Procedures² for soliciting bids for, conducting an auction (the “Auction”) of, and consummating one or more Sale Transactions of, the Assets, as further described herein.

On July [21], 2023, the Court entered an *Order (I) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (II) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (III) Scheduling an Auction and Approving the Form and Manner of Notice Thereof,*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² All capitalized terms not herein defined shall have the meanings ascribed to them in the Motion and/or the Bidding Procedures Order (as defined below), as applicable.

(IV) Approving Assumption and Assignment Procedures, (V) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (VI) Granting Related Relief [Docket No. [X]] (the “Bidding Procedures Order”).

I. ASSETS FOR SALE

The sale of the Assets shall be subject to a competitive bidding process as set forth herein and approval by the Court pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6003, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 6004-1 and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

Subject to the remaining terms of these Bidding Procedures, a Prospective Bidder (as defined in Section IV below) may bid on the Assets (i) in individual lots (by brand and/or by division or any other combination), (ii) as a collective whole, or (iii) in any combination.

The ability to undertake and consummate any sale of the Assets shall be subject to competitive bidding as set forth herein and approval by the Court. In addition to any Stalking Horse Bid, and as set forth herein, the Debtors will consider bids for any or all of the Assets in a single bid from a single bidder or in multiple bids from multiple bidders. Any bid for an individual Asset, even if such bid is the highest or otherwise best bid for such individual Asset, is subject to higher or otherwise better bids (including any Credit Bid (as defined in Section VI.A.3 below)) on packages of Assets that include the individual Asset. Additionally, any bid on all of the Assets is subject to bids on individual Assets or packages of Assets (including Credit Bids) that are, in the aggregate, higher or otherwise better bids. Any party interested in submitting a bid for any of the Debtors’ Assets should contact Greenhill & Co., LLC, ProjectPretzel@greenhill.com Attn: Neil Augustine.

II. STALKING HORSE PROCEDURES

A. The Stalking Horse Bidders

On July [21], 2023, the Debtors entered into:

- an asset purchase agreement with Lender AcquisitionCo LLC (together with each of its permitted successors, assigns and designees) (the “Progrexion Stalking Horse Bidder” and such asset purchase agreement, the “Progrexion APA”), whereby the Progrexion Stalking Horse Bidder will serve as the stalking horse bidder for the Transferred Assets (as defined in the Progrexion APA); and
- an asset purchase agreement with AcquisitionCo (together with each of his permitted successors, assigns and designees) (the “Lexington Law Stalking Horse Bidder” and such asset purchase agreement, the “Lexington Law APA”), whereby the Lexington Law Stalking Horse Bidder will serve as the stalking horse bidder for the Lexington Law Assets (as defined in the Lexington Law APA).

Pursuant to the Bidding Procedures Order, the Debtors obtained approval of:

- the Progrexion APA, as a Stalking Horse Bid for the Transferred Assets (the “Progrexion Stalking Horse Bid”); and
- the Lexington Law APA, as a Stalking Horse Bid for the Lexington Law Assets (the “Lexington Law Stalking Horse Bid”).

B. Designating Additional Stalking Horse Bidders

The Debtors may, as they deem necessary or appropriate and in accordance with the terms of the Bidding Procedures Order, these Bidding Procedures and the DIP Orders (as defined in the DIP Motion (as defined below)), enter into one or more additional agreements (each, an “Additional Stalking Horse APA” and, together with the Progrexion APA and the Lexington Law APA, the “Stalking Horse Agreements” and each a “Stalking Horse Agreement”) with one or more other bidders that the Debtors designate to serve as a stalking horse bidder (each, an “Additional Stalking Horse Bidder” and, together with the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, the “Stalking Horse Bidders” and each a “Stalking Horse Bidder”) for Assets other than those Assets subject to the Stalking Horse Agreements set forth in Section II.A above. Recognizing an Additional Stalking Horse Bidder’s expenditure of time, energy and resources, the Debtors may determine to provide certain bidding protections to any designated Additional Stalking Horse Bidder, including a “break-up” fee and/or an expense reimbursement, in each case, in accordance with the terms of the Bidding Procedures Order and the applicable Additional Stalking Horse APA. Any Additional Stalking Horse Bidder designated by the Debtors in accordance with these Bidding Procedures will be so designated by no later than **the later of (A) July 27, 2023 and (B) seven calendar days prior to the Bid Deadline.**

1. Additional Stalking Horse Notice

Within two (2) days after executing an Additional Stalking Horse APA, the Debtors will file with the Court, serve on the Sale Notice Parties (as defined in Section X.B below) and cause to be published on the website maintained by Kurtzman Carson Consultants LLC, the Debtors’ claims and noticing agent in these Chapter 11 Cases, located at www.kccllc.net/PGX (the “Claims Agent Website”), a notice (each such notice, an “Additional Stalking Horse Notice”) setting forth the material terms of the proposed Additional Stalking Horse APA, including:

- a. The identity of the Additional Stalking Horse Bidder, the Assets that are subject to the Additional Stalking Horse Bid, and the purchase price payable for the applicable Assets; and
- b. The terms and conditions of any “break-up” fee and/or expense reimbursement to be provided thereunder.

2. Additional Stalking Horse Hearing

No hearing shall be necessary for the Debtors to designate an Additional Stalking Horse Bidder unless the Debtors, the DIP Lenders, and the Consultation parties cannot agree regarding the designation of or bidding protections for an Additional Stalking Horse Bidder. In such case, the Debtor may file a motion to designate an Additional Stalking Horse Bidder (each, an “Additional Stalking Horse Motion”) with the Court upon fourteen (14) days’ notice to all Consultation Parties. The Debtors will request that the Court schedule a hearing (each, an “Additional Stalking Horse Hearing”), in each case, to be held within five (5) business days, or as soon as reasonably practicable, after service of the applicable Additional Stalking Horse Motion, to consider approval of the applicable Additional Stalking Horse APA and the provision of bidding protections thereunder.

3. Additional Stalking Horse Bidding Protection Objections

Any objection to the provision of a “break-up” fee and/or expense reimbursement offered to an Additional Stalking Horse Bidder in accordance with this Section II.B.3 (each such objection, a “Bidding Protection Objection”) must (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; and (b) be filed with the Court and served on the applicable Objection Notice Parties (as defined in Section X.D below) within three (3) calendar days after service of the applicable Additional Stalking Horse Notice. If the parties are unable to consensually resolve a Bidding Protection Objection, such Bidding Protection Objection will be heard and resolved by the Court at the applicable Additional Stalking Horse Hearing. If no timely Bidding Protection Objection is filed and served in accordance with these Bidding Procedures, the Debtors may seek permission from the Court to file, upon certification of counsel and the consent of the United States Trustee for the District of Delaware (the “U.S. Trustee”) and the Consultation Parties (as defined in Section XI below), a proposed order authorizing and approving the Debtors’ entry into the applicable Additional Stalking Horse APA and the provision of a “break-up” fee and/or expense reimbursement thereunder in lieu of holding an Additional Stalking Horse Hearing.

III. KEY DATES AND DEADLINES

<u>SALE PROCESS KEY DATES AND DEADLINES</u>	
Three business days (or as soon reasonably practicable thereafter) after the entry of the Bidding Procedures Order	Deadline for Debtors to file and serve the Sale Notice and the Assumption and Assignment Notice
Four business days (or as soon reasonably practicable thereafter) after the entry of the Bidding Procedures Order	Deadline for the Debtors to publish the Publication Notice

The later of (i) July 27, 2023 and (ii) seven days prior to the Bid Deadline	Deadline to designate Additional Stalking Horse Bidders
August 3, 2023, at 5 p.m. (prevailing Eastern Time)	Sale Objection Deadline
August 3, 2023, at 5 p.m. (prevailing Eastern Time) (No later than 60 days after the Petition Date)	Bid Deadline
August 7, 2023, at 5 p.m. (prevailing Eastern Time) (or as reasonably in advance of the Auction as is practicable)	Deadline for Debtors to Notify Bidders of Status as Qualified Bidders
August 8, 2023, at 5 p.m. (prevailing Eastern Time) (No later than 65 days after the Petition Date)	Auction (if any)
The later of (i) August 9, 2023 at 5 p.m. (prevailing Eastern Time) and (ii) one day after the conclusion of the Auction	Deadline for Debtors to file Notice of Auction Results
The later of (i) August 9, 2023, at 5 p.m. (prevailing Eastern Time) and (ii) three days prior to the Sale Hearing	Post-Auction Objection Deadline
August 11, 2023, at 5 p.m. (prevailing Eastern Time)	Sale Hearing
August 13, 2023 (No later than 70 days after the Petition Date)	Deadline for Court to enter Sale Order
September 17, 2023 (No later than 105 days after the Petition Date)	Deadline to consummate approved Sale Transactions

IV. DUE DILIGENCE

The Debtors have posted copies of all material documents related to the Assets to the Debtors' confidential electronic data room (the "Data Room"). Each person or entity (other than the Stalking Horse Bidders identified in Section II.A above) that desires to participate in the

Auction process (each, a “Prospective Bidder”) and seeks access to the Data Room must first deliver to each of the Bid Notice Parties (as defined in Section X.A below) the following:

- A. An executed confidentiality agreement, in form and substance satisfactory to the Debtors and containing terms no more favorable to the Prospective Bidder than those contained in any confidentiality agreement executed by the Stalking Horse Bidder identified in Section II.A above (unless such party is already a party to an existing confidentiality agreement with the Debtors that is acceptable to the Debtors for this due diligence process, in which case such agreement shall govern); and
- B. Sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that the interested party intends to access the Data Room for a purpose consistent with these Bidding Procedures.
- C. With respect to Prospective Bidders that desire to participate in an Auction (if any) that includes the Lexington Law Assets, sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that the interested party’s ownership and/or profit-sharing arrangements would comply with applicable rules of professional conduct and/or other applicable laws or regulations if such interested party were to in fact acquire the Lexington Law Assets.

The Debtors shall grant all Stalking Horse Bidders identified in Section II.A above and, upon execution of a valid confidentiality agreement and up to and including the Bid Deadline, any Prospective Bidder, access to the Data Room or additional information allowing such Prospective Bidder to conduct due diligence on the potential acquisition of some or all of the Assets. Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets (a) to any person or entity who (i) is not a Prospective Bidder, (ii) does not comply with the participation requirements set forth above, or (iii) in the case of competitively sensitive information, is a competitor of the Debtors and (b) if and to the extent doing so would (1) violate any law to which the Debtors are subject, including any privacy law, (2) result in the disclosure of any trade secrets of third parties in breach of any contract with such third party, (3) violate any legally-binding obligation of any Debtor with respect to confidentiality, non-disclosure or privacy or (4) jeopardize protections afforded to any Debtor under the attorney-client privilege or the attorney work product doctrine (provided that, in case of each of clauses (1) through (4), the Debtors shall use commercially reasonable efforts to (x) provide such access as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, contract, obligation or law and (y) provide such information in a manner without violating such privilege, doctrine, contract, obligation or law). Notwithstanding the foregoing, the Debtors reserve the right, in their discretion, to withhold or limit access to any information that the Debtors determine to be sensitive or otherwise not appropriate to disclose to any Prospective Bidder. The Debtors shall provide the Stalking Horse Bidders identified in Section II.A above with any information provided to a Prospective Bidder that has not already been provided to the Stalking Horse Bidders.

The Debtors may terminate access to the Data Room and any other non-public information in their reasonable discretion at any time, including if (a) a Prospective Bidder fails to become a Qualified Bidder (as defined below) or (b) these Bidding Procedures are terminated. The Prospective Bidder shall return or destroy any non-public information the Debtors or their advisors provided to the Prospective Bidder in accordance with the terms of the confidentiality agreement executed by the Debtors and the Prospective Bidder.

The Debtors will work to accommodate all reasonable requests from the Stalking Horse Bidders and any Prospective Bidders for additional information and due diligence access. Each Prospective Bidder shall be required to acknowledge that it has had an opportunity to conduct any and all due diligence regarding the Assets in conjunction with submitting its Bid (as defined below). All due diligence requests shall be directed to Greenhill & Co., LLC, ProjectPretzel@greenhill.com Attn: Neil Augustine.

V. BID DEADLINE

Any Prospective Bidder that intends to participate in the Auction must submit in writing to the Bid Notice Parties a bid (a “Bid”) on or before **August 3, 2023, at 5 p.m. (prevailing Eastern Time)** (the “Bid Deadline”).

The Debtors may, in their reasonable judgment, and in consultation with the Consultation Parties, extend the Bid Deadline for all or certain Prospective Bidders (provided that the Bid Deadline for Assets subject to a Stalking Horse Bid shall not be extended beyond 55 days after the Petition Date without the consent of the applicable Stalking Horse Bidder for such Assets).

VI. BID REQUIREMENTS

A. Qualified Bid Requirements

To qualify as a “**Qualified Bid**,” a Bid must be in writing and determined by the Debtors to satisfy the following requirements:

1. Identification of Bidder. A Qualified Bid must fully disclose the following: (a) the legal identity of each person or entity bidding for the applicable Assets and/or otherwise sponsoring, financing (including through the issuance of debt in connection with such Bid) or participating in (including through license or similar arrangement with respect to the Assets to be acquired in connection with such Bid) the Auction in connection with such Bid and the complete terms of any such participation; (b) any past or present connections or agreements with the Debtors or their non-Debtor affiliates, any Stalking Horse Bidder(s), any other known Prospective Bidder or Qualified Bidder, the Prepetition First Lien Lenders (as defined in the Bidding Procedures Order) or any officer or director of any of the foregoing (including any current or former officer or director of the Debtors or their non-Debtor affiliates) and (c) with respect to any Bid that includes the Lexington Law Assets, the legal identity of each person that holds, as of the date the Bid is being submitted, any equitable interest whatsoever in the Prospective Bidder

(including, without limitation, any capital stock, convertible securities, options, warrants or similar instruments), and the status of each such person as a “lawyer” (as such term is defined in any applicable rules of professional conduct).

2. Purchased Assets. A Qualified Bid must identify the following:
 - a. the Assets to be purchased (including any then-known executory contracts and unexpired leases (collectively, the “Contracts”)) such Prospective Bidder wishes to bid on. For the avoidance of doubt, a Bid may be a bid on the Assets in either (i) individual lots (by brand and/or by division or any other combination), (ii) as a collective whole, or (iii) in any combination;
 - b. the liabilities (including applicable Cure Amounts (as defined in the Stalking Horse Agreements)), if any, to be assumed by the Prospective Bidder in the Sale Transaction, including any debt to be assumed; and
 - c. if a Bid is for more than one Asset, an allocation of the purchase price across the individual Assets.

3. Form of Consideration.

- a. Credit Bidding. A Stalking Horse Bidder or Prospective Bidder holding a perfected security interest in any of the Assets may seek to credit bid all or a portion of the Stalking Horse Bidder’s or the Prospective Bidder’s claims for the collateral in which it holds a perfected security interest (each such Bid, a “Credit Bid”) in accordance with section 363(k) of the Bankruptcy Code. A Credit Bid may be applied only with respect to those Assets in which the party submitting such Credit Bid holds a perfected security interest.

For the avoidance of doubt, (i) Blue Torch Finance LLC, as administrative agent and collateral agent (in such capacities, the “Prepetition First Lien Agent”), on behalf of the Prepetition First Lien Lenders, (ii) the Prepetition First Lien Lenders, (iii) Lender AcquisitionCo LLC, (iii) the DIP Agent, on behalf of the DIP Lenders (each as defined in the DIP Motion³) or (iv) the DIP Lenders, as applicable, will be deemed to be a Qualified Bidder, for all purposes and requirements pursuant to these Bidding Procedures, notwithstanding the requirements that a Prospective Bidder must satisfy to be a Qualified Bidder, and any Bid

³ “DIP Motion” means the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 17].

submitted by any party identified in this paragraph will be deemed to be a Qualified Bid, for all purposes and requirements pursuant to these Bidding Procedures, notwithstanding the requirements that a Bid must satisfy to be a Qualified Bid, including the requirements, among others, that each Bid must be irrevocable and to deliver a confidentiality agreement and post a Good Faith Deposit (as defined herein).

- b. Form of Consideration and Allocation. A Bid must specify whether the Bid is an all cash offer (including confirmation that the cash component is in U.S. Dollars) or consists of certain non-cash components, such as a credit bid, assumption of liabilities, or other forms of consideration (and including a detailed analysis of the value of any non-cash component of the Bid) as well as the allocation of the purchase price among the Assets to be acquired and the liabilities to be assumed. Subject to Section VI.A.4 below, to be a Qualified Bid, a Bid (whether on an individual Asset, a package of Assets or all Assets) must include sufficient cash consideration to pay any applicable termination payment, expense reimbursement, or similar payment payable to any Stalking Horse Bidder under the terms of any Stalking Horse Agreement applicable to one or more of the Assets for which the Bid is submitted.
4. Minimum Bid for Stalking Horse Assets. Each Bid submitted in connection with Assets that are the subject of a particular Stalking Horse Bid (any such Assets, the “Stalking Horse Assets”) must either (a) (i) be a Bid for all of the particular Stalking Horse Assets that are the subject of a particular Stalking Horse Bid, (ii) include cash consideration of not less than the sum of the purchase price set forth in the applicable Stalking Horse Agreement (excluding, for the avoidance of doubt, any “Assumed Liabilities” to be assumed by the Stalking Horse Bidder pursuant to the applicable Stalking Horse Bid Agreement) *plus* (A) all “Obligations” outstanding under the DIP Documents (as defined in the DIP Motion) which are not included in the purchase price set forth in the applicable Stalking Horse Agreement, *plus* (B) the any applicable termination payment and/or expense reimbursement, *plus* (C) an Initial Bid Increment (as defined below), and (iii) assume the Assumed Liabilities (as defined in the applicable Stalking Horse Agreement) or (b) propose an alternative transaction that, in the Debtors’ business judgment, provides higher value or better terms than the applicable Stalking Horse Bid, including by exceeding the purchase price of such Stalking Horse Bid *plus* any applicable termination payment and/or expense reimbursement *plus* any applicable Initial Bid Increment, and after taking into account, among other things, in light of all the Bids submitted for the Assets or any combination of Assets, whether there is sufficient cash to pay (x) any applicable termination payment and/or expense reimbursement, (y) any amounts necessary to fund a wind-down of the Debtors estate and, if

determined by the Debtors to be in the best interests of the Debtors' estates, confirmation and administration of a liquidating plan, in an amount not to exceed the Wind Down Amount (as defined in the Progexion APA), (z) and any DIP financing amount (the "DIP Financing Amount"), in each case, as applicable. For the avoidance of doubt, as to clause (b) in this Section VI.A.4, the Debtors may evaluate each Bid in light of each of the factors set forth therein, but a Bid is not required to meet each factor in order to be determined a Qualified Bid.

The Debtors may consider a Bid for a portion of any applicable Stalking Horse Assets (each such bid, a "Partial Bid") if (a) the Debtors receive one or more other Partial Bids for the remaining applicable Stalking Horse Assets such that, when taken together, and after considering the risks associated with consummating several individual Bids, the Partial Bids collectively constitute a higher or otherwise better bid than the applicable Stalking Horse Bid (taking into account any applicable termination payment, expense reimbursement, and the Initial Bid Increment) or (b) the Partial Bid proposes a purchase price for the applicable Stalking Horse Assets that, when taken together with the liquidation or alternative sale value of the remaining applicable Stalking Horse Assets, as determined by the Debtors in good faith with the advice of their legal and financial advisors, exceeds the purchase price in the Stalking Horse Bid *plus* any applicable termination payment and/or expense reimbursement *plus* any applicable Initial Bid Increment, and after taking into account, among other things, in light of all the Bids submitted for the Assets or any combination of Assets, whether there is sufficient cash to pay (x) any applicable termination payment and/or expense reimbursement, (y) the Wind-Down Amount, (z) and the DIP Financing Amount, in each case, as applicable. For the avoidance of doubt, notwithstanding the foregoing, in evaluating any Partial Bid, the Debtors may also consider the factors set forth in Section IV.B.

If the value of a competing Qualified Bid (whether such Qualified Bid is for all of the applicable Stalking Horse Assets or is a Partial Bid) relative to the Stalking Horse Bid includes additional non-cash components (such as fewer contingencies than are in the applicable Stalking Horse Agreement), the bidder should include an analysis or description of the value of any such additional non-cash components, including any supporting documentation, to assist the Debtors in better evaluating the competing Qualified Bid.

"Initial Bid Increment" shall mean (a) with respect to the Progexion Stalking Horse Bid, \$1 million and (b) with respect to the Lexington Law Stalking Horse Bid, \$250,000.

5. Proposed Asset Purchase Agreement and Sale Order: A Qualified Bid must constitute a *binding and irrevocable* offer and be in the form of an asset

purchase agreement reflecting the terms and conditions of the Bid (each, a “Proposed Asset Purchase Agreement”). A Proposed Asset Purchase Agreement shall (a) be duly authorized and executed, (b) be based on, and marked against, (i) in the case of Assets subject to a Stalking Horse Agreement, the applicable Stalking Horse Agreement, and (ii) in the case of Assets not subject to a Stalking Horse Agreement, a form asset purchase agreement provided by the Debtors to Prospective Bidders to reflect the proposed Sale Transaction and to show any other proposed modifications to the form purchase agreement, (c) specify the proposed purchase price for the applicable Assets, and (d) identify any then-known Contracts proposed for or that may be proposed for assumption and assignment in connection with the proposed Sale Transaction. A Qualified Bid must also contain a sale order based on, and marked against, the applicable Sale Order(s) (as defined below) (which Sale Orders are to be filed by the Debtors no later than five (5) days prior to the Bidding Procedures Hearing) for the applicable assets to reflect the proposed Sale Transaction and to show any other proposed modifications to the applicable Sale Order(s).

6. Financial Information. A Qualified Bid must include the following:
 - a. a statement that the Prospective Bidder is financially capable of timely consummating the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement;
 - b. sufficient evidence, as reasonably determined by the Debtors (in consultation with the Consultation Parties), to determine that the Prospective Bidder has, or can obtain, the financial wherewithal to timely consummate the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement; and
 - c. Adequate Assurance Information (as defined in Section VI.A.8 below) with respect to any Contracts included or that may be included in the Prospective Bidder’s Bid.

7. Good Faith Deposit. Each Qualified Bid must be accompanied by a good faith deposit (each, a “Good Faith Deposit”) in the form of cash (or other form acceptable to the Debtors in their sole discretion) in an amount equal to ten percent (10%) of the proposed purchase price for the applicable Assets (inclusive of any amount thereof comprising any applicable Credit Bid consideration); *provided*, that no Good Faith Deposit shall be required for any Qualified Bid from any Stalking Horse Bidder or any Qualified Bid that solely contains Credit Bid consideration.

Good Faith Deposits shall be deposited into a trust account maintained on behalf of the Debtors (and to be designated by Debtors) and handled in accordance with Section VII.E of these Bidding Procedures. To the extent a Qualified Bidder increases the purchase price before, during, or

after the Auction, the Debtors reserve the right to require that such Qualified Bidder adjust its Good Faith Deposit so that it equals ten percent (10%) of the increased purchase price. The Debtors reserve the right to increase or decrease the Good Faith Deposit for one or more Qualified Bidders in their sole discretion except with respect to any Qualified Bid from any Stalking Horse Bidder or any Qualified Bid that solely contains Credit Bid consideration as set forth above; *provided*, the Debtors may not decrease or waive any Good Faith Deposit without consulting with the Consultation Parties.

8. Adequate Assurance. A Qualified Bid must include evidence of the Prospective Bidder's (or any other relevant assignee's) ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Prospective Bidder's (or any other relevant assignee's) ability to perform future obligations arising under any Contracts included in its Bid. The Debtors may require the following information in connection with demonstrating adequate assurance of future performance: information evidencing the Prospective Bidder's (or any other relevant assignee's) financial wherewithal and willingness to perform under any Contracts included in the Bid, which information may include (i) a corporate organizational chart or similar disclosure identifying corporate ownership and control, (ii) financial statements, (iii) tax returns, (iv) annual reports and (v) with respect to Qualified Bid's including a Bid on the Lexington Law Assets, certificate(s) of good standing and/or other written certification evidencing the Prospective Bidder's (and the Prospective Bidder's interest holders') qualification(s) as a lawyer (the information described in this Section VI.A.8, the "Adequate Assurance Information"). All Adequate Assurance Information must be in a form that will permit its immediate dissemination to the applicable Counterparties (as defined below).
9. Representations and Warranties. A Qualified Bid must include the following representations and warranties:
 - a. a statement that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors' businesses and the applicable Assets prior to submitting its bid;
 - b. a statement that the Prospective Bidder has relied solely upon its own independent review, investigation and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors' businesses or the applicable Assets or the completeness of any information provided in connection therewith, except as expressly stated in the

representations and warranties contained in a Stalking Horse Agreement;

- c. a statement that all proof of financial ability to consummate the applicable Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct; and
 - d. a statement that the Prospective Bidder agrees to be bound by the terms of the Bidding Procedures.
10. Authorization. A Qualified Bid must (a) include evidence of authorization and approval from the Prospective Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of any bid for the Assets, participation in the Auction and closing of the Sale Transaction contemplated by the Prospective Bidder's Proposed Asset Purchase Agreement or (b) if the Prospective Bidder is an entity formed for the purpose of effecting the proposed Sale Transaction, a Qualified Bid must provide written evidence acceptable to the Debtors of authorization and the approval by the equity holder(s) of such Prospective Bidder.
11. Joint Bids. The Debtors will be authorized to approve joint Bids in their discretion on a case-by-case basis, so long as a joint bid meets the Qualified Bid requirements and the applicable bidders otherwise comply with these Bidding Procedures. Approved joint Bids shall be treated as bids for all purposes. In addition to the other requirements of these Bidding Procedures, a joint Bid shall include a concise description of the nature of such partnership or joint Bid to the extent reasonably practicable.
12. Other Requirements. A Qualified Bid must:
 - a. state that the Prospective Bidder agrees to serve as a backup bidder (a "Backup Bidder") if such bidder's Qualified Bid is selected at the Auction as the next highest or next best bid after the Successful Bid (as defined in Section VII.C.1 below) for the applicable Assets (each such bid, a "Backup Bid"); provided, that as to any Stalking Horse Bidder, the terms of any applicable Stalking Horse Agreement shall control as to any Backup Bidder and Backup Bid requirement, and no Stalking Horse Bidder shall be required to serve as a Backup Bidder, notwithstanding such Stalking Horse Bidder's Stalking Horse Bid being the next highest or next best bid after a Successful Bid for the applicable Assets, without its prior written consent.
 - b. state that the bid, as may be modified before or during the Auction, represents a binding, irrevocable, good-faith and *bona fide* offer to purchase the applicable Assets and is not subject to or conditioned

on any due diligence, financing, or other contingency (other than the conditions to closing under the applicable agreement), and is irrevocable until the later of (i) the applicable outside date for consummation of the applicable Sale Transaction or (ii) the Backup Bid Expiration Date (as defined in Section VII.C.2 below);

- c. except as otherwise may be provided in a Stalking Horse Agreement, expressly state and acknowledge that the Prospective Bidder shall not be entitled to a break-up fee, termination fee, expense reimbursement or other “bidding protection” in connection with the submission of a bid for the Assets or otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court;
- d. state that the Prospective Bidder is committed to closing the Sale Transaction contemplated in its Bid as soon as practicable and in any case no later than the applicable deadline to consummate an approved Sale Transaction set forth herein;
- e. specify (i) whether the Qualified Bidder intends to hire any of the Debtors’ employees and (ii) the proposed treatment of the Debtors’ prepetition compensation, incentive, retention, bonus or other compensatory arrangements, plans, or agreements, including offer letters, employment agreements, consulting agreements, retiree benefits, and any other employment related agreements (collectively, the “Employee Obligations”);
- f. expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code or the payment of any broker fees or costs in connection with bidding for any of the Assets and/or otherwise participating in the Auction or the Sale Transaction process;
- g. include a covenant to cooperate with the Debtors (i) to provide pertinent factual information regarding the Prospective Bidder’s operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and any other applicable regulatory requirements and (ii) to obtain Court approval of the Sale Transaction;
- h. state or otherwise estimate the types of transition services, if any, the Prospective Bidder would require of and/or provide to the Debtors, including an estimate of the time any such transition services would be required of and/or provided to the Debtors, if the Prospective Bidder’s Bid were selected as the Successful Bid for the applicable Assets;

- i. certify that the Prospective Bidder did not collude with any other bidders and is not otherwise a partnership, joint venture or other entity in which more than one bidder (or any affiliates of a bidder) has a direct or indirect interest, unless consented to in writing by the Debtors;
- j. include a covenant to comply with the terms of these Bidding Procedures and the Bidding Procedures Order; and
- k. include contact information for the specific person(s) the Debtors should contact in the event they have any questions about the Prospective Bidder's bid.

B. Bid Review Process

The Debtors will review each Bid received from a Prospective Bidder to determine whether it meets the requirements set forth above. Based upon their evaluation of the content of each Bid, the Debtors may, as they deem appropriate in their business judgment and in a manner consistent with their fiduciary duties and applicable law, engage in negotiations with any Prospective Bidder for the purposes of (i) curing any deficiencies in a Bid that prevents it from constituting a Qualified Bid, (ii) improving the terms of the Prospective Bidder's Bid or (iii) otherwise promoting a more competitive bidding and Auction process with the ultimate goal of maximizing the value of the Assets.

A Bid received from a Prospective Bidder for all or any portion of the Assets that the Debtors determine meets the requirements set forth in Section V and VI above, and is otherwise satisfactory to the Debtors, will be considered a Qualified Bid and each Prospective Bidder that submits a Qualified Bid will be considered a "Qualified Bidder." The Debtors shall inform Qualified Bidders that their Bids have been designated as Qualified Bids as reasonably in advance of the commencement of the Auction as is practicable.

For the avoidance of doubt, any Stalking Horse Agreement will be deemed a Qualified Bid, and the Stalking Horse Bidder will be deemed a Qualified Bidder, for all purposes and requirements pursuant to the Bidding Procedures, notwithstanding the requirements that a Prospective Bidder must satisfy to be a Qualified Bidder. The Debtors shall, within two (2) calendar days following the Bid Deadline, inform any Stalking Horse Bidder of the Baseline Bid (as defined in Section VII.B.2) received relevant to the Assets under such Stalking Horse Bidder's Stalking Horse Agreement and shall provide copies of the Baseline Bid at the same time other Qualified Bidders receive such information.

In evaluating a Bid, the Debtors may take into consideration any and all factors that the Debtors deem reasonably pertinent, including, without limitation:

- (i) the amount of the proposed purchase price and proposed form of consideration;
- (ii) any Assets and liabilities included in, or excluded from, the Bid, including any Contracts marked for assumption and assignment;

- (iii) the value to be provided to the Debtors under the Bid, including the net economic effect on the Debtors' estates (taking into account any Stalking Horse Bidder's rights with respect to any termination payment, expense reimbursement, any Wind-Down Amount, and the DIP Financing Amount, in each case, as applicable);
- (iv) any benefit to the Debtors' estates from any assumption or waiver of liabilities contemplated by the Bid; (v) any benefit to the Debtors' estates arising from the avoidance of additional costs that may be incurred as a result of the Bid;
- (vi) the structure of the proposed Sale Transaction and any attendant execution risk, including conditions to, timing of and certainty of closing, termination provisions, financing contingencies, availability of financing and general financial wherewithal to meet all commitments, and any required governmental approvals;
- (vii) the impact of the proposed Sale Transaction on employees and the proposed treatment of the Employee Obligations;
- (viii) the impact of the proposed Sale Transaction on the Debtors' trade creditors, licensees, clients and any other parties in interest; and (ix) any other factors the Debtors may reasonably deem relevant and consistent with their fiduciary duties; provided that in conjunction with any Credit Bid, the Debtors must have sufficient cash to pay any applicable termination payment and/or expense reimbursement pursuant to the terms of any Stalking Horse Agreement.

The Debtors will make a determination regarding the Bids that qualify as Qualified Bids and as Baseline Bids and will notify bidders whether they have been selected as Qualified Bidders as reasonably in advance of the commencement of the Auction as is practicable. A Qualified Bidder shall not (without the consent of the Debtors), modify, amend or withdraw its Qualified Bid, unless for the purposes of increasing the purchase price or otherwise improving the terms of the bid, as determined by the Debtors in their business judgment.

The Debtors, in their business judgment reserve the right to reject any Bid (other than any Stalking Horse Bid) if such Bid, among other things, (i) is on terms that are more burdensome or conditional than the terms of any applicable Stalking Horse Agreement, (ii) requires any indemnification of the Prospective Bidder in its asset purchase agreement, (iii) is not received by the Bid Deadline, (iv) is subject to any contingencies (including representations, warranties, covenants and timing requirements) of any kind or any other conditions precedent to such party's obligation to acquire the relevant Assets, (v) seeks any bid protections, or (vi) does not, in the Debtors' determination, include a fair and adequate price or the acceptance of which would not be in the best interests of the Debtors' estates.

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors may, in their sole discretion, among other things (i) amend or waive the conditions precedent to qualifying as a Qualified Bidder, (ii) extend the Bid Deadline as to any party or with respect to any Assets (provided the Bid Deadline may not be extended beyond 55 days after the Petition Date without the consent of the Stalking Horse Purchasers identified in

Section II.A above), (iii) with respect to any Bid that is not a Qualified Bid, the Debtors may provide (but shall not be obligated to provide) the Bidder with the opportunity to remedy any deficiencies prior to the Auction, and/or (iv) postpone or cancel the Auction and terminate the proposed sale(s) for any Assets.

C. Bidding Protections

Other than any bid protections provided to a Stalking Horse Bidder, as applicable, no bidder or any other party shall be entitled to any termination or “break-up” fee, expense reimbursement or any other bidding protections in connection with the submission of a bid for the Assets or for otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court.

VII. THE AUCTION

If the Debtors receive more than one Qualified Bid (including any Stalking Horse Bid) for an Asset or combination of Assets, the Debtors will conduct an Auction for such Asset(s). If more than one Qualified Bid exists for acquiring specific combinations of the Assets, then the Debtors may, in the exercise of their reasonable business judgment, and in consultation with the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “Committee”), first conduct a separate Auction (a “Sub-Auction”) for such Assets that have at least one Qualified Bid pursuant to the Bid Procedures; *provided*, that in the event that the Debtors elect to conduct any such Sub-Auction and select an Alternate Transaction (as defined in the applicable Asset Purchase Agreement) for any Asset, any Stalking Horse Bidder, including, without limitation, the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, may, in its sole discretion, immediately or at any time thereafter terminate such Stalking Horse Bidder’s applicable Stalking Horse Purchase Agreement upon written notice of termination to the Debtors, and, upon delivery of such written notice of termination, the applicable Stalking Horse Purchase Agreement will become void and have no further force and effect and all further obligations of the parties to each other under such Stalking Horse Purchase Agreement will terminate without further obligation or liability of the parties (the “Sub-Auction Stalking Horse Purchaser’s Option”). With respect to any particular Asset for which the Debtors receive only one Qualified Bid by the Bid Deadline, the Debtors may, in their business judgment, and in consultation with the Committee, determine to consummate a Sale Transaction with the applicable Qualified Bidder without conducting an Auction.

In the event the Debtors determine not to hold an Auction for some or all of the Assets, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice containing the following information, as applicable: (i) a statement that the Auction for the relevant Assets has been canceled, (ii) the identity of the Successful Bidder, (iii) a copy of the Successful Bid or a summary of the material terms of such Successful Bid, including any assumption and assignment of Contracts contemplated thereby, and (iv) the date, time and location of the applicable Sale Hearing.

The Auction, if required, will be conducted on **August 8, 2023, at 5 p.m. (prevailing Eastern Time)**, virtually through Zoom, after providing notice to the Sale Notice Parties; *provided, however*, the Debtors shall have the right to hold the Auction remotely, including

telephonically or by other electronic means (including, without limitation, video conferencing) as the Debtors may choose in their sole discretion, and in consultation with the Committee, so as to comply with all applicable federal, state and local laws, orders, ordinances, guidelines and guidance, including any shelter-in-place, social distancing and non-essential business orders and guidelines. If held, the Auction proceedings will be transcribed and/or video recorded.

A. Participants and Attendees

Only Qualified Bidders are eligible to participate in the Auction or any Sub-Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with these Bidding Procedures. At least one (1) day prior to the Auction or any Sub-Auction, each Qualified Bidder must inform the Debtors in writing whether it intends to participate in the Auction. Qualified Bidders participating in the Auction or specific Sub-Auction must appear via video conferencing at the Auction or specific Sub-Auction, as applicable, or through a duly authorized representative. Subject to the Auction procedures set forth in Section VII of these Bidding Procedures, all Qualified Bidders and the Consultation Parties are permitted to attend the Auction or any Sub-Auction; provided, that the Debtors may, in their sole discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction or specific Sub-Auction. Any creditor and its advisors wishing to attend the Auction may do so by contacting, no later than one (1) day prior to the start of the Auction, the Debtors' advisors.

Each Qualified Bidder participating in the Auction or specific Sub-Auction will be required to confirm in writing and on the record at the Auction or Sub-Auction, as applicable, that (i) it has not engaged in any collusion with respect to the Auction or the submission of any bid for any of the Assets and (ii) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the Auction or specific Sub-Auction is a binding, good-faith and *bona fide* offer to purchase the Assets identified in such bids.

All Prospective Bidders and Qualified Bidders (including any Stalking Horse Bidder, Successful Bidder and Backup Bidder) shall be deemed to have (i) consented to the core jurisdiction of the Court to enter any order related to these Bidding Procedures, the Auction or, any other relief requested in the Motion or granted pursuant to the Bidding Procedures Order or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, (ii) waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Auction or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to these Bidding Procedures, the Auction or specific Sub-Auction, the construction or enforcement of any agreement or any other document relating to any Sale Transaction, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

B. Auction Procedures

The Auction or Sub-Auction shall be governed by the following procedures, subject to the Debtors' right to modify such procedures in their business judgment, subject to and in

accordance with these Bidding Procedures and the applicable parties' rights under any Stalking Horse Agreement:

1. Auction Packages. Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will make a determination regarding the Assets and/or combinations of Assets for which the Debtors will conduct an Auction (each such Asset or group of Assets, an "Auction Package"). For the avoidance of doubt, the Debtors may, in their business judgment determine to (i) include an individual Asset in more than one Auction Package and (ii) have an Auction Package for all or substantially all of the Debtors' Assets.
2. Baseline Bids. Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will determine, in their business judgment, the highest and/or best Qualified Bid submitted for each Auction Package (each such Qualified Bid, a "Baseline Bid"). Bidding for each Auction Package at the Auction shall commence at the amount of the applicable Baseline Bid.
3. Minimum Overbid. Bidding at the Auction or Sub-Auction for an Auction Package (or subset thereof) that is subject to Qualified Bids will begin with the Baseline Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid (a "Subsequent Bid") is submitted by a Qualified Bidder that (i) improves on such Qualified Bidder's immediately prior Qualified Bid and (ii) the Debtors determine that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Baseline Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below).

The Debtors will announce at the outset of the Auction or Sub-Auction the minimum required increments for successive Bids (each, such Bid, a "Minimum Overbid"). The Debtors may, in their discretion, announce increases or reductions to Minimum Overbids at any time during the Auction or Sub-Auction.

Upon a Qualified Bidder's declaration of a Bid at the Auction or specific Sub-Auction, the Qualified Bidder must state on the record its commitment to pay within two (2) business days following the Auction or Sub-Auction, if such Bid were to be selected as the Successful Bid or as the Backup Bid for the applicable Auction Package, the incremental amount of the Qualified Bidder's Good Faith Deposit calculated based on the increased purchase price of such bid (such Good Faith Deposit so increased, the "Incremental Deposit Amount") if applicable. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by any Bid subsequent to a Baseline Bid, the Debtors will, at each round of bidding, consider and/or give effect to

(a) any termination payment or expense reimbursement (only if such amount has not previously been paid) payable to any Stalking Horse Bidder under an applicable Stalking Horse Agreement, including the crediting of such amounts to the applicable Stalking Horse Bidder, (b) any additional liabilities to be assumed by a Qualified Bidder under the Bid, including whether such liabilities are secured or unsecured, (c) any additional costs that may be imposed on the Debtors, and (d) the provision of any Wind-Down Amount and treatment of the DIP Financing Amount, as applicable.

4. Leading Bid. After the first round of bidding and between each subsequent round of bidding, the Debtors will announce the bid that they believe to be the highest or otherwise best offer for the applicable Auction Package (each such bid, a "Leading Bid") and describe the material terms thereof. Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the material terms of the Leading Bid, subject to the Debtors' authority to revise the Auction procedures to the extent permitted hereby.

The Auction or any Sub-Auction will be conducted by open bidding in the presence of all other Qualified Bidders and each Qualified Bidder shall have the right to be present for all rounds of open bidding and to submit additional bids and make modifications to its Proposed Asset Purchase Agreement at the Auction to improve its bid. The Debtors may, in their business judgment, engage in discussions and negotiate with any and all Qualified Bidders participating in the Auction or Sub-Auction outside the presence of other bidders before each round of bidding, including to improve or clarify the terms of bids made.

The Debtors shall have the right to determine, in their business judgment, which bid is the highest or otherwise best bid with respect to an applicable Auction Package (including, without limitation, with respect to an Auction Package that includes all or substantially all of the Debtors' Assets) and, in accordance with the terms of these Bidding Procedures, reject, at any time, without liability (except for any requirement to pay any termination payment or expense reimbursement under a Stalking Horse Agreement, as applicable), any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, these Bidding Procedures, any order of the Court, or the best interests of the Debtors and their estates, including, without limitation, the provision of any Wind-Down Amount and treatment of the DIP Financing Amount, as applicable.

C. Auction Results

1. Successful Bids. Immediately prior to the conclusion of the Auction or a specific Sub-Auction for an Auction Package, the Debtors will

(a) determine, consistent with these Bidding Procedures, which Qualified Bid constitutes the highest or otherwise best bid(s) for the Auction Package (each such bid, a “Successful Bid”) and (b) notify all Qualified Bidders at the Auction or Sub-Auction of the identity of the bidder that submitted the Successful Bid for the Auction Package (each such bidder, a “Successful Bidder”) and the amount of the purchase price and other material terms of the Successful Bid. As a condition to remaining the Successful Bidder, the Successful Bidder shall, within two (2) business days after the conclusion of the Auction or Sub-Auction, (i) if applicable, wire to the Debtors in immediately available funds the Incremental Deposit Amount, calculated based on the purchase price in the Successful Bid(s) and (ii) submit to the Debtors fully executed documentation memorializing the terms of the Successful Bid(s).

2. Backup Bids. Immediately prior to the conclusion of the Auction or Sub-Auction for an Auction Package, the Debtors will (a) determine, in a manner consistent with these Bidding Procedures, which Qualified Bid is the Backup Bid for the Auction Package and (b) notify all Qualified Bidders at the Auction or Sub-Auction for the Auction Package of the identity of the Backup Bidder for the Auction Package and the amount of the purchase price and other material terms of the Backup Bid. Within two (2) business days after the Auction or Sub-Auction, the Backup Bidder shall submit to the Debtors execution versions of the documentation memorializing the terms of the Backup Bid(s).

A Backup Bid will remain binding on the applicable Backup Bidder until the earlier of (a) the first business day after the closing of a Sale Transaction with the Successful Bidder for the applicable Auction Package and (b) 30 days after the Sale Hearing (or such other date as may be set forth in a Stalking Horse Agreement, the “Backup Bid Expiration Date”). If the Sale Transaction with the applicable Successful Bidder is terminated prior to the Backup Bid Expiration Date, the Backup Bidder shall be deemed the new Successful Bidder for the applicable Auction Package and shall be obligated to consummate the Backup Bid as if it were the Successful Bid at the Auction or Sub-Auction; provided, that the Debtors may, in their business judgment and after providing notice to the Sale Notice Parties, elect not to pursue the Sale Transaction contemplated by the Backup Bid.

3. Notice of Auction or Sub-Auction Results. By the later of (a) **August 9, 2023** and (b) one day after the conclusion of the Auction or Sub-Auction, or as soon as is reasonably practicable thereafter, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction or Sub-Auction (the “Notice of Auction Results”), which will (a) identify each Successful Bidder and each Backup Bidder, (b) include a copy of each Successful Bid and each Backup Bid or a summary of the material terms of such bids, including any proposed assumption and assignment of Contracts

contemplated thereby, and (c) set forth the Post-Auction Objection Deadline (as defined in Section X.D below), the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction or any Sub-Auction.

4. The Debtors' presentation to the Bankruptcy Court for approval of a selected Qualified Bid as a Successful Bid does not constitute the Debtors' acceptance of such Bid. The Debtors will have accepted a Successful Bid only when such Successful Bid has been approved by the Bankruptcy Court at the Sale Hearing.

D. Additional Auction Procedures

The Debtors may announce at the Auction or a specific Sub-Auction additional procedural rules (*e.g.*, among other things, the amount of time to make Subsequent Bids, the amount of the Minimum Overbid, or the requirement that parties submit "best and final" Bids) for conducting the Auction or specific Sub-Auction or otherwise modify these Bidding Procedures; provided, that such rules (i) are not materially inconsistent with the Bidding Procedures Order, the DIP Orders, these Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are disclosed to each Qualified Bidder during the Auction or Sub-Auction, and (iii) are in form and substance acceptable to the DIP Lenders (as defined in the Bidding Procedures). For the avoidance of doubt, any bid for any Assets included in any Auction Package shall be subject to a determination by the Debtors, in their business judgment and in accordance with the other provisions of these Bidding Procedures, that (i) a bid for substantially all of the Debtors' Assets and/or (ii) a combination of bids that groups the Assets together differently is the highest or otherwise best offer for such Assets.

E. Disposition of Good Faith Deposit

1. Prospective Bidders. Within five business days after the Debtors make final determinations as to which Prospective Bidders qualify as Qualified Bidders, a Prospective Bidder's Good Faith Deposit shall be returned to any such Prospective Bidder that did not qualify as a Qualified Bidder, as confirmed by the Debtors. Upon the authorized return of a Prospective Bidder's Good Faith Deposit in accordance with this Section VII.E, the bid of such Prospective Bidder shall be deemed terminated and no longer binding against the Prospective Bidder.
2. Qualified Bidders.
 - a. Forfeiture of Good Faith Deposit. The Good Faith Deposit of a Qualified Bidder shall be forfeited if the Qualified Bidder attempts to withdraw its Qualified Bid, except as may be permitted by these Bidding Procedures, during the time the Qualified Bid remains binding and irrevocable under these Bidding Procedures. The Debtors and their estates shall be entitled to retain the Qualified

Bidder's Good Faith Deposit as partial compensation for the damages caused to the Debtors and their estates as a result of the Qualified Bidder's failure to adhere to the terms of these Bidding Procedures and/or the relevant Qualified Bid. In the event that a Qualified Bidder's Good Faith Deposit is deemed forfeited, such Qualified Bidder's Good Faith Deposit shall be released by wire transfer of immediately available funds to an account designated by the Debtors within two (2) business days after receipt of written notice by an authorized officer of the Debtors stating that the applicable Qualified Bidder has breached or otherwise failed to satisfy its obligations in accordance with these Bidding Procedures and the applicable Qualified Bid.

- b. Return of Good Faith Deposit. With the exception of the Good Faith Deposits of Successful Bidders and Backup Bidders and any forfeiture of a Good Faith Deposit as described above, any other Qualified Bidder's Good Faith Deposit shall be returned within 5 business days after the conclusion of the Auction for the applicable Auction Package.
- c. Backup Bidder. Any Backup Bidder's Good Faith Deposit shall be returned within 5 business days after the occurrence of the applicable Backup Bid Expiration Date.
- d. Successful Bidder. At the closing of a Sale Transaction, the Successful Bidder shall be entitled to a credit against the purchase price for the applicable Assets in the amount of the Successful Bidder's Good Faith Deposit (and, in the case of a Successful Bidder that was a Stalking Horse Bidder where there is bidding on the Assets subject to the Stalking Horse Agreement, that Successful Bidder shall be entitled to a credit against the purchase price in an amount equal to any termination payment and/or expense reimbursement that would have been payable under the applicable Stalking Horse Agreement had the Stalking Horse Bidder not participated in the Auction). The Good Faith Deposit of a Successful Bidder shall be forfeited if the Successful Bidder fails to consummate the applicable Sale Transaction because of a breach that entitles the Debtors to terminate the applicable asset purchase agreement with such Successful Bidder, and the Debtors and their estates shall be entitled to retain the Successful Bidder's Good Faith Deposit as partial compensation for the damages caused to the Debtors and their estates as a result of such breach. In the event that a Successful Bidder's Good Faith Deposit is deemed forfeited, such Good Faith Deposit shall be released by wire transfer of immediately available funds to an account designated by the Debtors within two (2) business days after receipt of written notice by an authorized officer of the Debtors stating that the applicable Successful Bidder has breached or otherwise failed to satisfy its obligations in accordance with these Bidding Procedures and the applicable Successful Bid.

VIII. SALE HEARING

Each Successful Bid (including any Backup Bid that is subsequently deemed a Successful Bid) will be subject to approval by the Bankruptcy Court. The hearing to approve any Sale Transaction consummated in accordance with these Bidding Procedures (except in the case of a Sale Transaction contemplated by a Backup Bid that subsequently is deemed a Successful Bid) shall take place on **August 11, 2023, at 5 p.m. (prevailing Eastern Time)** (the “Sale Hearing”) before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware.

At the Sale Hearing, the Debtors will seek entry of one or more orders (each, a “Sale Order”) approving, among other things, one or more sales of the Assets to the Successful Bidder(s).

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors may, in their business judgment (after consulting with the Successful Bidder(s)), adjourn or reschedule the Sale Hearing with sufficient notice to the Sale Notice Parties, including by announcing such adjournment or rescheduling at the Auction or Sub-Auction or in Court on the date of the originally scheduled Sale Hearing.

At the Sale Hearing, the Debtors will seek entry of an order that, among other things: (i) authorizes and approves the Sale Transaction(s) to the Successful Bidder(s) and/or the Backup Bidder(s), (ii) includes a finding that the Successful Bidder(s) and/or the Backup Bidder(s) is a good faith purchaser pursuant to section 363(m) of the Bankruptcy Code, and (iii) as appropriate, exempts the Sale Transaction(s) and conveyance(s) of the Assets from any transfer tax, stamp tax or similar tax, or deposit under any applicable bulk sales statute.

IX. RESERVATION OF RIGHTS TO MODIFY BIDDING PROCEDURES

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors reserve the right to, in their business judgment, in a manner consistent with their fiduciary duties and applicable law, modify these Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth herein, (b) adopt new rules and procedures for conducting the bidding and Auction process, (c) if applicable, provide reasonable accommodations to a Stalking Horse Bidder, or (d) otherwise modify these Bidding Procedures to further promote competitive bidding for and maximizing the of value of the Assets; provided, that such extensions, waivers, new rules and procedures, accommodations and modifications (i) do not conflict with and are not inconsistent with the Bidding Procedures Order, these Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are promptly communicated to each Qualified Bidder, and (iii) do not extend the Bid Deadline, the date of the Auction or the closing of the Auction, unless the DIP Lenders give their prior written consent to do so.

X. NOTICING

A. Bid Notice Parties

Qualified Bids must be submitted in writing to the following parties (collectively, the “Bid Notice Parties”):

- the Debtors, c/o PGX Holdings, Inc., 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111 (Attn: Eric Kamerath) or (as applicable), c/o John C. Heath, Attorney At Law PC, P.O. Box 1173, Salt Lake City, Utah 84110 (Attn: John C. Heath);
- counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com)); and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney Fogelberg (whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)); and
- solely to the extent they are not an active or prospective bidder with respect to the relevant Asset(s), counsel for the Prepetition First Lien Agent, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)) and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com)).

B. Sale Notice Parties

The “Sale Notice Parties” shall include the following persons and entities:

- counsel to any Stalking Horse Bidder;
- all persons and entities known by the Debtors to have expressed an interest to the Debtors in a Sale Transaction involving any of the Assets during the past 12 months, including any person or entity that has submitted a Bid for any of the Assets;
- all persons and entities known by the Debtors to have asserted any lien, claim, interest or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors), including, for the avoidance of doubt, the Prepetition First Lien Agent (on behalf of the Prepetition First Lien Lenders);

- with respect to any Sale of the Lexington Law Assets, all persons and entities currently and/or formerly represented by the Lexington Law Firm;
- counsel to the Prepetition First Lien Agent, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)) and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisnichols.com));
- all relevant non-Debtor parties (each, a “Counterparty”) to any Contract that may be assumed or rejected in connection with a Sale Transaction;
- all of the Debtors’ known creditors (for whom identifying information and addresses are available to the Debtors);
- any governmental authority known to have a claim against the Debtors in these Chapter 11 Cases;
- the Federal Trade Commission;
- the Bureau of Consumer Protection;
- the Consumer Protection Financial Bureau;
- the office of the U.S. Trustee;
- all applicable federal, state and local taxing authorities, including the Internal Revenue Service;
- the United States Securities and Exchange Commission;
- the United States Attorney’s Office for the District of Delaware;
- United States Attorney General’s Office for the District of Delaware;
- the Office of the Attorney General and the Secretary of State in each state in which the Debtors operate;
- counsel for the Committee, Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019 (Attn: Andrew I. Silfen (andrew.silfen@afslaw.com) and Beth M. Brownstein (beth.brownstein@afslaw.com)); Arent Fox Schiff LLP, 800 Boylston Street, 32nd Floor, Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)); and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801 (Attn: Eric J.

Monzo (emonzo@morrisjames.com), Brya M. Keilson
(bkeilson@morrisjames.com), and Jason S. Levin
(jlevin@morrisjames.com));

- counsel for any other official committee appointed in these Chapter 11 Cases;
- all of the parties entitled to notice pursuant to Bankruptcy Rule 2002; and
- all other parties as directed by the Court.

C. Sale Notice and Publication Notice

Within three (3) business days, or as soon as reasonably practicable, after entry of the Bidding Procedures Order, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website a notice (the “Sale Notice”) setting forth (A) a description of the Assets available for sale in accordance with these Bidding Procedures, (B) the date, time and location of the Auction and Sale Hearing, (C) the Sale Objection Deadline and Post- Auction Objection Deadline (each as defined in Section X.D below) and the procedures for filing such objections, and, if applicable, (D) a summary of the material terms of any Stalking Horse Agreement, including the terms and conditions of any termination payment or expense reimbursement to be provided thereunder, as of the date of the Sale Notice.

Within four business days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, the Debtors will cause the information contained in the Sale Notice to be published once in *The New York Times* (national edition) (the “Publication Notice”).

D. Sale Objections and Post-Auction Objections

Objections to a sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) entry of any Sale Order shall, by **no later than August 3, 2023, at 5 p.m. (prevailing Eastern Time)** (the “Sale Objection Deadline”), be filed with the Court and served on the following parties (collectively, the “Objection Notice Parties”):

- the Debtors, c/o PGX Holdings, Inc., 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111 (Attn: Eric Kamerath) or (as applicable), c/o John C. Heath, Attorney At Law PC, P.O. Box 1173, Salt Lake City, Utah 84110 (Attn: John C. Heath);
- counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com)); Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney Fogelberg

(whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)); and Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801 (Attn.: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com));

- counsel for the Committee, Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019 (Attn: Andrew I. Silfen (andrew.silfen@afslaw.com) and Beth M. Brownstein (beth.brownstein@afslaw.com)); Arent Fox Schiff LLP, 800 Boylston Street, 32nd Floor, Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)); and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisjames.com), Brya M. Keilson (bkeilson@morrisjames.com), and Jason S. Levin (jlevin@morrisjames.com));
- counsel for any other official committee appointed in these Chapter 11 Cases;
- counsel for the Prepetition First Lien Lenders and DIP Lenders, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey Michael King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)); and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisnichols.com));
- counsel for any relevant Successful Bidder(s); and
- counsel for any relevant Backup Bidder(s).

Following service of the Notice of Auction Results, Sale Notice Parties may object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in a Successful Bid, other than with respect to a Stalking Horse Bid (each such objection, a “Post-Auction Objection”) by no later than **later of (i) August 9, 2023, at 5 p.m. (prevailing Eastern Time) and (ii) three (3) days prior to the Sale Hearing** (the “Post-Auction Objection Deadline”). Each Post-Auction Objection shall be filed with the Court and served on the Objection Notice Parties.

E. Notices Regarding Assumption and Assignment of Contracts

The Debtors will provide all notices regarding the proposed assumption and assignment of Contracts in accordance with the Assumption and Assignment Procedures (as defined in the Bidding Procedures Order).

XI. CONSULTATION BY THE DEBTORS

Throughout the Sale Transaction process, the Debtors and their advisors will consult with the following parties (collectively, the “Consultation Parties”), as provided in these Bidding Procedures, or as is otherwise necessary or appropriate, as determined in the Debtors’ business judgment: (i) the legal and financial advisors for any official committee appointed in these Chapter 11 Cases and (ii) solely to the extent they are not an active or prospective bidder with respect to the relevant Asset(s), or are participating in any way in any active or prospective bid with respect to such Asset(s), the legal and financial advisors for the Prepetition First Lien Lenders.

Notwithstanding the foregoing, the Debtors will not consult with or provide copies of any Bids or other confidential information to any Consultation Party or any insider or affiliate of the Debtors if such party is an active or prospective bidder for the relevant Asset(s) at the applicable time. If, however, a member of an official committee appointed in these Chapter 11 Cases submits a Qualified Bid for any of the Assets, the applicable committee will maintain its consultation rights as a Consultation Party, provided, that such committee excludes the bidding committee member from any discussions or deliberations regarding a transaction involving the relevant Assets, and shall not provide any confidential information regarding the Assets or otherwise involving the Sale Transaction process to the bidding committee member.

For the avoidance of doubt, any consultation rights afforded to the Consultation Parties by these Bidding Procedures or the Bidding Procedures Order shall not in any way limit the Debtors’ discretion and shall not include the right to veto any decision made by the Debtors in the exercise of their business judgment.

EXHIBIT 2

Progexion APA

[Progrexion APA to be Filed Prior to the Hearing]

EXHIBIT 3

Lexington Law APA

[Lexington Law APA to be Filed Prior to the Hearing]

EXHIBIT 4

Sale Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on June 6, 2023, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Motion of the Debtors for Entry of Order (I)(A) Approving Bidding Procedures for Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling A Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. 66] (the “Sale Motion”)² with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of substantially all of the assets of PGX to Lender AcquisitionCo LLC and of substantially all of the assets of Lexington Law to AcquisitionCo, free and clear of liens, claims, encumbrances, and other interests, except as set forth in the applicable Stalking Horse Agreement, or an alternative asset purchase agreement with a Successful Bidder at auction (the “Sale”); and (b) the assumption and assignment of certain executory contracts and unexpired leases (collectively, the “Contracts”).

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of the substantially all of the assets of the Debtors consistent with the bidding procedures (the “Bidding Procedures”) approved by the Court by entry of an order on July [●], 2023 [Docket No. [●]] (the “Bidding Procedures Order”). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Sale Motion or Bidding Procedures Order, as applicable.

there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtors receive qualified competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtors will conduct an auction (the “Auction”) of the Assets **on [August 8], 2023 at [5:00 p.m.] (prevailing Eastern Time)** virtually through Zoom (or at any other location or electronically as the Debtors may hereafter designate on proper notice).

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing scheduled to commence on or before **[August 11], 2023, at [5:00 p.m.] (prevailing Eastern Time)** (the “Sale Hearing”) before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Courtroom No. 7, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Contracts, objections to the relief requested in the Sale Motion *must*: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received on or before [August 3], 2023 at [5:00 p.m.] (prevailing Eastern Time)** by the following parties:

Counsel to the Debtors	Co-Counsel to the Debtors
<p style="text-align: center;">Kirkland & Ellis LLP 601 Lexington Ave New York, New York 10022 Attn. Joshua A. Sussberg, P.C. Chris Ceresa Email: joshua.sussberg@kirkland.com chris.ceresa@kirkland.com</p> <p style="text-align: center;">Kirkland & Ellis LLP 300 North LaSalle Street Chicago, Illinois 60654 Attn.: Spencer Winters Whitney Fogelberg Alison J. Wirtz Email: spencer.winters@kirkland.com whitney.fogelberg@kirkland.com alison.wirtz@kirkland.com</p>	<p style="text-align: center;">Klehr Harrison Harvey Bransburg LLP 919 North Market Street, Suite 1000 Wilmington, Delaware 19801 Attn: Domenic E. Pacitti Michael W. Yurkewicz Email: dpacitti@klehr.com myurkewicz@klehr.com</p> <p style="text-align: center;">Klehr Harrison Harvey Bransburg LLP 1835 Market Street, Suite 1400 Philadelphia, Pennsylvania 19103 Attn: Morton R. Bransburg Email: mbransburg@klehr.com</p>

Counsel to the Committee	Co-Counsel to the Committee
<p>Arent Fox Schiff LLP 1301 Avenue of the Americas, 42nd Floor New York, New York 10019 Attn: Andrew I. Silfen Beth M. Brownstein Email: andrew.silfen@afslaw.com beth.brownstein@afslaw.com</p> <p>Arent Fox Schiff LLP 800 Boylston Street, 32nd Floor Boston, Massachusetts 02199 Attn: Justin A. Kesselman Email: justin.kesselman@afslaw.com</p>	<p>Morris James LLP 500 Delaware Avenue, Suite 1500 Wilmington, Delaware 19801 Attn: Eric J. Monzo Brya M. Keilson Jason S. Levin Email: emonzo@morrisjames.com bkeilson@morrisjames.com jlevin@morrisjames.com</p>
The United States Trustee	Counsel to the PGX Stalking Horse Bidder
<p>Office of the United States Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 Attn.: Jane M. Leamy jane.m.leafy@usdoj.gov</p>	<p>King & Spalding LLP 1185 Avenue of the Americas, 34th Floor New York, New York 10036 Attn.: Roger Schwartz Michelle Muscara Email: rschwartz@kslaw.com mmuscara@kslaw.com</p> <p>King & Spalding LLP 110 N. Wacker Drive, Suite 3800 Chicago, Illinois 60606 Attn: Geoffrey M. King Email: gking@kslaw.com</p>
Co-Counsel to the PGX Stalking Horse Bidder	Counsel to the Lexington Law Stalking Horse Bidder
<p>Proskauer Rose LLP One International Place Boston, Massachusetts 02110-2600 Attn.: Peter Antoszyk David M. Hillman Email: pantoszyk@proskauer.com dhillman@proskauer.com</p>	<p>Young Conway Stargatt & Taylor, LLP Rodney Square 1000 North King Street Wilmington, Delaware 19801 Attn: Joseph M. Barry Lauren McCreery Joseph M. Mulvihill Joseph Barry Email: jbarry@ycst.com lmccrery@ycst.com jmulvihill@ycst.com</p>

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

PLEASE TAKE FURTHER NOTICE that copies of the Sale Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, including the PGX Stalking Horse APA, is available: (a) free of charge upon request to Kurtzman Carson Consultants LLC (the notice and claims agent retained in these chapter 11 cases) by calling (888) 249-2721 (U.S./Canada) or (310) 751-2604 (International); (b) by visiting the website maintained in these chapter 11 cases at www.kccllc.net/PGX; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.kccllc.net/PGX.

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Dated: July [____], 2023
Wilmington, Delaware

/s/ Draft

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*Proposed Co-Counsel to the Debtors and Debtors in
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EXHIBIT 5

Assumption and Assignment Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

**NOTICE TO CONTRACT PARTIES TO POTENTIALLY
ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU
OR ONE OF YOUR AFFILIATES IS A COUNTERPARTY TO AN
EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH ONE OR MORE
OF THE DEBTORS AS SET FORTH ON EXHIBIT A ATTACHED HERETO.**

PLEASE TAKE NOTICE that on June 6, 2023, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I)(A) Approving Bidding Procedures for Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling A Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. 66] (the “Bidding Procedures Order”),² authorizing the Debtors³ to conduct an auction (the “Auction”) to select the party to purchase the Debtors’ assets. The Auction will be governed by the bidding procedures approved pursuant to the Bidding Procedures Order (attached to the Bidding Procedures Order as Exhibit 2, the “Bidding Procedures”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progexion ASG, Inc. (5153); Progexion Holdings, Inc. (7123); Progexion IP, Inc. (5179); Progexion Marketing, Inc. (5073); and Progexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order or the Sale Motion, as applicable.

³ This relief granted in the Bidding Procedures Order is solely limited to the Debtors.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures and the terms of any Successful Bid, the Debtors **may** assume and assign to the Successful Bidder the contract or agreement listed on **Exhibit A** to which you are a counterparty, upon approval of the Sale. The Debtors have conducted a review of their books and records and have determined that the cure amount for unpaid monetary obligations under such Assigned Contracts is as set forth on **Exhibit A** attached hereto (the “**Cure Amounts**”).

PLEASE TAKE FURTHER NOTICE that if you disagree with the proposed Cure Amounts, object to a proposed assignment to the Successful Bidder of any Assigned Contract, or object to the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Assigned Contract, your objection must: (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, Local Bankruptcy Rules, and any order governing the administration of these chapter 11 cases; (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Amounts, state the correct cure amount alleged to be owed to the objecting Contract Counterparty, together with any applicable and appropriate documentation in support thereof; and (iv) be filed with the Court and served and **actually received no later than [August 9, 2023, at 5:00 p.m. (prevailing Eastern Time)]** (the “**Contract Objection Deadline**”) by the Court and the following parties: (i) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Spencer Winters (spencer.winters@kirkland.com), Whitney C. Fogelberg (whitney.fogelberg@kirkland.com), and Alison J. Wirtz (alison.wirtz@kirkland.com); (ii) proposed co-counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com), and Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, Suite 1400, Philadelphia, Pennsylvania 19103, Attn: Morton R. Branzburg (mbranzburg@klehr.com); and (iii) the Debtors’ proposed investment banker, Greenhill & Co., LLC, 1271 Avenue of the Americas, New York, New York 10020, Attn: Nail Augustine (ProjectPretzel@greenhill.com).

PLEASE TAKE FURTHER NOTICE that if no objection to (a) the Cure Amounts(s), (b) the proposed assignment and assumption of any Assigned Contract, or (c) adequate assurance of the Successful Bidder’s ability to perform is filed by the Contract Objection Deadline, then (i) you will be deemed to have stipulated that the Cure Amounts as determined by the Debtors are correct, (ii) you will be forever barred, estopped, and enjoined from asserting any additional cure amount under the proposed Assigned Contract, and (iii) you will be forever barred, estopped, and enjoined from objecting to such proposed assignment to the Successful Bidder on the grounds that the Successful Bidder has not provided adequate assurance of future performance as of the closing date of the Sale.

PLEASE TAKE FURTHER NOTICE that any objection to the proposed assumption and assignment of an Assigned Contract or related Cure Amounts in connection with the Successful Bid that otherwise complies with these procedures yet remains unresolved as of the commencement of the Sale Hearing, shall be heard at a later date as may be fixed by the Court.

PLEASE THAT FURTHER NOTICE that, notwithstanding anything herein, the mere listing of any Assigned Contract on the Cure Notice does not require or guarantee that such Assigned Contract will be assumed by the Debtors at any time or assumed and assigned, and all rights of the Debtors and the Successful Bidder with respect to such Executory Contracts and/or Unexpired Leases are reserved. Moreover, the Debtors explicitly reserve their rights, in their reasonable discretion, to seek to reject or assume each Assigned Contract pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing the Debtors and/or the Successful Bidder, as applicable, to designate any Assigned Contract as either rejected or assumed on a post-closing basis.

PLEASE TAKE FURTHER NOTICE that, nothing herein (i) alters in any way the prepetition nature of the Assigned Contracts or the validity, priority, or amount of any claims of a counterparty to any Assigned Contract against the Debtors that may arise under such Assigned Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assigned Contract against the Debtors that may arise under such Assigned Contract.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.kccllc.net/PGX.

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Dated: July [____], 2023

Wilmington, Delaware

/s/ Draft

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*Proposed Co-Counsel to the Debtors and Debtors in
Possession*

Exhibit A

Potentially Assumed Contracts¹

¹ The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract. The Debtors reserve all rights with respect to assumption or rejection of any Contract included on this list.

EXHIBIT B

Redlined Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
	)	<u>Re: Docket Nos. 66-68, 101, 155, 190</u>

ORDER (I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (B) AUTHORIZING THE DEBTORS TO ENTER INTO ONE OR MORE STALKING HORSE AGREEMENTS AND TO PROVIDE BIDDING PROTECTIONS THEREUNDER; (C) SCHEDULING AN AUCTION AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF; (D) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES; ~~AND~~ (E) SCHEDULING A SALE HEARING AND APPROVING ~~THE~~ THE FORM AND MANNER OF NOTICE THEREOF; (II)(A) APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES AND (B) APPROVING ~~APPROVING~~ THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS ~~CONTRACTS~~ AND UNEXPIRED LEASES; AND (III) GRANTING RELATED RELIEF

Upon the Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling a Sale Hearing and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors' service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief [Docket No. [\[redacted\]66](#)] (the "Motion")² filed by the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"); the Court having reviewed the Motion, the First Day Declaration [Docket No. 12], the Augustine Declaration [\[Docket No. 67\]](#), and the Frejka Declaration; [\[Docket No. 68\]](#), and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court on [\[redacted\]July 21](#), 2023 to consider certain of the relief requested in the Motion (the "Bidding Procedures Hearing"); and after due deliberation, this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors, and the Debtors having demonstrated good, sufficient and sound business justifications for the relief granted herein;

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. Jurisdiction and Venue. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.B.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion or in the Bidding Procedures, as applicable.

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Statutory and Legal Predicates. The statutory and legal predicates for the relief requested in the Motion are sections 105(a), 363, 365, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014 and Local Rules 2002-1, 6004-1, and 9006-1.C.

C. Sale Process. The Debtors and their advisors engaged pre-petition with a number of potential interested parties prior to the execution of the Stalking Horse Agreements to solicit and develop the highest and otherwise best offers for the Assets.

D. Bidding Procedures. The Debtors have articulated good and sufficient business reasons for the Court to approve the bidding procedures attached hereto as **Exhibit 1** (the “Bidding Procedures”). The Bidding Procedures are fair, reasonable and appropriate and are designed to maximize the value of the proceeds of one or more sales (each, a “Sale Transaction”) of all or substantially all of the Debtors’ assets (the “Assets”). The Bidding Procedures were negotiated in good faith and at arm’s-length and are reasonably designed to promote a competitive and robust bidding process to generate the greatest level of interest in the Debtors’ Assets. The process for selecting the Progexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder (each as defined below) as Stalking Horse Bidders (as defined below), respectively, was fair and appropriate under the circumstances and in the best interests of the Debtors’ estates. The Bidding Procedures comply with the requirements of Local Rule 6004-1(c).

E. Designation of the Progexion Stalking Horse Bid. The Progexion Stalking Horse Bid, as defined in the Progexion APA,⁴ represents the highest and otherwise best

⁴ “Progexion APA” means that certain *Asset Purchase Agreement*, substantially in the form attached hereto as **Exhibit 2**, between and among (A) (i) PGX Holdings, Inc., a Delaware corporation, (ii) Progexion

offer the Debtors have received to date to purchase the Transferred Assets, as defined and set forth in the Progrexion APA. The Progrexion APA provides the Debtors with the opportunity to sell the Transferred Assets in a manner designed to preserve and maximize their value and provide a floor for a further marketing and auction process. Without the Progrexion Stalking Horse Bid, the Debtors are at a significant risk of realizing a lower price for the Transferred Assets. As such, the contributions of the Progrexion Stalking Horse Bidder to the process have indisputably provided a substantial benefit to the Debtors, their estates, and the creditors in these Chapter 11 Cases. The Progrexion Stalking Horse Bid will enable the Debtors to minimize disruption to the Debtors' restructuring process and secure a fair and adequate Baseline Bid (as defined in the Bidding Procedures) for the Transferred Assets at the Auction(s) (if any), and, accordingly, will provide a clear benefit to the Debtors' estates, their creditors, and all other parties in interest.

hereto as **Exhibit 2**, between and among (A) (i) PGX Holdings, Inc., a Delaware corporation, (ii) Progrexion Holdings, Inc., a Delaware corporation, (iii) Credit.com, Inc. a Delaware corporation, (iv) eFolks Holdings, Inc., a Delaware corporation, (v) Creditrepair.com Holdings, Inc., a Delaware corporation, (vi) Progrexion ASG, Inc., a Delaware corporation, (vii) Progrexion IP, Inc., a Delaware corporation, (viii) Progrexion Marketing, Inc., a Delaware corporation, (ix) Progrexion Teleservices, Inc., a Delaware corporation, (x) eFolks, LLC, a Delaware limited liability company, (xi) Creditrepair.com, Inc., a Florida corporation and (xii) Credit Repair UK, Inc., a Delaware corporation, (B) Lender AcquisitionCo LLC (together with each of its permitted successors, assigns and designees, the "Progrexion Stalking Horse Bidder"), (C) Purchaser HoldCo (solely for the purposes stated expressly in the Progrexion APA) and (D) Blue Torch Finance LLC, in its capacity as administrative agent under that certain First Lien Financing Agreement (signing solely for the purposes stated expressly in the Progrexion APA). The "First Lien Financing Agreement" means that certain First Lien Financing Agreement, dated as of July 21, 2021, among the Borrowers (as defined therein), the guarantors from time to time party thereto, the lenders party thereto from time to time (the "Prepetition First Lien Lenders"), and Blue Torch Finance LLC as administrative agent and collateral agent (the "Prepetition First Lien Agent") (as amended by that certain Amendment No. 1 to First Lien Financing Agreement, dated as of July 20, 2022, that certain Amendment No. 2 to First Lien Financing Agreement, dated as of December 28, 2022, that certain Amendment No. 3 to First Lien Financing Agreement, dated as of March 31, 2023, and as further amended, restated, amended and restated, supplemented or otherwise modified through the Petition Date, the "Prepetition First Lien Financing Agreement" and, together with all related loan documents, the "Prepetition First Lien Loan Documents").

F. Designation of the Progrexion Stalking Horse Bidder. The Progrexion Stalking Horse Bidder shall act as a “stalking horse bidder” pursuant to the Progrexion APA and the Progrexion Stalking Horse Bid shall be subject to higher or otherwise better offers in accordance with the Progrexion APA and the Bidding Procedures. Pursuit of the Progrexion Stalking Horse Bidder as a “stalking horse bidder” and the Progrexion APA as a “stalking horse purchase agreement” is in the best interests of the Debtors and the Debtors’ estates and their creditors, and it reflects a sound exercise of the Debtors’ business judgment.

G. The Progrexion Stalking Horse Bidder and its counsel and advisors have acted in “good faith” ~~within the meaning of section 363(m) of the Bankruptcy Code~~ in connection with the Progrexion Stalking Horse Bidder’s negotiation of the ~~Progrexion Expense Reimbursement (as defined below) and the~~ Bidding Procedures and entry into the Progrexion APA.

~~H. Progrexion Stalking Horse Expense Reimbursement. The Debtors have articulated compelling and sufficient business reasons for the Court to approve the Debtors’ provision of the “Expense Reimbursement” as set forth and defined in the Progrexion APA (the “Progrexion Expense Reimbursement”). The Progrexion Expense Reimbursement is fair, reasonable and appropriate in light of, among other things, the size and nature of the proposed Sale Transaction, the substantial efforts that have been and will be expended by the Progrexion Stalking Horse Bidder, notwithstanding that the proposed Sale Transaction is subject to higher or better offers, and the substantial benefits that the Progrexion Stalking Horse Bidder has provided to the Debtors, their estates, their creditors and parties in interest herein, including, among other things, by increasing the likelihood that the best possible purchase price for the applicable assets will be received. The Progrexion Expense Reimbursement, to the extent payable under the Progrexion APA, (a) provides a substantial benefit to the Debtors’ estates and stakeholders and all parties in interest herein, (b)(x) is actual and necessary costs and expenses of preserving the Debtors’ estates within the meaning of section 503(b) of the Bankruptcy Code and (y) shall be treated~~

~~as an allowed super priority administrative expense claim against the Debtors' estates pursuant to sections 105(a), 364, 503(b), and 507(a)(2) of the Bankruptcy Code; provided that the priority of such super priority administrative expense claims shall be junior to (i) the Carve Out (as defined in the DIP Order) and (ii) claims arising under the DIP Financing Agreement, (c) are commensurate to the real and material benefits conferred upon the Debtors' estates by the Progrexion Stalking Horse Bidder, and (d) are fair, reasonable, and appropriate, including in light of the size and nature of the transactions and the efforts that have been and will be expended by the Progrexion Stalking Horse Bidder. The Progrexion Expense Reimbursement is a material inducement for, and condition of, the Progrexion Stalking Horse Bidder's execution of the Progrexion APA.~~

H. ~~I.~~ Designation of the Lexington Law Stalking Horse Bid. The Lexington Law Stalking Horse Bid, as defined in the Lexington Law APA,⁵ represents the highest and best offer the Debtors have received to date to purchase the ~~Lexington Law~~Purchased Assets, as defined and set forth in the Lexington Law APA (the "Lexington Law Assets"). The Lexington Law APA provides the Debtors with the opportunity to sell the Lexington Law Assets in a manner designed to preserve and maximize their value and provide a floor for a further marketing and auction process. Without the Lexington Law Stalking Horse Bid, the Debtors are at a significant risk of realizing a lower price for the Lexington Law Assets. As such, the contributions of the Lexington Law Stalking Horse Bidder to the process have indisputably provided a substantial benefit to the Debtors, their estates, and the creditors in these Chapter 11 Cases. The Lexington Law Stalking Horse Bid will enable the Debtors to minimize disruption to the Debtors' restructuring process and secure a fair and adequate Baseline Bid for the Lexington Law Assets at

⁵ "Lexington Law APA" means that certain *Asset Purchase Agreement*, substantially in the form attached hereto as **Exhibit 3**, between and among (A) John C. Heath, Attorney At Law PC d/b/a Lexington Law Firm (the "Lexington Law Firm") and (B) AcquisitionCo (together with each of hisits permitted successors, assigns and designees, the "Lexington Law Stalking Horse Bidder" and, together with the Progrexion Stalking Horse Bidder and any other "Additional Stalking Horse Bidder" as defined in Section II.B of the Bidding Procedures, collectively, the "Stalking Horse Bidders" and, each a "Stalking Horse Bidder").

the Auction(s) (if any), and, accordingly, will provide a clear benefit to the Debtors' estates, their creditors, and all other parties in interest.

I. ~~J.~~ Designation of the Lexington Law Stalking Horse Bidder. The Lexington Law Stalking Horse Bidder, or such other person or entity to which the Lexington Law APA is assigned, in whole or in part, pursuant to sections 11.03(a) or (b) thereof shall act as a "stalking horse bidder" pursuant to the Lexington Law APA and the Lexington Law Stalking Horse Bid shall be subject to higher or otherwise better offers in accordance with the Lexington Law APA and the Bidding Procedures. Pursuit of the Lexington Law Stalking Horse Bidder as a "stalking horse bidder" and the Lexington Law APA as a "stalking horse purchase agreement" is in the best interests of the Debtors and the Debtors' estates and their creditors, and it reflects a sound exercise of the Debtors' business judgment.

J. ~~K.~~ The Lexington Law Stalking Horse Bidder and its counsel and advisors have acted in "good faith" ~~within the meaning of section 363(m) of the Bankruptcy Code~~ in connection with the Lexington Law Stalking Horse Bidder's negotiation of the Bidding Procedures and entry into the Lexington Law APA.

K. ~~L.~~ Sale Notice. The sale notice, the form of which is attached as **Exhibit 4** (the "Sale Notice"), is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, the Sale Hearing (as defined in the Bidding Procedures), the Bidding Procedures, the Sale Transaction(s), and all relevant and important dates and objection deadlines with respect to the foregoing, and no other or further notice of the Sale Hearing, the Sale Transaction(s) or the Auction shall be required.

L. ~~M.~~ Assumption and Assignment Provisions. The Debtors have articulated good and sufficient business reasons for the Court to approve the assumption and assignment procedures set forth herein, in the Bidding Procedures and in the Stalking Horse Agreements (the “Assumption and Assignment Procedures”) and the assumption and assignment notice attached hereto as **Exhibit 5** (the “Assumption and Assignment Notice”), which are fair, reasonable, and appropriate. The Assumption and Assignment Procedures comply with the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

M. ~~N.~~ Assumption and Assignment Notice. The Assumption and Assignment Notice, the form of which is attached hereto as **Exhibit 5**, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Assumption and Assignment Procedures, as well as any and all objection deadlines related thereto, and no other or further notice shall be required for the Motion and the procedures described therein, except as expressly required herein.

N. ~~O.~~ Notice. Notice of the Motion, the proposed Bidding Procedures, the proposed designation of the Progexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, and the Bidding Procedures Hearing was (i) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (ii) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and (iii) adequate and sufficient under the circumstances of the Debtors’ Chapter 11 Cases, such that no other or further notice need be provided except as set forth in the Bidding Procedures and the Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief granted herein has been afforded to all parties in interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. All objections to the relief granted in this order (the “Order”) that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits with prejudice.

A. The Bidding Procedures

3. The Bidding Procedures attached hereto as **Exhibit 1** are hereby approved, are incorporated herein by reference, and shall govern the bids and proceedings related to the sale(s) of the Assets and the Auctions. The procedures and requirements set forth in the Bidding Procedures, including those associated with submitting a “Qualified Bid,” are fair, reasonable and appropriate, and are designed to maximize recoveries for the benefit of the Debtors’ estates, creditors, and other parties in interests. The Debtors are authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

4. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or this Order shall not diminish or otherwise impair the effectiveness of such procedures, it being the Court’s intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Order.

5. Subject to this Order and the Bidding Procedures, the Debtors, in the exercise of their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law, shall have the right to (a) determine which bidders qualify as Qualified Bidders and which bids qualify as Qualified Bids, (b) make final determinations as to Auction Packages (as defined in the Bidding Procedures), (c) select the Baseline Bid for each Auction Package; (d) determine the amount of each Minimum Overbid (as defined in the Bidding

Procedures), (e) determine the Leading Bid (as defined in the Bidding Procedures) for each Auction Package; (f) determine which Qualified Bid is the Successful Bid and which Qualified Bid is the Backup Bid (each as defined in the Bidding Procedures) after the Successful Bid for an Auction Package; (g) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of this Order or any other applicable order of the Court, the Bidding Procedures, the Bankruptcy Code or other applicable law, and/or (iii) contrary to the best interests of the Debtors and their estates; (h) schedule and conduct Sub-Auctions for each Auction Package that has at least one Qualified Bid; (i) cancel the Auction with respect to any or all of the Assets in accordance with the Bidding Procedures; and (j) adjourn or reschedule the Sale Hearing with respect to a Sale Transaction involving any or all of the Assets in accordance with the Bidding Procedures.

6. The Progrexion Stalking Horse Bidder is a Qualified Bidder and the bid reflected in the Progrexion Stalking Horse Bid (including as it may be increased at the Auction (if any)) is a Qualified Bid, as set forth in the Bidding Procedures.

7. The Lexington Law Stalking Horse Bidder is a Qualified Bidder (as defined in the Bidding Procedures) and the bid reflected in the Lexington Law Stalking Horse Bid (including as it may be increased at the Auction (if any)) is a Qualified Bid, as set forth in the Bidding Procedures.

8. Without prejudice to the rights of any Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors shall have the right to, in their reasonable business judgment, and in a manner consistent with their fiduciary duties and applicable law, modify the Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth therein, (b) adopt new rules and procedures for conducting

the bidding and Auction process, (c) if applicable, provide reasonable accommodations to a Stalking Horse Bidder, or (d) otherwise modify the Bidding Procedures to further promote competitive bidding for and maximizing the value of the Assets; provided, that such extensions, waivers, new rules and procedures, accommodations and modifications (i) do not conflict with and are not inconsistent with this Order, the Bidding Procedures, the DIP Orders, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are promptly communicated to each Qualified Bidder and (iii) are in form and substance acceptable to the DIP Lenders (as defined in the Bidding Procedures).

B. The Progexion Stalking Horse Bid ~~and the Progexion Expense Reimbursement~~

9. Lender AcquisitionCo LLC is approved as the Progexion Stalking Horse Bidder for the Transferred Assets pursuant to the terms of the Progexion APA.

10. The Debtors entry into the Progexion APA is authorized and approved, and the Progexion Stalking Horse Bid shall be subject to higher or better Qualified Bids, in accordance with the terms and procedures of the Progexion APA and the Bidding Procedures.

11. The Debtors are authorized to perform any obligations under the Progexion APA that are intended to be performed prior to the entry of the order approving the Sale Transaction.

~~12. The Progexion Expense Reimbursement is approved in its entirety. The Progexion Expense Reimbursement shall be payable in accordance with, and subject to the terms of, the Progexion APA. The automatic stay provided by section 362 of the Bankruptcy Code shall be automatically lifted and/or vacated to permit any Progexion Stalking Horse Bidder action expressly permitted or provided in the Progexion APA, without further action or order of the Court.~~

~~13. The Progexion Expense Reimbursement (to the extent payable under the Progexion APA) shall constitute an allowed super priority administrative expense claim pursuant to sections 105(a), 503(b)(1)(A), and~~

~~507(a)(2) of the Bankruptcy Code in the Debtors' cases, which shall be senior to and have priority over all other administrative expense claims of the kind specified in section 503(b) of the Bankruptcy Code; provided that the priority of such super priority administrative expense claims shall be junior to (i) the Carve Out (as defined in the DIP Order) and (ii) claims arising under the DIP Financing Agreement. Debtors are hereby authorized and directed to pay the Progexion Expense Reimbursement, if and when due, in accordance with the terms of the Progexion APA and this Order without further order of the Court. The Debtors' obligation to pay the Progexion Expense Reimbursement shall survive termination of the Progexion APA, dismissal or conversion of any of the Chapter 11 Cases, and confirmation of any plan of reorganization or liquidation.~~

C. The Lexington Law Stalking Horse Bid

12. ~~14.~~ AcquisitionCo is approved as the Lexington Law Stalking Horse Bidder for the Lexington Law Assets pursuant to the terms of the Lexington Law APA.

13. ~~15.~~ The Debtors entry into the Lexington Law APA is authorized and approved, and the Lexington Law Stalking Horse Bid shall be subject to higher or better Qualified Bids, in accordance with the terms and procedures of the Lexington Law APA and the Bidding Procedures.

14. ~~16.~~ The Debtors are authorized to perform any obligations under the Lexington Law APA that are intended to be performed prior to the entry of the order approving the Sale Transaction.

D. Bid Deadline and Auction

15. ~~17.~~ Any Prospective Bidder (as defined in the Bidding Procedures) that intends to participate in the Auction must submit in writing to the Bid Notice Parties (as defined in Section X.A of the Bidding Procedures) a Bid on or before ~~{•}~~ August 3, 2023 at 5 p.m. (prevailing Eastern Time) (the "Bid Deadline").

16. ~~18.~~ Subject to the terms of the Bidding Procedures, if the Debtors receive more than one Qualified Bid for an Asset, the Debtors shall conduct an Auction for such Asset. With respect to Assets for which the Debtors only receive one Qualified Bid, the Debtors, in their reasonable business judgment, may determine to consummate a Sale Transaction with the applicable Qualified Bidder (subject to Court approval).

17. ~~19.~~ The Auction, if required, will be conducted on ~~{•}~~August 8, 2023, at 5 p.m. (prevailing Eastern Time), virtually through Zoom, after providing notice to the Sale Notice Parties (as defined in Section X.B of the Bidding Procedures). If held, the Auction proceedings shall be transcribed or video recorded.

18. ~~20.~~ Only a Qualified Bidder that has submitted a Qualified Bid shall be eligible to participate in the Auction, subject to any other limitations as the Debtors may reasonably impose in accordance with the Bidding Procedures. Qualified Bidders participating in the Auction must appear virtually at the Auction or through a duly authorized representative. The Debtors may establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction. Notwithstanding the foregoing, the Auction shall be conducted openly, and all creditors shall be permitted to attend.

19. ~~21.~~ Each Qualified Bidder participating in the Auction shall confirm in writing on the record at the Auction that (a) it has not engaged in any collusion with respect to the Auction or the submission of any bid for any of the Assets and (b) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the Auction constitutes a binding, good-faith and *bona fide* offer to purchase the Assets identified in such bids.

20. ~~22.~~ In the event the Debtors determine not to hold an Auction for some or all of the Assets, the Debtors shall file with the Court, serve on the Sale Notice Parties and cause to be published on the website maintained by Kurtzman Carson Consultants LLC located at www.kccllc.net/PGX (the “Claims Agent Website”), a notice containing the following information (as applicable): (a) a description of the Assets available for sale in accordance with the Bidding Procedures, (b) the date, time and location of the Sale Hearing, (c) the Sale Objection Deadline and Post-Auction Objection Deadline (each as defined in Section X.D of the Bidding Procedures) and the procedures for filing such objections, and, if applicable, (d) a summary of the material terms of any Stalking Horse Agreement, including the terms and conditions of any “Expense Reimbursement” to be provided thereunder, as of the date of the Sale Notice.

21. ~~23.~~ By the **later of (a) ~~10:00~~ August 9, 2023 and (b) one day after the conclusion of the Auction**, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction (the “Notice of Auction Results”), which shall (i) identify each Successful Bidder and each Backup Bidder, (ii) include a copy of each Successful Bid and each Backup Bid or a summary of the material terms of such bids, including any assumption and assignment of Contracts (as defined in the Bidding Procedures) contemplated thereby, and (iii) set forth the Post-Auction Objection Deadline, the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction.

E. Credit Bidding

22. ~~24.~~ Any bidder holding a perfected security interest in any of the Assets may seek to credit bid all, or a portion of, such bidder’s claims for its respective collateral in

accordance with section 363(k) of the Bankruptcy Code (each such bid, a “Credit Bid”); *provided*, that such Credit Bid complies with the terms of the Bidding Procedures.

23. ~~25.~~ Pursuant to the terms and conditions of the DIP Loan Agreement (as defined in the DIP Motion), both the DIP Agent (acting at the direction of the Required DIP Lenders) and the Prepetition Agents (acting at the direction of the applicable required lenders) (each as defined in the DIP Motion), acting on behalf of the Progexion Stalking Horse Bidder and/or the Lexington Law Stalking Horse Bidder (as applicable) are entitled, but not required, to credit bid up to the full amount of the Prepetition Secured Loan Obligations, Adequate Protection Obligations and/or the DIP Obligations (each as defined in the DIP Motion) (including the Roll-Up Amount (as defined in the DIP Motion)), as applicable, pursuant to section 363(k) of the Bankruptcy Code without further challenges from the Debtors or any other party. Further, any credit bids by the Progexion Stalking Horse Bid and/or the Lexington Law Stalking Horse Bid shall both be deemed Credit Bids in compliance with the applicable requirements of the Bidding Procedures.

F. Sale Hearing and Objection Procedures

24. ~~26.~~ Consummation of any Sale Transaction pursuant to a Successful Bid shall be subject to Court approval. The Sale Hearing shall be held before the Court on ~~[•]~~ August 11, 2023, at 5 p.m. (prevailing Eastern Time); *provided*, that the Debtors may seek an adjournment or rescheduling of the Sale Hearing, consistent with the Bidding Procedures and without prejudice to the rights of the Progexion Stalking Horse Bidder or Lexington Law Stalking Horse Bidder under the Progexion APA and Lexington Law APA, respectively.

25. ~~27.~~ All general objections to any Sale Transaction (each, a “Sale Objection”) shall be (i) in writing and state, with specificity, the legal and factual bases thereof and

include any appropriate documentation in support thereof, (ii) be filed with the Court, and (iii) served on the Objection Notice Parties (as defined in Section X.D of the Bidding Procedures) by no later than ~~†•†~~August 3, 2023, at 5 p.m. (prevailing Eastern Time) (the “Sale Objection Deadline”).

26. ~~28.~~ Following service of the Notice of Auction Results, parties may object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in a Successful Bid, other than with respect to the Progrexion Stalking Horse Bid, the Lexington Law Stalking Horse Bid, or any other Stalking Horse Bid (each such objection, a “Post-Auction Objection”). Any Post-Auction Objection shall be (a) in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (b) be filed with the Court, and (c) served on the Objection Notice Parties by no later than the later of (i) ~~†•†~~August 9, 2023, at 5 p.m. (prevailing Eastern Time) and (ii) **three days prior to the Sale Hearing** (the “Post-Auction Objection Deadline”).

27. ~~29.~~ Any party who fails to file and serve a timely Sale Objection or Post-Auction Objection in accordance with the terms of this Order shall be forever barred from asserting, at the Sale Hearing or thereafter, any Sale Objection or Post-Auction Objection to the relief requested in the Motion, or to the consummation or performance of the applicable Sale Transaction(s), including the transfer of Assets to the applicable Successful Bidder free and clear of liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code, and shall be deemed to “consent” to such sale for purposes of section 363(f) of the Bankruptcy Code.

G. Notice of Sale Transaction

28. ~~30.~~ The Sale Notice, substantially in the form attached hereto as **Exhibit 4**, is approved, and no other or further notice of the proposed sale of the Assets, the Auction, the Sale Hearing, the Sale Objection Deadline or the Post-Auction Objection Deadline shall be required if the Debtors serve and publish the Sale Notice in the manner provided in the Bidding Procedures and this Order.

29. ~~31. By no later than the later of (a) [•], 2023 and (b) two~~ **Within three business days (or as soon as reasonably practicable thereafter) after the entry of this Order**, the Debtors shall file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, the Sale Notice.

30. ~~32.~~ Within four business days, or as soon reasonably practicable after the entry of this Order, the Debtors shall cause the information contained in the Sale Notice to be published once in *The New York Times* (national edition) (the "Publication Notice").

31. ~~33.~~ The Publication Notice complies with the provisions of Bankruptcy Rule 9008 and is deemed sufficient and proper notice of the proposed sale of the Assets, the Auction, the Sale Hearing, the Sale Objection Deadline, and the Post-Auction Objection Deadline to any other interested parties whose identities are unknown to the Debtors.

H. Assumption and Assignment Procedures

32. ~~34.~~ The Assumption and Assignment Procedures are reasonable and appropriate under the circumstances, fair to all non-Debtor parties, comply in all respects with the Bankruptcy Code, Bankruptcy Rules and Local Rules, and are approved.

33. ~~35.~~ The Assumption and Assignment Notice, substantially in the form attached hereto as **Exhibit 5**, is approved, and no other or further notice of the Debtors' proposed

Cure Amounts (as defined below) with respect to Contracts listed on an Assumption and Assignment Notice is necessary or required.

1. ~~By no later than the later of (a) [•], 2023 and (b)~~ Within three business days (or as soon as reasonably practicable thereafter) after the entry of this Order, the Debtors shall file with the Court, serve on the applicable Counterparties, (as defined in the Bidding Procedures) and cause to be published on the Claims Agent Website, the Assumption and Assignment Notice. In the event that the Debtors later identify any Counterparty which was not served with the Assumption and Assignment Notice, the Debtors may subsequently serve such Counterparty with the Assumption and Assignment Notice substantially in the form attached hereto as the Assumption and Assignment Notice (each, a “Supplemental Assumption Notice”), and the Assumption and Assignment Procedures will nevertheless apply to such Counterparty; provided, that the Contract Objection Deadline (as defined below) with respect to such Counterparty listed on a Supplemental Assumption Notice shall be the later of the Contract Objection Deadline or fourteen (14) days following the date of service of a Supplemental Assumption Notice (each, a “Supplemental Contract Objection Deadline”). Each Supplemental Assumption Notice shall (i) identify the relevant Contract(s), (ii) set forth a good faith estimate of the Cure Amount(s), (iii) include a statement that assumption and assignment of each such Contract is not required nor guaranteed, and (iv) inform such Counterparty of the requirement to file any Contract Objection(s) by the Supplemental Contract Objection Deadline.

34. ~~36.~~ Any objection to the Debtors’ proposed Cure Amounts (as defined in the Stalking Horse Agreements) or assumption and assignment on any basis (each such objection, a “Contract Objection”) (except objections solely related to adequate assurance of future performance by a Successful Bidder other than a Stalking Horse Bidder) shall (a) be in

writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (b) be filed with the Court; and (c) served on the Objection Notice Parties by no later than the date that is **14 calendar days after service of the applicable Assumption and Assignment Notice** (the “Contract Objection Deadline”).

35. ~~37.~~ The Debtors and any objecting Counterparty shall first confer in good faith to attempt to resolve the Contract Objection without Court intervention. If the parties are unable to consensually resolve the Contract Objection prior to the commencement of the Sale Hearing, the Court shall make all necessary determinations relating to the applicable Cure Amounts or assumption and assignment and the Contract Objection at a hearing scheduled pursuant to paragraph 39 of this Order. If a Contract Objection is resolved in a manner that is not in the best interests of the Debtors and their estates, whether or not such resolution occurs prior to or after the closing of the applicable Sale Transaction, the Debtors may determine that any Contract subject to such resolved Contract Objection no longer will be assumed and assigned in connection with the applicable Sale Transaction (subject to the terms of the applicable Sale Transaction). All other objections to the Debtors’ proposed assumption and assignment of the Debtors’ right, title and interest in, to and under a Contract shall be heard at the Sale Hearing.

36. ~~38.~~ If a timely Contract Objection cannot otherwise be resolved by the parties, the Contract Objection may be heard at the Sale Hearing or, at the Debtors’ option and with the consent of the applicable Successful Bidder, be adjourned to a subsequent hearing (each such Contract Objection, an “Adjourned Contract Objection”). An Adjourned Contract Objection may be resolved after the closing date of the applicable Sale Transaction. Upon resolution of an Adjourned Contract Objection and the payment of the applicable Cure Amount or resolution of the assumption and assignment issue, if any, the Contract that was the subject of

such Adjourned Contract Objection shall be deemed assumed and assigned to the applicable Successful Bidder as of the closing date of the applicable Sale Transaction.

37. ~~39.~~ If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Contract Objection, the Counterparty forever shall be barred from asserting any objection with regard to the proposed assumption and assignment of such Contract and the cost to cure any defaults under the applicable Contract and shall be deemed to have consented to the assumption and assignment of the Contract in connection therewith. The Cure Amounts set forth in the applicable Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract and satisfy the requirements of section 365(b) of the Bankruptcy Code, and the Counterparty to the Contract shall be bound by and deemed to have consented to the Cure Amounts.

38. ~~40.~~ In accordance with the Bidding Procedures, Qualified Bids shall be accompanied by Adequate Assurance Information (as defined in the Bidding Procedures). The Debtors shall use commercially reasonable efforts to furnish all available Adequate Assurance Information to applicable Counterparties as soon as reasonably practicable following their receipt of such information.

39. ~~41.~~ Any objection to the proposed assumption and assignment of a Contract, other than with respect to a Stalking Horse Bidder, the subject of which objection is: (a) a Successful Bidder's (or any other relevant assignee's) proposed form of adequate assurance of future performance with respect to the Contract (each, such objection, an "Adequate Assurance Objection"), shall (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, (b) be filed with the

Court, and (c) served on the Objection Notice Parties by no later than the Post-Auction Objection Deadline.

40. ~~42.~~ The Debtors and any Counterparty that has filed an Adequate Assurance Objection shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, the Adequate Assurance Objection and all issues of adequate assurance of future performance of the applicable Successful Bidder shall be determined by the Court at the Sale Hearing.

41. ~~43.~~ If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Adequate Assurance Objection, the Counterparty shall be forever barred from asserting any objection to the assumption and/or assignment of a Contract with regard to adequate assurance of future performance. The applicable Successful Bidder (or any other relevant assignee) shall be deemed to have provided adequate assurance of future performance with respect to a Contract in accordance with sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code and, if applicable, section 365(b)(3) of the Bankruptcy Code, notwithstanding anything to the contrary in the Contract or any other document.

42. ~~44.~~ Successful Bidders (including any Stalking Horse Bidder or Backup Bidder ultimately named a Successful Bidder) may, pursuant to the terms of an applicable asset purchase agreement executed with the Debtors (including any applicable Stalking Horse Agreement), designate (a) for assumption and assignment Contracts that were not originally included in the Assets to be acquired in connection with the applicable Successful Bid and (b) Contracts that previously were included among the Assets to be acquired in connection with the applicable Successful Bid as “excluded assets” that will not be assigned to or otherwise

acquired by the Successful Bidder. The Debtors shall use commercially reasonable efforts to, as soon as reasonably practicable after the Debtors receive notice of any such designation, file with the Court, serve on the applicable Counterparties and cause to be published on the Claims Agent Website, a notice of such designation containing sufficient information to apprise Counterparties of the designation of their respective Contracts.

43. ~~45.~~ As soon as reasonably practicable after the closing of a Sale Transaction, the Debtors will file with the Court, serve on the applicable Counterparties and cause to be published on the Claims Agent Website, a notice containing the list of Contracts that the Debtors assumed and assigned pursuant to any asset purchase agreement with a Successful Bidder.

44. ~~46.~~ The inclusion of a Contract or Cure Amounts with respect to any Contract on any Assumption and Assignment Notice or any Notice of Auction Results, shall not constitute or be deemed a determination or admission by the Debtors, any Successful Bidder or any other party that such Contract is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code, and shall not be a guarantee that such Contract ultimately will be assumed or assigned. The Debtors reserve all of their rights, claims and causes of action with respect to each Contract listed on any Assumption and Assignment Notice.

I. Other Related Relief

45. ~~47.~~ In the ordinary course of business, the Lexington Law Firm maintain certain records relating to the clients of Lexington Law that are customary and appropriate for law firms of a similar nature to the Lexington Law Firm (the "Lexington Law Records"). It is anticipated that the Lexington Law Records will be transferred to the Successful Bidder for the Lexington Law Assets as part of the Sale Transaction. In connection with such Sale Transaction,

the Lexington Law Records will be maintained and transferred in accordance with any and all applicable rules of professional conduct.

46. ~~48.~~ All persons and entities that participate in the Auction or bidding for any Asset during the Sale Transaction process shall be deemed to have knowingly and voluntarily (i) consented to the core jurisdiction of the Court to enter any order related to the Bidding Procedures, the Auction or any other relief requested in the Motion or granted in this Order, (ii) waived any right to a jury trial in connection with any disputes relating to the Bidding Procedures, the Auction or any other relief requested in the Motion or granted in this Order, and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to the Bidding Procedures, the Auction or any other relief requested in the Motion or granted in this Order, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

47. ~~49.~~ The Debtors are authorized to take all steps and pay all amounts necessary or appropriate to implement the relief granted in this Order.

48. ~~50.~~ This Order shall be binding on the Debtors and its successors and assigns, including any chapter 7 or chapter 11 trustee or other fiducially appointed for the estates of the Debtors.

49. Nothing in this Order and/or the Bidding Procedures, shall be deemed to waive any rights, remedies or defenses that any party (including the Debtors' Surety, Capitol Indemnity Corporation) has or may have under applicable bankruptcy and non-bankruptcy law, under any indemnity agreements, surety bonds or related agreements, or any rights, remedies, or defenses of the Debtors with respect thereto. Nothing in this Order shall be deemed to authorize or provide the Surety's consent to the substitution of any principal under any surety bond.

50. Notwithstanding anything to the contrary herein, nothing in this Order shall (a) have any effect on or otherwise limit or diminish the extent to which the Final DIP Order preserves the Challenge rights of the Committee or (b) be considered as a waiver of the right of the Committee or any other party in interest to object to, or seek to limit, the Credit Bid during the Challenge Period under section 363(k) of the Bankruptcy Code. Terms used in this paragraph 50 but not defined herein shall have the respective meanings ascribed to such terms as in the Final DIP Order.

51. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

52. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control. To the extent any provisions of this Order are inconsistent with the Bidding Procedures, the terms of this Order shall control.

53. Notwithstanding the applicability of any of Bankruptcy Rules 6004(h), 6006(d), 7062, 9014 or any other provisions of the Bankruptcy Rules or the Local Rules stating the contrary, the terms and provisions of this Order shall be immediately effective and enforceable upon its entry, and any applicable stay of the effectiveness and enforceability of this Order is hereby waived.

54. The Debtors are authorized to make non-substantive changes to the Bidding Procedures, the Assumption and Assignment Procedures, and any related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors.

55. This Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

EXHIBIT 1

Bidding Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
In re:	)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

BIDDING PROCEDURES

The debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”) will use the procedures set forth herein (the “Bidding Procedures”) in connection with a sale or disposition of all or substantially all of the Debtors’ assets (the “Assets”) in one or more sale transactions (each, a “Sale Transaction”).

On June 6, 2023, the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) the *Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. ~~192~~66] (the “Motion”). By the Motion, the Debtors sought, among other things, entry of an order approving Bidding Procedures² for soliciting bids for, conducting an auction (the “Auction”) of, and consummating one or more Sale Transactions of, the Assets, as further described herein.

On July [21], 2023, the Court entered an *Order (I) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (II) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder,*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² All capitalized terms not herein defined shall have the meanings ascribed to them in the Motion and/or the Bidding Procedures Order (as defined below), as applicable.

(III) *Scheduling an Auction and Approving the Form and Manner of Notice Thereof*, (IV) *Approving Assumption and Assignment Procedures*, (V) *Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof* and (VI) *Granting Related Relief* [Docket No. [●]] (the “Bidding Procedures Order”).

I. ASSETS FOR SALE

The sale of the Assets shall be subject to a competitive bidding process as set forth herein and approval by the Court pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6003, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 6004-1 and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

Subject to the remaining terms of these Bidding Procedures, a Prospective Bidder (as defined in Section IV below) may bid on the Assets (i) in individual lots (by brand and/or by division or any other combination), (ii) as a collective whole, or (iii) in any combination.

The ability to undertake and consummate any sale of the Assets shall be subject to competitive bidding as set forth herein and approval by the Court. In addition to any Stalking Horse Bid, and as set forth herein, the Debtors will consider bids for any or all of the Assets in a single bid from a single bidder or in multiple bids from multiple bidders. Any bid for an individual Asset, even if such bid is the highest or otherwise best bid for such individual Asset, is subject to higher or otherwise better bids (including any Credit Bid (as defined in Section VI.A.3 below)) on packages of Assets that include the individual Asset. Additionally, any bid on all of the Assets is subject to bids on individual Assets or packages of Assets (including Credit Bids) that are, in the aggregate, higher or otherwise better bids. Any party interested in submitting a bid for any of the Debtors’ Assets should contact Greenhill & Co., LLC, ProjectPretzel@greenhill.com Attn: Neil Augustine.

II. STALKING HORSE PROCEDURES

A. The Stalking Horse Bidders

On ~~June~~July [●21], 2023, the Debtors entered into:

- an asset purchase agreement with Lender AcquisitionCo LLC (together with each of its permitted successors, assigns and designees) (the “Progrexion Stalking Horse Bidder” and such asset purchase agreement, the “Progrexion APA”), whereby the Progrexion Stalking Horse Bidder will serve as the stalking horse bidder for the Transferred Assets (as defined in the Progrexion APA); and
- an asset purchase agreement with AcquisitionCo (together with each of his permitted successors, assigns and designees) (the “Lexington Law Stalking Horse Bidder” and such asset purchase agreement, the “Lexington Law APA”), whereby the Lexington Law Stalking Horse Bidder will serve as the stalking horse bidder for the Lexington Law Assets (as defined in the Lexington Law APA).

Pursuant to the Bidding Procedures Order, the Debtors obtained approval of:

- the Progrexion APA, as a Stalking Horse Bid for the Transferred Assets (the “Progrexion Stalking Horse Bid”), ~~and the Progrexion Expense Reimbursement, provided for by the Progrexion APA~~; and
- the Lexington Law APA, as a Stalking Horse Bid for the Lexington Law Assets (the “Lexington Law Stalking Horse Bid”).

B. Designating Additional Stalking Horse Bidders

The Debtors may, as they deem necessary or appropriate and in accordance with the terms of the Bidding Procedures Order, these Bidding Procedures and the DIP Orders (as defined in the DIP Motion (as defined below)), enter into one or more additional agreements (each, an “Additional Stalking Horse APA” and, together with the Progrexion APA and the Lexington Law APA, the “Stalking Horse Agreements” and each a “Stalking Horse Agreement”) with one or more other bidders that the Debtors designate to serve as a stalking horse bidder (each, an “Additional Stalking Horse Bidder” and, together with the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, the “Stalking Horse Bidders” and each a “Stalking Horse Bidder”) for Assets other than those Assets subject to the Stalking Horse Agreements set forth in Section II.A above. Recognizing an Additional Stalking Horse Bidder’s expenditure of time, energy and resources, the Debtors may determine to provide certain bidding protections to any designated Additional Stalking Horse Bidder, including a “break-up” fee and/or an expense reimbursement, in each case, in accordance with the terms of the Bidding Procedures Order and the applicable Additional Stalking Horse APA. Any Additional Stalking Horse Bidder designated by the Debtors in accordance with these Bidding Procedures will be so designated by no later than **the later of (A) ~~July 27~~ July 27, 2023 and (B) seven calendar days prior to the Bid Deadline.**

1. Additional Stalking Horse Notice

Within two (2) days after executing an Additional Stalking Horse APA, the Debtors will file with the Court, serve on the Sale Notice Parties (as defined in Section X.B below) and cause to be published on the website maintained by Kurtzman Carson Consultants LLC, the Debtors’ claims and noticing agent in these Chapter 11 Cases, located at www.kccllc.net/PGX (the “Claims Agent Website”), a notice (each such notice, an “Additional Stalking Horse Notice”) setting forth the material terms of the proposed Additional Stalking Horse APA, including:

- a. The identity of the Additional Stalking Horse Bidder, the Assets that are subject to the Additional Stalking Horse Bid, and the purchase price payable for the applicable Assets; and

- b. The terms and conditions of any “break-up” fee and/or expense reimbursement to be provided thereunder.

2. Additional Stalking Horse Hearing

No hearing shall be necessary for the Debtors to designate an Additional Stalking Horse Bidder unless the Debtors, the DIP Lenders, and the Consultation parties cannot agree regarding the designation of or bidding protections for an Additional Stalking Horse Bidder. In such case, the Debtor may file a motion to designate an Additional Stalking Horse Bidder (each, an “Additional Stalking Horse Motion”) with the Court upon fourteen (14) days’ notice to all Consultation Parties. The Debtors will request that the Court schedule a hearing (each, an “Additional Stalking Horse Hearing”), in each case, to be held within five (5) business days, or as soon as reasonably practicable, after service of the applicable Additional Stalking Horse Motion, to consider approval of the applicable Additional Stalking Horse APA and the provision of bidding protections thereunder.

3. Additional Stalking Horse Bidding Protection Objections

Any objection to the provision of a “break-up” fee and/or expense reimbursement offered to an Additional Stalking Horse Bidder in accordance with this Section II.B.3 (each such objection, a “Bidding Protection Objection”) must (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; and (b) be filed with the Court and served on the applicable Objection Notice Parties (as defined in Section X.D below) within three (3) calendar days after service of the applicable Additional Stalking Horse Notice. If the parties are unable to consensually resolve a Bidding Protection Objection, such Bidding Protection Objection will be heard and resolved by the Court at the applicable Additional Stalking Horse Hearing. If no timely Bidding Protection Objection is filed and served in accordance with these Bidding Procedures, the Debtors may seek permission from the Court to file, upon certification of counsel and the consent of the United States Trustee for the District of Delaware (the “U.S. Trustee”) and the Consultation Parties (as defined in Section XI below), a proposed order authorizing and approving the Debtors’ entry into the applicable Additional Stalking Horse APA and the provision of a “break-up” fee and/or expense reimbursement thereunder in lieu of holding an Additional Stalking Horse Hearing.

III. KEY DATES AND DEADLINES

SALE PROCESS KEY DATES AND DEADLINES	
The later of (i) [•], 2023 and (ii) two Three business days (or as soon reasonably practicable thereafter) after the entry of the Bidding Procedures Order	Deadline for Debtors to file and serve <u>the Sale Notice and the Assumption and Assignment Notice</u>
The later of (i) [•], 2023 and (ii) three business days after the entry of the	Deadline for Debtors to file and serve Assumption and Assignment Notice

Bidding Procedures Order	
Four business days <u>(or as soon reasonably practicable thereafter)</u> after the entry of the Bidding Procedures Order	Deadline for the Debtors to publish the Publication Notice
The later of (i) + + <u>July 27</u> , 2023 and (ii) seven days prior to the Bid Deadline	Deadline to designate Additional Stalking Horse Bidders
+ + <u>August 3</u> , 2023, at 5 p.m. (prevailing Eastern Time)	Sale Objection Deadline
+ + <u>August 3</u> , 2023, at 5 p.m. (prevailing Eastern Time) (No later than 60 days after the Petition Date)	Bid Deadline
+ + <u>August 7</u> , 2023, at 5 p.m. (prevailing Eastern Time) <u>(or as reasonably in advance of the Auction as is practicable)</u>	Deadline for Debtors to Notify Bidders of Status as Qualified Bidders
+ + <u>August 8</u> , 2023, at 5 p.m. (prevailing Eastern Time) (No later than 65 days after the Petition Date)	Auction (if any)
The later of (i) + + <u>August 9</u> , 2023 at 5 p.m. (prevailing Eastern Time) and (ii) one day after the conclusion of the Auction	Deadline for Debtors to file Notice of Auction Results
The later of (i) + + <u>August 9</u> , 2023, at 5 p.m. (prevailing Eastern Time) and (ii) three days prior to the Sale Hearing	Post-Auction Objection Deadline
+ + <u>August 11</u> , 2023, at 5 p.m. (prevailing Eastern Time)	Sale Hearing
+ + <u>August 13</u> , 2023 (No later than 70 days after the Petition Date)	Deadline for Court to enter Sale Order
+ + <u>September 17</u> , 2023 (No later than 105 days after the Petition Date)	Deadline to consummate approved Sale Transactions

IV. DUE DILIGENCE

The Debtors have posted copies of all material documents related to the Assets to the Debtors' confidential electronic data room (the "Data Room"). Each person or entity (other than the Stalking Horse Bidders identified in Section II.A above) that desires to participate in the Auction process (each, a "Prospective Bidder") and seeks access to the Data Room must first deliver to each of the Bid Notice Parties (as defined in Section X.A below) the following:

- A. An executed confidentiality agreement, in form and substance satisfactory to the Debtors and containing terms no more favorable to the Prospective Bidder than those contained in any confidentiality agreement executed by the Stalking Horse Bidder identified in Section II.A above (unless such party is already a party to an existing confidentiality agreement with the Debtors that is acceptable to the Debtors for this due diligence process, in which case such agreement shall govern); and
- B. Sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that the interested party intends to access the Data Room for a purpose consistent with these Bidding Procedures.
- C. With respect to Prospective Bidders that desire to participate in an Auction (if any) that includes the Lexington Law Assets, sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that the interested party's ownership and/or profit-sharing arrangements would comply with applicable rules of professional conduct and/or other applicable laws or regulations if such interested party were to in fact acquire the Lexington Law Assets.

The Debtors shall grant all Stalking Horse Bidders identified in Section II.A above and, upon execution of a valid confidentiality agreement and up to and including the Bid Deadline, any Prospective Bidder, access to the Data Room or additional information allowing such Prospective Bidder to conduct due diligence on the potential acquisition of some or all of the Assets. Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets (a) to any person or entity who (i) is not a Prospective Bidder, (ii) does not comply with the participation requirements set forth above, or (iii) in the case of competitively sensitive information, is a competitor of the Debtors and (b) if and to the extent doing so would (1) violate any law to which the Debtors are subject, including any privacy law, (2) result in the disclosure of any trade secrets of third parties in breach of any contract with such third party, (3) violate any legally-binding obligation of any Debtor with respect to confidentiality, non-disclosure or privacy or (4) jeopardize protections afforded to any Debtor under the attorney-client privilege or the attorney work product doctrine (provided that, in case of each of clauses (1) through (4), the Debtors shall use commercially reasonable efforts to (x) provide such access as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, contract, obligation or law and (y) provide such information in a manner without violating such privilege, doctrine, contract, obligation or law). Notwithstanding the foregoing, the Debtors reserve the

right, in their discretion, to withhold or limit access to any information that the Debtors determine to be sensitive or otherwise not appropriate to disclose to any Prospective Bidder. The Debtors shall provide the Stalking Horse Bidders identified in Section II.A above with any information provided to a Prospective Bidder that has not already been provided to the Stalking Horse Bidders.

The Debtors may terminate access to the Data Room and any other non-public information in their reasonable discretion at any time, including if (a) a Prospective Bidder fails to become a Qualified Bidder (as defined below) or (b) these Bidding Procedures are terminated. The Prospective Bidder shall return or destroy any non-public information the Debtors or their advisors provided to the Prospective Bidder in accordance with the terms of the confidentiality agreement executed by the Debtors and the Prospective Bidder.

The Debtors will work to accommodate all reasonable requests from the Stalking Horse Bidders and any Prospective Bidders for additional information and due diligence access. Each Prospective Bidder shall be required to acknowledge that it has had an opportunity to conduct any and all due diligence regarding the Assets in conjunction with submitting its Bid (as defined below). All due diligence requests shall be directed to Greenhill & Co., LLC, ProjectPretzel@greenhill.com Attn: Neil Augustine.

V. BID DEADLINE

Any Prospective Bidder that intends to participate in the Auction must submit in writing to the Bid Notice Parties a bid (a “Bid”) on or before ~~+~~August 3, 2023, at 5 p.m. (prevailing Eastern Time) (the “Bid Deadline”).

The Debtors may, in their reasonable judgment, and in consultation with the Consultation Parties, extend the Bid Deadline for all or certain Prospective Bidders (provided that the Bid Deadline for Assets subject to a Stalking Horse Bid shall not be extended beyond 55 days after the Petition Date without the consent of the applicable Stalking Horse Bidder for such Assets).

VI. BID REQUIREMENTS

A. Qualified Bid Requirements

To qualify as a “**Qualified Bid**,” a Bid must be in writing and determined by the Debtors to satisfy the following requirements:

1. Identification of Bidder. A Qualified Bid must fully disclose the following: (a) the legal identity of each person or entity bidding for the applicable Assets and/or otherwise sponsoring, financing (including through the issuance of debt in connection with such Bid) or participating in (including through license or similar arrangement with respect to the Assets to be acquired in connection with such Bid) the Auction in connection with such Bid and the complete terms of any such participation; (b) any past or present connections or agreements with the Debtors or their non-Debtor affiliates, any Stalking Horse Bidder(s), any other known Prospective Bidder or Qualified Bidder, the Prepetition First

Lien Lenders (as defined in the Bidding Procedures Order) or any officer or director of any of the foregoing (including any current or former officer or director of the Debtors or their non-Debtor affiliates) and (c) with respect to any Bid that includes the Lexington Law Assets, the legal identity of each person that holds, as of the date the Bid is being submitted, any equitable interest whatsoever in the Prospective Bidder (including, without limitation, any capital stock, convertible securities, options, warrants or similar instruments), and the status of each such person as a “lawyer” (as such term is defined in any applicable rules of professional conduct).

2. Purchased Assets. A Qualified Bid must identify the following:
 - a. the Assets to be purchased (including any then-known executory contracts and unexpired leases (collectively, the “Contracts”)) such Prospective Bidder wishes to bid on. For the avoidance of doubt, a Bid may be a bid on the Assets in either (i) individual lots (by brand and/or by division or any other combination), (ii) as a collective whole, or (iii) in any combination;
 - b. the liabilities (including applicable Cure Amounts (as defined in the Stalking Horse Agreements)³), if any, to be assumed by the Prospective Bidder in the Sale Transaction, including any debt to be assumed; and
 - c. if a Bid is for more than one Asset, an allocation of the purchase price across the individual Assets.

3. Form of Consideration.

- a. Credit Bidding. A Stalking Horse Bidder or Prospective Bidder holding a perfected security interest in any of the Assets may seek to credit bid all or a portion of the Stalking Horse Bidder’s or the Prospective Bidder’s claims for the collateral in which it holds a perfected security interest (each such Bid, a “Credit Bid”) in accordance with section 363(k) of the Bankruptcy Code. A Credit Bid may be applied only with respect to those Assets in which the party submitting such Credit Bid holds a perfected security interest.

For the avoidance of doubt, (i) Blue Torch Finance LLC, as administrative agent and collateral agent (in such capacities, the “Prepetition First Lien Agent”), on behalf of the Prepetition First Lien Lenders, (ii) the Prepetition First Lien Lenders, (iii) Lender AcquisitionCo LLC, (iii) the DIP Agent, on behalf of the DIP Lenders (each as defined in the DIP Motion³) or (iv) the DIP

³ “DIP Motion” means the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and*

Lenders, as applicable, will be deemed to be a Qualified Bidder, for all purposes and requirements pursuant to these Bidding Procedures, notwithstanding the requirements that a Prospective Bidder must satisfy to be a Qualified Bidder, and any Bid submitted by any party identified in this paragraph will be deemed to be a Qualified Bid, for all purposes and requirements pursuant to these Bidding Procedures, notwithstanding the requirements that a Bid must satisfy to be a Qualified Bid, including the requirements, among others, that each Bid must be irrevocable and to deliver a confidentiality agreement and post a Good Faith Deposit (as defined herein).

- b. Form of Consideration and Allocation. A Bid must specify whether the Bid is an all cash offer (including confirmation that the cash component is in U.S. Dollars) or consists of certain non-cash components, such as a credit bid, assumption of liabilities, or other forms of consideration (and including a detailed analysis of the value of any non-cash component of the Bid) as well as the allocation of the purchase price among the Assets to be acquired and the liabilities to be assumed. Subject to Section VI.A.4 below, to be a Qualified Bid, a Bid (whether on an individual Asset, a package of Assets or all Assets) must include sufficient cash consideration to pay any applicable termination payment, expense reimbursement, or similar payment payable to any Stalking Horse Bidder under the terms of any Stalking Horse Agreement applicable to one or more of the Assets for which the Bid is submitted.

Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (V) Granting Related Relief[Docket No. 17].

4. Minimum Bid for Stalking Horse Assets. Each Bid submitted in connection with Assets that are the subject of a particular Stalking Horse Bid (any such Assets, the “Stalking Horse Assets”) must either (a) (i) be a Bid for all of the particular Stalking Horse Assets that are the subject of a particular Stalking Horse Bid, (ii) include cash consideration of not less than the sum of the purchase price set forth in the applicable Stalking Horse Agreement (excluding, for the avoidance of doubt, any “Assumed Liabilities” to be assumed by the Stalking Horse Bidder pursuant to the applicable Stalking Horse Bid Agreement) *plus* (A) all “Obligations” outstanding under the DIP Documents (as defined in the DIP Motion) which are not included in the purchase price set forth in the applicable Stalking Horse Agreement, *plus* (B) the any applicable termination payment and/or expense reimbursement, *plus* (C) an Initial Bid Increment (as defined below), and (iii) assume the Assumed Liabilities (as defined in the applicable Stalking Horse Agreement) or (b) propose an alternative transaction that, in the Debtors’ business judgment, provides higher value or better terms than the applicable Stalking Horse Bid, including by exceeding the purchase price of such Stalking Horse Bid *plus* any applicable termination payment and/or expense reimbursement *plus* any applicable Initial Bid Increment, and after taking into account, among other things, in light of all the Bids submitted for the Assets or any combination of Assets, whether there is sufficient cash to pay (x) any applicable termination payment and/or expense reimbursement, (y) any amounts necessary to fund a wind-down of the Debtors estate and, if determined by the Debtors to be in the best interests of the Debtors’ estates, confirmation and administration of a liquidating plan, in an amount not to exceed the Wind Down Amount (as defined in the Progexion APA), (z) and any DIP financing amount (the “DIP Financing Amount”), in each case, as applicable. For the avoidance of doubt, as to clause (b) in this Section VI.A.4, the Debtors may evaluate each Bid in light of each of the factors set forth therein, but a Bid is not required to meet each factor in order to be determined a Qualified Bid.

The Debtors may consider a Bid for a portion of any applicable Stalking Horse Assets (each such bid, a “Partial Bid”) if (a) the Debtors receive one or more other Partial Bids for the remaining applicable Stalking Horse Assets such that, when taken together, and after considering the risks associated with consummating several individual Bids, the Partial Bids collectively constitute a higher or otherwise better bid than the applicable Stalking Horse Bid (taking into account any applicable termination payment, expense reimbursement, and the Initial Bid Increment) or (b) the Partial Bid proposes a purchase price for the applicable Stalking Horse Assets that, when taken together with the liquidation or alternative sale value of the remaining applicable Stalking Horse Assets, as determined by the Debtors in good faith with the advice of their legal and financial advisors, exceeds the purchase price in the Stalking Horse Bid *plus* any applicable termination payment and/or expense reimbursement *plus* any

applicable Initial Bid Increment, and after taking into account, among other things, in light of all the Bids submitted for the Assets or any combination of Assets, whether there is sufficient cash to pay (x) any applicable termination payment and/or expense reimbursement, (y) the Wind-Down Amount, (z) and the DIP Financing Amount, in each case, as applicable. For the avoidance of doubt, notwithstanding the foregoing, in evaluating any Partial Bid, the Debtors may also consider the factors set forth in Section IV.B.

If the value of a competing Qualified Bid (whether such Qualified Bid is for all of the applicable Stalking Horse Assets or is a Partial Bid) relative to the Stalking Horse Bid includes additional non-cash components (such as fewer contingencies than are in the applicable Stalking Horse Agreement), the bidder should include an analysis or description of the value of any such additional non-cash components, including any supporting documentation, to assist the Debtors in better evaluating the competing Qualified Bid.

“Initial Bid Increment” shall mean (a) with respect to the Progrexion Stalking Horse Bid, ~~\$5~~1 million and (b) with respect to the Lexington Law Stalking Horse Bid, ~~\$250~~250,000.

5. Proposed Asset Purchase Agreement and Sale Order: A Qualified Bid must constitute a *binding and irrevocable* offer and be in the form of an asset purchase agreement reflecting the terms and conditions of the Bid (each, a “Proposed Asset Purchase Agreement”). A Proposed Asset Purchase Agreement shall (a) be duly authorized and executed, (b) be based on, and marked against, (i) in the case of Assets subject to a Stalking Horse Agreement, the applicable Stalking Horse Agreement, and (ii) in the case of Assets not subject to a Stalking Horse Agreement, a form asset purchase agreement provided by the Debtors to Prospective Bidders to reflect the proposed Sale Transaction and to show any other proposed modifications to the form purchase agreement, (c) specify the proposed purchase price for the applicable Assets, and (d) identify any then-known Contracts proposed for or that may be proposed for assumption and assignment in connection with the proposed Sale Transaction. A Qualified Bid must also contain a sale order based on, and marked against, the applicable Sale Order(s) (as defined below) (which Sale Orders are to be filed by the Debtors no later than five (5) days prior to the Bidding Procedures Hearing) for the applicable assets to reflect the proposed Sale Transaction and to show any other proposed modifications to the applicable Sale Order(s).

6. Financial Information. A Qualified Bid must include the following:
 - a. a statement that the Prospective Bidder is financially capable of timely consummating the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement;
 - b. sufficient evidence, as reasonably determined by the Debtors (in consultation with the Consultation Parties), to determine that the Prospective Bidder has, or can obtain, the financial wherewithal to timely consummate the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement; and
 - c. Adequate Assurance Information (as defined in Section VI.A.8 below) with respect to any Contracts included or that may be included in the Prospective Bidder’s Bid.

7. Good Faith Deposit. Each Qualified Bid must be accompanied by a good faith deposit (each, a “Good Faith Deposit”) in the form of cash (or other form acceptable to the Debtors in their sole discretion) in an amount equal to ten percent (10%) of the proposed purchase price for the applicable Assets (inclusive of any amount thereof comprising any applicable Credit Bid consideration); *provided*, that no Good Faith Deposit shall be required for any Qualified Bid from any Stalking Horse Bidder or any Qualified Bid that solely contains Credit Bid consideration.

Good Faith Deposits shall be deposited into a trust account maintained on behalf of the Debtors (and to be designated by Debtors) and handled in

accordance with Section VII.E of these Bidding Procedures. To the extent a Qualified Bidder increases the purchase price before, during, or after the Auction, the Debtors reserve the right to require that such Qualified Bidder adjust its Good Faith Deposit so that it equals ten percent (10%) of the increased purchase price. The Debtors reserve the right to increase or decrease the Good Faith Deposit for one or more Qualified Bidders in their sole discretion except with respect to any Qualified Bid from any Stalking Horse Bidder or any Qualified Bid that solely contains Credit Bid consideration as set forth above; *provided*, the Debtors may not decrease or waive any Good Faith Deposit without consulting with the Consultation Parties.

8. Adequate Assurance. A Qualified Bid must include evidence of the Prospective Bidder's (or any other relevant assignee's) ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Prospective Bidder's (or any other relevant assignee's) ability to perform future obligations arising under any Contracts included in its Bid. The Debtors may require the following information in connection with demonstrating adequate assurance of future performance: information evidencing the Prospective Bidder's (or any other relevant assignee's) financial wherewithal and willingness to perform under any Contracts included in the Bid, which information may include (i) a corporate organizational chart or similar disclosure identifying corporate ownership and control, (ii) financial statements, (iii) tax returns, (iv) annual reports and (v) with respect to Qualified Bid's including a Bid on the Lexington Law Assets, certificate(s) of good standing and/or other written certification evidencing the Prospective Bidder's (and the Prospective Bidder's interest holders') qualification(s) as a lawyer (the information described in this Section VI.A.8, the "Adequate Assurance Information"). All Adequate Assurance Information must be in a form that will permit its immediate dissemination to the applicable Counterparties (as defined below).
9. Representations and Warranties. A Qualified Bid must include the following representations and warranties:
 - a. a statement that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors' businesses and the applicable Assets prior to submitting its bid;
 - b. a statement that the Prospective Bidder has relied solely upon its own independent review, investigation and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors' businesses or

the applicable Assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in a Stalking Horse Agreement;

- c. a statement that all proof of financial ability to consummate the applicable Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct; and
 - d. a statement that the Prospective Bidder agrees to be bound by the terms of the Bidding Procedures.
10. Authorization. A Qualified Bid must (a) include evidence of authorization and approval from the Prospective Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of any bid for the Assets, participation in the Auction and closing of the Sale Transaction contemplated by the Prospective Bidder's Proposed Asset Purchase Agreement or (b) if the Prospective Bidder is an entity formed for the purpose of effecting the proposed Sale Transaction, a Qualified Bid must provide written evidence acceptable to the Debtors of authorization and the approval by the equity holder(s) of such Prospective Bidder.
11. Joint Bids. The Debtors will be authorized to approve joint Bids in their discretion on a case-by-case basis, so long as a joint bid meets the Qualified Bid requirements and the applicable bidders otherwise comply with these Bidding Procedures. Approved joint Bids shall be treated as bids for all purposes. In addition to the other requirements of these Bidding Procedures, a joint Bid shall include a concise description of the nature of such partnership or joint Bid to the extent reasonably practicable.
12. Other Requirements. A Qualified Bid must:
 - a. state that the Prospective Bidder agrees to serve as a backup bidder (a "Backup Bidder") if such bidder's Qualified Bid is selected at the Auction as the next highest or next best bid after the Successful Bid (as defined in Section VII.C.1 below) for the applicable Assets (each such bid, a "Backup Bid"); provided, that as to any Stalking Horse Bidder, the terms of any applicable Stalking Horse Agreement shall control as to any Backup Bidder and Backup Bid requirement, and no Stalking Horse Bidder shall be required to serve as a Backup Bidder, notwithstanding such Stalking Horse Bidder's Stalking Horse Bid being the next highest or next best bid after a Successful Bid for the applicable Assets, without its prior written consent.

- b. state that the bid, as may be modified before or during the Auction, represents a binding, irrevocable, good-faith and *bona fide* offer to purchase the applicable Assets and is not subject to or conditioned on any due diligence, financing, or other contingency (other than the conditions to closing under the applicable agreement), and is irrevocable until the later of (i) the applicable outside date for consummation of the applicable Sale Transaction or (ii) the Backup Bid Expiration Date (as defined in Section VII.C.2 below);
- c. except as otherwise may be provided in a Stalking Horse Agreement, expressly state and acknowledge that the Prospective Bidder shall not be entitled to a break-up fee, termination fee, expense reimbursement or other “bidding protection” in connection with the submission of a bid for the Assets or otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court;
- d. state that the Prospective Bidder is committed to closing the Sale Transaction contemplated in its Bid as soon as practicable and in any case no later than the applicable deadline to consummate an approved Sale Transaction set forth herein;
- e. specify (i) whether the Qualified Bidder intends to hire any of the Debtors’ employees and (ii) the proposed treatment of the Debtors’ prepetition compensation, incentive, retention, bonus or other compensatory arrangements, plans, or agreements, including offer letters, employment agreements, consulting agreements, retiree benefits, and any other employment related agreements (collectively, the “Employee Obligations”);
- f. expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code or the payment of any broker fees or costs in connection with bidding for any of the Assets and/or otherwise participating in the Auction or the Sale Transaction process;
- g. include a covenant to cooperate with the Debtors (i) to provide pertinent factual information regarding the Prospective Bidder’s operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and any other applicable regulatory requirements and (ii) to obtain Court approval of the Sale Transaction;
- h. state or otherwise estimate the types of transition services, if any, the Prospective Bidder would require of and/or provide to the Debtors, including an estimate of the time any such transition

services would be required of and/or provided to the Debtors, if the Prospective Bidder's Bid were selected as the Successful Bid for the applicable Assets;

- i. certify that the Prospective Bidder did not collude with any other bidders and is not otherwise a partnership, joint venture or other entity in which more than one bidder (or any affiliates of a bidder) has a direct or indirect interest, unless consented to in writing by the Debtors;
- j. include a covenant to comply with the terms of these Bidding Procedures and the Bidding Procedures Order; and
- k. include contact information for the specific person(s) the Debtors should contact in the event they have any questions about the Prospective Bidder's bid.

B. Bid Review Process

The Debtors will review each Bid received from a Prospective Bidder to determine whether it meets the requirements set forth above. Based upon their evaluation of the content of each Bid, the Debtors may, as they deem appropriate in their business judgment and in a manner consistent with their fiduciary duties and applicable law, engage in negotiations with any Prospective Bidder for the purposes of (i) curing any deficiencies in a Bid that prevents it from constituting a Qualified Bid, (ii) improving the terms of the Prospective Bidder's Bid or (iii) otherwise promoting a more competitive bidding and Auction process with the ultimate goal of maximizing the value of the Assets.

A Bid received from a Prospective Bidder for all or any portion of the Assets that the Debtors determine meets the requirements set forth in Section V and VI above, and is otherwise satisfactory to the Debtors, will be considered a Qualified Bid and each Prospective Bidder that submits a Qualified Bid will be considered a "Qualified Bidder." The Debtors shall inform Qualified Bidders that their Bids have been designated as Qualified Bids as reasonably in advance of the commencement of the Auction as is practicable.

For the avoidance of doubt, any Stalking Horse Agreement will be deemed a Qualified Bid, and the Stalking Horse Bidder will be deemed a Qualified Bidder, for all purposes and requirements pursuant to the Bidding Procedures, notwithstanding the requirements that a Prospective Bidder must satisfy to be a Qualified Bidder. The Debtors shall, within two (2) calendar days following the Bid Deadline, inform any Stalking Horse Bidder of the Baseline Bid (as defined in Section VII.B.2) received relevant to the Assets under such Stalking Horse Bidder's Stalking Horse Agreement and shall provide copies of the Baseline Bid at the same time other Qualified Bidders receive such information.

In evaluating a Bid, the Debtors may take into consideration any and all factors that the Debtors deem reasonably pertinent, including, without limitation:

- (i) the amount of the proposed purchase price and proposed form of consideration;
- (ii) any Assets and liabilities included in, or excluded from, the Bid, including any Contracts marked for assumption and assignment;
- (iii) the value to be provided to the Debtors under the Bid, including the net economic effect on the Debtors' estates (taking into account any Stalking Horse Bidder's rights with respect to any termination payment, expense reimbursement, any Wind-Down Amount, and the DIP Financing Amount, in each case, as applicable);
- (iv) any benefit to the Debtors' estates from any assumption or waiver of liabilities contemplated by the Bid; (v) any benefit to the Debtors' estates arising from the avoidance of additional costs that may be incurred as a result of the Bid;
- (vi) the structure of the proposed Sale Transaction and any attendant execution risk, including conditions to, timing of and certainty of closing, termination provisions, financing contingencies, availability of financing and general financial wherewithal to meet all commitments, and any required governmental approvals;
- (vii) the impact of the proposed Sale Transaction on employees and the proposed treatment of the Employee Obligations;
- (viii) the impact of the proposed Sale Transaction on the Debtors' trade creditors, licensees, clients and any other parties in interest; and (ix) any other factors the Debtors may reasonably deem relevant and consistent with their fiduciary duties; provided that in conjunction with any Credit Bid, the Debtors must have sufficient cash to pay any applicable termination payment and/or expense reimbursement pursuant to the terms of any Stalking Horse Agreement.

The Debtors will make a determination regarding the Bids that qualify as Qualified Bids and as Baseline Bids and will notify bidders whether they have been selected as Qualified Bidders as reasonably in advance of the commencement of the Auction as is practicable. A Qualified Bidder shall not (without the consent of the Debtors), modify, amend or withdraw its Qualified Bid, unless for the purposes of increasing the purchase price or otherwise improving the terms of the bid, as determined by the Debtors in their business judgment.

The Debtors, in their business judgment reserve the right to reject any Bid (other than any Stalking Horse Bid) if such Bid, among other things, (i) is on terms that are more burdensome or conditional than the terms of any applicable Stalking Horse Agreement, (ii) requires any indemnification of the Prospective Bidder in its asset purchase agreement, (iii) is not received by the Bid Deadline, (iv) is subject to any contingencies (including representations, warranties, covenants and timing requirements) of any kind or any other conditions precedent to such party's obligation to acquire the relevant Assets, (v) seeks any bid protections, or (vi) does not, in the Debtors' determination, include a fair and adequate price or the acceptance of which would not be in the best interests of the Debtors' estates.

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors may, in their sole discretion, among other things (i) amend or waive the conditions precedent to qualifying as a Qualified Bidder, (ii) extend the Bid Deadline as to any party or with respect to any Assets (provided the Bid Deadline may not be extended beyond 55 days after the Petition Date without the consent of the Stalking Horse Purchasers identified in Section II.A above), (iii) with respect to any Bid that is not a Qualified Bid, the Debtors may provide (but shall not be obligated to provide) the Bidder with the opportunity to remedy any deficiencies prior to the Auction, and/or (iv) postpone or cancel the Auction and terminate the proposed sale(s) for any Assets.

C. Bidding Protections

~~In recognition of their expenditure of time, energy, and resources, the Debtors have agreed, subject to the Bidding Procedures Order, the Progrexion APA and the Lexington Law APA, to provide the following bidding protections to the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, each in its capacity as a Stalking Horse Bidder:~~

~~• the payment of the Expense Reimbursement, under and as defined in the Progrexion APA (the “Progrexion Expense Reimbursement”), in the event that the Progrexion APA is terminated under certain circumstances;~~

Other than ~~the Progrexion Expense Reimbursement and any other~~any bid protections provided to a Stalking Horse Bidder, as applicable, no bidder or any other party shall be entitled to any termination or “break-up” fee, expense reimbursement or any other bidding protections in connection with the submission of a bid for the Assets or for otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court.

VII. THE AUCTION

If the Debtors receive more than one Qualified Bid (including any Stalking Horse Bid) for an Asset or combination of Assets, the Debtors will conduct an Auction for such Asset(s). If more than one Qualified Bid exists for acquiring specific combinations of the Assets, then the Debtors may, in the exercise of their reasonable business judgment, and in consultation with the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “Committee”), first conduct a separate Auction (a “Sub-Auction”) for such Assets that have at least one Qualified Bid pursuant to the Bid Procedures; *provided*, that in the event that the Debtors elect to conduct any such Sub-Auction and select an Alternate Transaction (as defined in the applicable Asset Purchase Agreement) for any Asset, any Stalking Horse Bidder, including, without limitation, the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, may, in its sole discretion, immediately or at any time thereafter terminate such Stalking Horse Bidder’s applicable Stalking Horse Purchase Agreement upon written notice of termination to the Debtors, and, upon delivery of such written notice of termination, the applicable Stalking Horse Purchase Agreement will become void and have no further force and effect and all further obligations of the parties to each other under such Stalking Horse Purchase Agreement will terminate without further obligation or liability of the parties (the “Sub-Auction Stalking Horse Purchaser’s Option”); ~~provided, further, that notwithstanding anything to the contrary in these Bidding Procedures or the Progrexion Stalking Horse Purchase Agreement, if the Progrexion Stalking Horse Purchase Agreement is terminated pursuant to the Sub-Auction~~

~~Stalking Horse Purchaser's Option, then the Progrexion Stalking Horse Bidder shall be entitled to payment of the Expense Reimbursement, if approved by the Bankruptcy Court, upon consummation of an Alternate Transaction from the proceeds of such Alternate Transaction in accordance with the terms of the Bid Procedures Order.~~ With respect to any particular Asset for which the Debtors receive only one Qualified Bid by the Bid Deadline, the Debtors may, in their business judgment, and in consultation with the Committee, determine to consummate a Sale Transaction with the applicable Qualified Bidder without conducting an Auction.

In the event the Debtors determine not to hold an Auction for some or all of the Assets, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice containing the following information, as applicable: (i) a statement that the Auction for the relevant Assets has been canceled, (ii) the identity of the Successful Bidder, (iii) a copy of the Successful Bid or a summary of the material terms of such Successful Bid, including any assumption and assignment of Contracts contemplated thereby, and (iv) the date, time and location of the applicable Sale Hearing.

The Auction, if required, will be conducted on ~~+~~August 8, 2023, at 5 p.m. (prevailing Eastern Time), virtually through Zoom, after providing notice to the Sale Notice Parties; provided, however, the Debtors shall have the right to hold the Auction remotely, including telephonically or by other electronic means (including, without limitation, video conferencing) as the Debtors may choose in their sole discretion, and in consultation with the Committee, so as to comply with all applicable federal, state and local laws, orders, ordinances, guidelines and guidance, including any shelter-in-place, social distancing and non-essential business orders and guidelines. If held, the Auction proceedings will be transcribed and/or video recorded.

A. Participants and Attendees

Only Qualified Bidders are eligible to participate in the Auction or any Sub-Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with these Bidding Procedures. At least one (1) day prior to the Auction or any Sub-Auction, each Qualified Bidder must inform the Debtors in writing whether it intends to participate in the Auction. Qualified Bidders participating in the Auction or specific Sub-Auction must appear via video conferencing at the Auction or specific Sub-Auction, as applicable, or through a duly authorized representative. Subject to the Auction procedures set forth in Section VII of these Bidding Procedures, all Qualified Bidders and the Consultation Parties are permitted to attend the Auction or any Sub-Auction; provided, that the Debtors may, in their sole discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction or specific Sub-Auction. Any creditor and its advisors wishing to attend the Auction may do so by contacting, no later than one (1) day prior to the start of the Auction, the Debtors' advisors.

Each Qualified Bidder participating in the Auction or specific Sub-Auction will be required to confirm in writing and on the record at the Auction or Sub-Auction, as applicable, that (i) it has not engaged in any collusion with respect to the Auction or the submission of any bid for any of the Assets and (ii) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the

Auction or specific Sub-Auction is a binding, good-faith and *bona fide* offer to purchase the Assets identified in such bids.

All Prospective Bidders and Qualified Bidders (including any Stalking Horse Bidder, Successful Bidder and Backup Bidder) shall be deemed to have (i) consented to the core jurisdiction of the Court to enter any order related to these Bidding Procedures, the Auction or, any other relief requested in the Motion or granted pursuant to the Bidding Procedures Order or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, (ii) waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Auction or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to these Bidding Procedures, the Auction or specific Sub-Auction, the construction or enforcement of any agreement or any other document relating to any Sale Transaction, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

B. Auction Procedures

The Auction or Sub-Auction shall be governed by the following procedures, subject to the Debtors' right to modify such procedures in their business judgment, subject to and in accordance with these Bidding Procedures and the applicable parties' rights under any Stalking Horse Agreement:

1. Auction Packages. Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will make a determination regarding the Assets and/or combinations of Assets for which the Debtors will conduct an Auction (each such Asset or group of Assets, an “Auction Package”). For the avoidance of doubt, the Debtors may, in their business judgment determine to (i) include an individual Asset in more than one Auction Package and (ii) have an Auction Package for all or substantially all of the Debtors’ Assets.
2. Baseline Bids. Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will determine, in their business judgment, the highest and/or best Qualified Bid submitted for each Auction Package (each such Qualified Bid, a “Baseline Bid”). Bidding for each Auction Package at the Auction shall commence at the amount of the applicable Baseline Bid.
3. Minimum Overbid. Bidding at the Auction or Sub-Auction for an Auction Package (or subset thereof) that is subject to Qualified Bids will begin with the Baseline Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid (a “Subsequent Bid”) is submitted by a Qualified Bidder that (i) improves on such Qualified Bidder’s immediately prior Qualified Bid and (ii) the Debtors determine that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Baseline Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below).

The Debtors will announce at the outset of the Auction or Sub-Auction the minimum required increments for successive Bids (each, such Bid, a “Minimum Overbid”). The Debtors may, in their discretion, announce increases or reductions to Minimum Overbids at any time during the Auction or Sub-Auction.

Upon a Qualified Bidder’s declaration of a Bid at the Auction or specific Sub-Auction, the Qualified Bidder must state on the record its commitment to pay within two (2) business days following the Auction or Sub-Auction, if such Bid were to be selected as the Successful Bid or as the Backup Bid for the applicable Auction Package, the incremental amount of the Qualified Bidder’s Good Faith Deposit calculated based on the increased purchase price of such bid (such Good Faith Deposit so increased, the “Incremental Deposit Amount”) if applicable. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by any Bid subsequent to a Baseline Bid, the Debtors will, at each round of bidding, consider and/or give effect to (a) any termination payment or expense reimbursement (only if such amount has not previously been paid) payable to any Stalking Horse Bidder under an applicable Stalking Horse Agreement, including the crediting of

such amounts to the applicable Stalking Horse Bidder, (b) any additional liabilities to be assumed by a Qualified Bidder under the Bid, including whether such liabilities are secured or unsecured, (c) any additional costs that may be imposed on the Debtors, and (d) the provision of any Wind-Down Amount and treatment of the DIP Financing Amount, as applicable.

4. Leading Bid. After the first round of bidding and between each subsequent round of bidding, the Debtors will announce the bid that they believe to be the highest or otherwise best offer for the applicable Auction Package (each such bid, a “Leading Bid”) and describe the material terms thereof. Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the material terms of the Leading Bid, subject to the Debtors’ authority to revise the Auction procedures to the extent permitted hereby.

The Auction or any Sub-Auction will be conducted by open bidding in the presence of all other Qualified Bidders and each Qualified Bidder shall have the right to be present for all rounds of open bidding and to submit additional bids and make modifications to its Proposed Asset Purchase Agreement at the Auction to improve its bid. The Debtors may, in their business judgment, engage in discussions and negotiate with any and all Qualified Bidders participating in the Auction or Sub-Auction outside the presence of other bidders before each round of bidding, including to improve or clarify the terms of bids made.

The Debtors shall have the right to determine, in their business judgment, which bid is the highest or otherwise best bid with respect to an applicable Auction Package (including, without limitation, with respect to an Auction Package that includes all or substantially all of the Debtors’ Assets) and, in accordance with the terms of these Bidding Procedures, reject, at any time, without liability (except for any requirement to pay any termination payment or expense reimbursement under a Stalking Horse Agreement, as applicable), any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, these Bidding Procedures, any order of the Court, or the best interests of the Debtors and their estates, including, without limitation, the provision of any Wind-Down Amount and treatment of the DIP Financing Amount, as applicable.

C. Auction Results

1. Successful Bids. Immediately prior to the conclusion of the Auction or a specific Sub-Auction for an Auction Package, the Debtors will (a) determine, consistent with these Bidding Procedures, which Qualified Bid constitutes the highest or otherwise best bid(s) for the Auction Package (each such bid, a “Successful Bid”) and (b) notify all Qualified Bidders at the Auction or Sub-Auction of the identity of the bidder that submitted the Successful Bid for the Auction Package (each such bidder, a “Successful Bidder”) and the amount of the purchase price and other material terms of the Successful Bid. As a condition to remaining the Successful Bidder, the Successful Bidder shall, within two (2) business days after the conclusion of the Auction or Sub-Auction, (i) if applicable, wire to the Debtors in immediately available funds the Incremental Deposit Amount, calculated based on the purchase price in the Successful Bid(s) and (ii) submit to the Debtors fully executed documentation memorializing the terms of the Successful Bid(s).

2. Backup Bids. Immediately prior to the conclusion of the Auction or Sub-Auction for an Auction Package, the Debtors will (a) determine, in a manner consistent with these Bidding Procedures, which Qualified Bid is the Backup Bid for the Auction Package and (b) notify all Qualified Bidders at the Auction or Sub-Auction for the Auction Package of the identity of the Backup Bidder for the Auction Package and the amount of the purchase price and other material terms of the Backup Bid. Within two (2) business days after the Auction or Sub-Auction, the Backup Bidder shall submit to the Debtors execution versions of the documentation memorializing the terms of the Backup Bid(s).

A Backup Bid will remain binding on the applicable Backup Bidder until the earlier of (a) the first business day after the closing of a Sale Transaction with the Successful Bidder for the applicable Auction Package and (b) 30 days after the Sale Hearing (or such other date as may be set forth in a Stalking Horse Agreement, the “Backup Bid Expiration Date”). If the Sale Transaction with the applicable Successful Bidder is terminated prior to the Backup Bid Expiration Date, the Backup Bidder shall be deemed the new Successful Bidder for the applicable Auction Package and shall be obligated to consummate the Backup Bid as if it were the Successful Bid at the Auction or Sub-Auction; provided, that the Debtors may, in their business judgment and after providing notice to the Sale Notice Parties, elect not to pursue the Sale Transaction contemplated by the Backup Bid.

3. Notice of Auction or Sub-Auction Results. By the later of (a) ~~+~~August 9, 2023 and (b) one day after the conclusion of the Auction or Sub-Auction, or as soon as is reasonably practicable thereafter, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction or Sub-Auction (the “Notice of Auction Results”), which will (a) identify each Successful Bidder and each Backup Bidder, (b) include a copy of each Successful Bid and each Backup Bid or a summary of the material terms of such bids, including any proposed assumption and assignment of Contracts contemplated thereby, and (c) set forth the Post-Auction Objection Deadline (as defined in Section X.D below), the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction or any Sub-Auction.
4. The Debtors’ presentation to the Bankruptcy Court for approval of a selected Qualified Bid as a Successful Bid does not constitute the Debtors’ acceptance of such Bid. The Debtors will have accepted a Successful Bid only when such Successful Bid has been approved by the Bankruptcy Court at the Sale Hearing.

D. Additional Auction Procedures

The Debtors may announce at the Auction or a specific Sub-Auction additional procedural rules (*e.g.*, among other things, the amount of time to make Subsequent Bids, the amount of the Minimum Overbid, or the requirement that parties submit “best and final” Bids) for conducting the Auction or specific Sub-Auction or otherwise modify these Bidding Procedures; provided, that such rules (i) are not materially inconsistent with the Bidding Procedures Order, the DIP Orders, these Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are disclosed to each Qualified Bidder during the Auction or Sub-Sub-Auction, and (iii) are in form and substance acceptable to the DIP Lenders (as defined in the Bidding Procedures). For the avoidance of doubt, any bid for any Assets included in any Auction Package shall be subject to a determination by the Debtors, in their business judgment and in accordance with the other provisions of these Bidding Procedures, that (i) a bid for substantially all of the Debtors’ Assets and/or (ii) a combination of bids that groups the Assets together differently is the highest or otherwise best offer for such Assets.

E. Disposition of Good Faith Deposit

1. Prospective Bidders. Within five business days after the Debtors make final determinations as to which Prospective Bidders qualify as Qualified Bidders, a Prospective Bidder's Good Faith Deposit shall be returned to any such Prospective Bidder that did not qualify as a Qualified Bidder, as confirmed by the Debtors. Upon the authorized return of a Prospective Bidder's Good Faith Deposit in accordance with this Section VII.E, the bid of such Prospective Bidder shall be deemed terminated and no longer binding against the Prospective Bidder.
2. Qualified Bidders.
 - a. Forfeiture of Good Faith Deposit. The Good Faith Deposit of a Qualified Bidder shall be forfeited if the Qualified Bidder attempts to withdraw its Qualified Bid, except as may be permitted by these Bidding Procedures, during the time the Qualified Bid remains binding and irrevocable under these Bidding Procedures. The Debtors and their estates shall be entitled to retain the Qualified Bidder's Good Faith Deposit as partial compensation for the damages caused to the Debtors and their estates as a result of the Qualified Bidder's failure to adhere to the terms of these Bidding Procedures and/or the relevant Qualified Bid. In the event that a Qualified Bidder's Good Faith Deposit is deemed forfeited, such Qualified Bidder's Good Faith Deposit shall be released by wire transfer of immediately available funds to an account designated by the Debtors within two (2) business days after receipt of written notice by an authorized officer of the Debtors stating that the applicable Qualified Bidder has breached or otherwise failed to satisfy its obligations in accordance with these Bidding Procedures and the applicable Qualified Bid.
 - b. Return of Good Faith Deposit. With the exception of the Good Faith Deposits of Successful Bidders and Backup Bidders and any forfeiture of a Good Faith Deposit as described above, any other Qualified Bidder's Good Faith Deposit shall be returned within 5 business days after the conclusion of the Auction for the applicable Auction Package.
 - c. Backup Bidder. Any Backup Bidder's Good Faith Deposit shall be returned within 5 business days after the occurrence of the applicable Backup Bid Expiration Date.
- d. Successful Bidder. At the closing of a Sale Transaction, the Successful Bidder shall be entitled to a credit against the purchase price for the applicable Assets in the amount of the Successful Bidder's Good Faith Deposit (and, in the case of a Successful Bidder that was a Stalking Horse Bidder where there is bidding on the Assets subject to the Stalking

Horse Agreement, that Successful Bidder shall be entitled to a credit against the purchase price in an amount equal to any termination payment and/or expense reimbursement that would have been payable under the applicable Stalking Horse Agreement had the Stalking Horse Bidder not participated in the Auction). The Good Faith Deposit of a Successful Bidder shall be forfeited if the Successful Bidder fails to consummate the applicable Sale Transaction because of a breach that entitles the Debtors to terminate the applicable asset purchase agreement with such Successful Bidder, and the Debtors and their estates shall be entitled to retain the Successful Bidder's Good Faith Deposit as partial compensation for the damages caused to the Debtors and their estates as a result of such breach. In the event that a Successful Bidder's Good Faith Deposit is deemed forfeited, such Good Faith Deposit shall be released by wire transfer of immediately available funds to an account designated by the Debtors within two (2) business days after receipt of written notice by an authorized officer of the Debtors stating that the applicable Successful Bidder has breached or otherwise failed to satisfy its obligations in accordance with these Bidding Procedures and the applicable Successful Bid.

VIII. SALE HEARING

Each Successful Bid (including any Backup Bid that is subsequently deemed a Successful Bid) will be subject to approval by the Bankruptcy Court. The hearing to approve any Sale Transaction consummated in accordance with these Bidding Procedures (except in the case of a Sale Transaction contemplated by a Backup Bid that subsequently is deemed a Successful Bid) shall take place on **August 11, 2023, at 5 p.m. (prevailing Eastern Time)** (the "Sale Hearing") before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware.

At the Sale Hearing, the Debtors will seek entry of one or more orders (each, a "Sale Order") approving, among other things, one or more sales of the Assets to the Successful Bidder(s).

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors may, in their business judgment (after consulting with the Successful Bidder(s)), adjourn or reschedule the Sale Hearing with sufficient notice to the Sale Notice Parties, including by announcing such adjournment or rescheduling at the Auction or Sub-Auction or in Court on the date of the originally scheduled Sale Hearing.

At the Sale Hearing, the Debtors will seek entry of an order that, among other things: (i) authorizes and approves the Sale Transaction(s) to the Successful Bidder(s) and/or the Backup Bidder(s), (ii) includes a finding that the Successful Bidder(s) and/or the Backup Bidder(s) is a good faith purchaser pursuant to section 363(m) of the Bankruptcy Code, and (iii) as appropriate, exempts the Sale Transaction(s) and conveyance(s) of the Assets from any transfer tax, stamp tax or similar tax, or deposit under any applicable bulk sales statute.

IX. RESERVATION OF RIGHTS TO MODIFY BIDDING PROCEDURES

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors reserve the right to, in their business judgment, in a manner

consistent with their fiduciary duties and applicable law, modify these Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth herein, (b) adopt new rules and procedures for conducting the bidding and Auction process, (c) if applicable, provide reasonable accommodations to a Stalking Horse Bidder, or (d) otherwise modify these Bidding Procedures to further promote competitive bidding for and maximizing the of value of the Assets; provided, that such extensions, waivers, new rules and procedures, accommodations and modifications (i) do not conflict with and are not inconsistent with the Bidding Procedures Order, these Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are promptly communicated to each Qualified Bidder, and (iii) do not extend the Bid Deadline, the date of the Auction or the closing of the Auction, unless the DIP Lenders give their prior written consent to do so.

X. NOTICING

A. Bid Notice Parties

Qualified Bids must be submitted in writing to the following parties (collectively, the “Bid Notice Parties”):

- the Debtors, c/o PGX Holdings, Inc., 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111 (Attn: Eric Kamerath) or (as applicable), c/o John C. Heath, Attorney At Law PC, P.O. Box 1173, Salt Lake City, Utah 84110 (Attn: John C. Heath);
- counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com)); and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney Fogelberg (whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)); and
- solely to the extent they are not an active or prospective bidder with respect to the relevant Asset(s), counsel for the Prepetition First Lien Agent, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)) and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com)).

B. Sale Notice Parties

The “Sale Notice Parties” shall include the following persons and entities:

- counsel to any Stalking Horse Bidder;
- all persons and entities known by the Debtors to have expressed an interest to the Debtors in a Sale Transaction involving any of the Assets during the past 12 months, including any person or entity that has submitted a Bid for any of the Assets;

- all persons and entities known by the Debtors to have asserted any lien, claim, interest or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors), including, for the avoidance of doubt, the Prepetition First Lien Agent (on behalf of the Prepetition First Lien Lenders);
- with respect to any Sale of the Lexington Law Assets, all persons and entities currently and/or formerly represented by the Lexington Law Firm;
- counsel to the Prepetition First Lien Agent, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey King, Esq. (gking@kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)) and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com));
- all relevant non-Debtor parties (each, a “Counterparty”) to any Contract that may be assumed or rejected in connection with a Sale Transaction;
- all of the Debtors’ known creditors (for whom identifying information and addresses are available to the Debtors);
- any governmental authority known to have a claim against the Debtors in these Chapter 11 Cases;
- the Federal Trade Commission;
- the Bureau of Consumer Protection;
- the Consumer Protection Financial Bureau;
- the office of the U.S. Trustee;
- all applicable federal, state and local taxing authorities, including the Internal Revenue Service;
- the United States Securities and Exchange Commission;
- the United States Attorney’s Office for the District of Delaware;
- United States Attorney General’s Office for the District of Delaware;
- the Office of the Attorney General and the Secretary of State in each state in which the Debtors operate;
- [counsel for the Committee, Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019 \(Attn: Andrew I. Silfen \(andrew.silfen@afslaw.com\) and Beth M.](#)

[Brownstein \(beth.brownstein@afslaw.com\)](mailto:beth.brownstein@afslaw.com)); Arent Fox Schiff LLP, 800 Boylston Street, 32nd Floor, Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)); and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisjames.com), Brya M. Keilson (bkeilson@morrisjames.com), and Jason S. Levin (jlevin@morrisjames.com));

- counsel for any other official committee appointed in these Chapter 11 Cases;
- all of the parties entitled to notice pursuant to Bankruptcy Rule 2002; and
- all other parties as directed by the Court.

C. Sale Notice and Publication Notice

~~By the later of (i) **10/1/2023** and (ii) two (2)~~ Within three (3) business days, or as soon as reasonably practicable, after entry of the Bidding Procedures Order, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website a notice (the “Sale Notice”) setting forth (A) a description of the Assets available for sale in accordance with these Bidding Procedures, (B) the date, time and location of the Auction and Sale Hearing, (C) the Sale Objection Deadline and Post- Auction Objection Deadline (each as defined in Section X.D below) and the procedures for filing such objections, and, if applicable, (D) a summary of the material terms of any Stalking Horse Agreement, including the terms and conditions of any termination payment or expense reimbursement to be provided thereunder, as of the date of the Sale Notice.

Within four business days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, the Debtors will cause the information contained in the Sale Notice to be published once in *The New York Times* (national edition) (the “Publication Notice”).

D. Sale Objections and Post-Auction Objections

Objections to a sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) entry of any Sale Order shall, by **no later than ~~10/1/2023~~ August 3, 2023, at 5 p.m. (prevailing Eastern Time)** (the “Sale Objection Deadline”), be filed with the Court and served on the following parties (collectively, the “Objection Notice Parties”):

- the Debtors, c/o PGX Holdings, Inc., 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111 (Attn: Eric Kamerath) or (as applicable), c/o John C. Heath, Attorney At Law PC, P.O. Box 1173, Salt Lake City, Utah 84110 (Attn: John C. Heath);
- counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com)); Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney

Fogelberg (whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)); and Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801 (Attn.: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com));

- counsel for the Committee, Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019 (Attn: Andrew I. Silfen (andrew.silfen@afslaw.com) and Beth M. Brownstein (beth.brownstein@afslaw.com)); Arent Fox Schiff LLP, 800 Boylston Street, 32nd Floor, Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)); and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisjames.com), Brya M. Keilson (bkeilson@morrisjames.com), and Jason S. Levin (jlevin@morrisjames.com));
- counsel for any other official committee appointed in these Chapter 11 Cases;
- counsel for the Prepetition First Lien Lenders and DIP Lenders, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey Michael King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)); and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisnichols.com));
- counsel for any relevant Successful Bidder(s); and
- counsel for any relevant Backup Bidder(s).

Following service of the Notice of Auction Results, Sale Notice Parties may object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in a Successful Bid, other than with respect to a Stalking Horse Bid (each such objection, a “Post-Auction Objection”) by no later than **later of (i) ~~10~~ August 9, 2023, at 5 p.m. (prevailing Eastern Time) and (ii) three (3) days prior to the Sale Hearing** (the “Post-Auction Objection Deadline”). Each Post-Auction Objection shall be filed with the Court and served on the Objection Notice Parties.

E. Notices Regarding Assumption and Assignment of Contracts

The Debtors will provide all notices regarding the proposed assumption and assignment of Contracts in accordance with the Assumption and Assignment Procedures (as defined in the Bidding Procedures Order).

XI. CONSULTATION BY THE DEBTORS

Throughout the Sale Transaction process, the Debtors and their advisors will consult with the following parties (collectively, the “Consultation Parties”), as provided in these Bidding Procedures, or as is otherwise necessary or appropriate, as determined in the Debtors’ business judgment: (i) the legal and financial advisors for any official committee

appointed in these Chapter 11 Cases and (ii) solely to the extent they are not an active or prospective bidder with respect to the relevant Asset(s), or are participating in any way in any active or prospective bid with respect to such Asset(s), the legal and financial advisors for the Prepetition First Lien Lenders.

Notwithstanding the foregoing, the Debtors will not consult with or provide copies of any Bids or other confidential information to any Consultation Party or any insider or affiliate of the Debtors if such party is an active or prospective bidder for the relevant Asset(s) at the applicable time. If, however, a member of an official committee appointed in these Chapter 11 Cases submits a Qualified Bid for any of the Assets, the applicable committee will maintain its consultation rights as a Consultation Party, provided, that such committee excludes the bidding committee member from any discussions or deliberations regarding a transaction involving the relevant Assets, and shall not provide any confidential information regarding the Assets or otherwise involving the Sale Transaction process to the bidding committee member.

For the avoidance of doubt, any consultation rights afforded to the Consultation Parties by these Bidding Procedures or the Bidding Procedures Order shall not in any way limit the Debtors' discretion and shall not include the right to veto any decision made by the Debtors in the exercise of their business judgment.

EXHIBIT 1

Bidding Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
In re:	)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

BIDDING PROCEDURES

The debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”) will use the procedures set forth herein (the “Bidding Procedures”) in connection with a sale or disposition of all or substantially all of the Debtors’ assets (the “Assets”) in one or more sale transactions (each, a “Sale Transaction”).

On June 6, 2023, the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) the *Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. ~~192~~66] (the “Motion”). By the Motion, the Debtors sought, among other things, entry of an order approving Bidding Procedures² for soliciting bids for, conducting an auction (the “Auction”) of, and consummating one or more Sale Transactions of, the Assets, as further described herein.

On July ~~19~~21, 2023, the Court entered an *Order (I) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (II) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder,*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² All capitalized terms not herein defined shall have the meanings ascribed to them in the Motion and/or the Bidding Procedures Order (as defined below), as applicable.

(III) *Scheduling an Auction and Approving the Form and Manner of Notice Thereof*, (IV) *Approving Assumption and Assignment Procedures*, (V) *Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof* and (VI) *Granting Related Relief* [Docket No. [●]] (the “Bidding Procedures Order”).

I. ASSETS FOR SALE

The sale of the Assets shall be subject to a competitive bidding process as set forth herein and approval by the Court pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6003, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 6004-1 and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

Subject to the remaining terms of these Bidding Procedures, a Prospective Bidder (as defined in Section IV below) may bid on the Assets (i) in individual lots (by brand and/or by division or any other combination), (ii) as a collective whole, or (iii) in any combination.

The ability to undertake and consummate any sale of the Assets shall be subject to competitive bidding as set forth herein and approval by the Court. In addition to any Stalking Horse Bid, and as set forth herein, the Debtors will consider bids for any or all of the Assets in a single bid from a single bidder or in multiple bids from multiple bidders. Any bid for an individual Asset, even if such bid is the highest or otherwise best bid for such individual Asset, is subject to higher or otherwise better bids (including any Credit Bid (as defined in Section VI.A.3 below)) on packages of Assets that include the individual Asset. Additionally, any bid on all of the Assets is subject to bids on individual Assets or packages of Assets (including Credit Bids) that are, in the aggregate, higher or otherwise better bids. Any party interested in submitting a bid for any of the Debtors’ Assets should contact Greenhill & Co., LLC, ProjectPretzel@greenhill.com Attn: Neil Augustine.

II. STALKING HORSE PROCEDURES

A. The Stalking Horse Bidders

On ~~June~~July [●21], 2023, the Debtors entered into:

- an asset purchase agreement with Lender AcquisitionCo LLC (together with each of its permitted successors, assigns and designees) (the “Progrexion Stalking Horse Bidder” and such asset purchase agreement, the “Progrexion APA”), whereby the Progrexion Stalking Horse Bidder will serve as the stalking horse bidder for the Transferred Assets (as defined in the Progrexion APA); and
- an asset purchase agreement with AcquisitionCo (together with each of his permitted successors, assigns and designees) (the “Lexington Law Stalking Horse Bidder” and such asset purchase agreement, the “Lexington Law APA”), whereby the Lexington Law Stalking Horse Bidder will serve as the stalking horse bidder for the Lexington Law Assets (as defined in the Lexington Law APA).

Pursuant to the Bidding Procedures Order, the Debtors obtained approval of:

- the Progrexion APA, as a Stalking Horse Bid for the Transferred Assets (the “Progrexion Stalking Horse Bid”), ~~and the Progrexion Expense Reimbursement, provided for by the Progrexion APA~~; and
- the Lexington Law APA, as a Stalking Horse Bid for the Lexington Law Assets (the “Lexington Law Stalking Horse Bid”).

B. Designating Additional Stalking Horse Bidders

The Debtors may, as they deem necessary or appropriate and in accordance with the terms of the Bidding Procedures Order, these Bidding Procedures and the DIP Orders (as defined in the DIP Motion (as defined below)), enter into one or more additional agreements (each, an “Additional Stalking Horse APA” and, together with the Progrexion APA and the Lexington Law APA, the “Stalking Horse Agreements” and each a “Stalking Horse Agreement”) with one or more other bidders that the Debtors designate to serve as a stalking horse bidder (each, an “Additional Stalking Horse Bidder” and, together with the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, the “Stalking Horse Bidders” and each a “Stalking Horse Bidder”) for Assets other than those Assets subject to the Stalking Horse Agreements set forth in Section II.A above. Recognizing an Additional Stalking Horse Bidder’s expenditure of time, energy and resources, the Debtors may determine to provide certain bidding protections to any designated Additional Stalking Horse Bidder, including a “break-up” fee and/or an expense reimbursement, in each case, in accordance with the terms of the Bidding Procedures Order and the applicable Additional Stalking Horse APA. Any Additional Stalking Horse Bidder designated by the Debtors in accordance with these Bidding Procedures will be so designated by no later than **the later of (A) ~~July 27~~ July 27, 2023 and (B) seven calendar days prior to the Bid Deadline.**

1. Additional Stalking Horse Notice

Within two (2) days after executing an Additional Stalking Horse APA, the Debtors will file with the Court, serve on the Sale Notice Parties (as defined in Section X.B below) and cause to be published on the website maintained by Kurtzman Carson Consultants LLC, the Debtors’ claims and noticing agent in these Chapter 11 Cases, located at www.kccllc.net/PGX (the “Claims Agent Website”), a notice (each such notice, an “Additional Stalking Horse Notice”) setting forth the material terms of the proposed Additional Stalking Horse APA, including:

- a. The identity of the Additional Stalking Horse Bidder, the Assets that are subject to the Additional Stalking Horse Bid, and the purchase price payable for the applicable Assets; and

- b. The terms and conditions of any “break-up” fee and/or expense reimbursement to be provided thereunder.

2. Additional Stalking Horse Hearing

No hearing shall be necessary for the Debtors to designate an Additional Stalking Horse Bidder unless the Debtors, the DIP Lenders, and the Consultation parties cannot agree regarding the designation of or bidding protections for an Additional Stalking Horse Bidder. In such case, the Debtor may file a motion to designate an Additional Stalking Horse Bidder (each, an “Additional Stalking Horse Motion”) with the Court upon fourteen (14) days’ notice to all Consultation Parties. The Debtors will request that the Court schedule a hearing (each, an “Additional Stalking Horse Hearing”), in each case, to be held within five (5) business days, or as soon as reasonably practicable, after service of the applicable Additional Stalking Horse Motion, to consider approval of the applicable Additional Stalking Horse APA and the provision of bidding protections thereunder.

3. Additional Stalking Horse Bidding Protection Objections

Any objection to the provision of a “break-up” fee and/or expense reimbursement offered to an Additional Stalking Horse Bidder in accordance with this Section II.B.3 (each such objection, a “Bidding Protection Objection”) must (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; and (b) be filed with the Court and served on the applicable Objection Notice Parties (as defined in Section X.D below) within three (3) calendar days after service of the applicable Additional Stalking Horse Notice. If the parties are unable to consensually resolve a Bidding Protection Objection, such Bidding Protection Objection will be heard and resolved by the Court at the applicable Additional Stalking Horse Hearing. If no timely Bidding Protection Objection is filed and served in accordance with these Bidding Procedures, the Debtors may seek permission from the Court to file, upon certification of counsel and the consent of the United States Trustee for the District of Delaware (the “U.S. Trustee”) and the Consultation Parties (as defined in Section XI below), a proposed order authorizing and approving the Debtors’ entry into the applicable Additional Stalking Horse APA and the provision of a “break-up” fee and/or expense reimbursement thereunder in lieu of holding an Additional Stalking Horse Hearing.

III. KEY DATES AND DEADLINES

SALE PROCESS KEY DATES AND DEADLINES	
The later of (i) [•], 2023 and (ii) two Three business days (or as soon as soon reasonably practicable thereafter) after the entry of the Bidding Procedures Order	Deadline for Debtors to file and serve <u>the Sale Notice and the Assumption and Assignment</u> Notice
The later of (i) [•], 2023 and (ii) three business days after the entry of the	Deadline for Debtors to file and serve Assumption and Assignment Notice

Bidding Procedures Order	
Four business days <u>(or as soon reasonably practicable thereafter)</u> after the entry of the Bidding Procedures Order	Deadline for the Debtors to publish the Publication Notice
The later of (i) + + <u>July 27</u> , 2023 and (ii) seven days prior to the Bid Deadline	Deadline to designate Additional Stalking Horse Bidders
+ + <u>August 3</u> , 2023, at 5 p.m. (prevailing Eastern Time)	Sale Objection Deadline
+ + <u>August 3</u> , 2023, at 5 p.m. (prevailing Eastern Time) (No later than 60 days after the Petition Date)	Bid Deadline
+ + <u>August 7</u> , 2023, at 5 p.m. (prevailing Eastern Time) <u>(or as reasonably in advance of the Auction as is practicable)</u>	Deadline for Debtors to Notify Bidders of Status as Qualified Bidders
+ + <u>August 8</u> , 2023, at 5 p.m. (prevailing Eastern Time) (No later than 65 days after the Petition Date)	Auction (if any)
The later of (i) + + <u>August 9</u> , 2023 at 5 p.m. (prevailing Eastern Time) and (ii) one day after the conclusion of the Auction	Deadline for Debtors to file Notice of Auction Results
The later of (i) + + <u>August 9</u> , 2023, at 5 p.m. (prevailing Eastern Time) and (ii) three days prior to the Sale Hearing	Post-Auction Objection Deadline
+ + <u>August 11</u> , 2023, at 5 p.m. (prevailing Eastern Time)	Sale Hearing
+ + <u>August 13</u> , 2023 (No later than 70 days after the Petition Date)	Deadline for Court to enter Sale Order
+ + <u>September 17</u> , 2023 (No later than 105 days after the Petition Date)	Deadline to consummate approved Sale Transactions

IV. DUE DILIGENCE

The Debtors have posted copies of all material documents related to the Assets to the Debtors' confidential electronic data room (the "Data Room"). Each person or entity (other than the Stalking Horse Bidders identified in Section II.A above) that desires to participate in the Auction process (each, a "Prospective Bidder") and seeks access to the Data Room must first deliver to each of the Bid Notice Parties (as defined in Section X.A below) the following:

- A. An executed confidentiality agreement, in form and substance satisfactory to the Debtors and containing terms no more favorable to the Prospective Bidder than those contained in any confidentiality agreement executed by the Stalking Horse Bidder identified in Section II.A above (unless such party is already a party to an existing confidentiality agreement with the Debtors that is acceptable to the Debtors for this due diligence process, in which case such agreement shall govern); and
- B. Sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that the interested party intends to access the Data Room for a purpose consistent with these Bidding Procedures.
- C. With respect to Prospective Bidders that desire to participate in an Auction (if any) that includes the Lexington Law Assets, sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that the interested party's ownership and/or profit-sharing arrangements would comply with applicable rules of professional conduct and/or other applicable laws or regulations if such interested party were to in fact acquire the Lexington Law Assets.

The Debtors shall grant all Stalking Horse Bidders identified in Section II.A above and, upon execution of a valid confidentiality agreement and up to and including the Bid Deadline, any Prospective Bidder, access to the Data Room or additional information allowing such Prospective Bidder to conduct due diligence on the potential acquisition of some or all of the Assets. Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets (a) to any person or entity who (i) is not a Prospective Bidder, (ii) does not comply with the participation requirements set forth above, or (iii) in the case of competitively sensitive information, is a competitor of the Debtors and (b) if and to the extent doing so would (1) violate any law to which the Debtors are subject, including any privacy law, (2) result in the disclosure of any trade secrets of third parties in breach of any contract with such third party, (3) violate any legally-binding obligation of any Debtor with respect to confidentiality, non-disclosure or privacy or (4) jeopardize protections afforded to any Debtor under the attorney-client privilege or the attorney work product doctrine (provided that, in case of each of clauses (1) through (4), the Debtors shall use commercially reasonable efforts to (x) provide such access as can be provided (or otherwise convey such information regarding the applicable matter as can be conveyed) without violating such privilege, doctrine, contract, obligation or law and (y) provide such information in a manner without violating such privilege, doctrine, contract, obligation or law). Notwithstanding the foregoing, the Debtors reserve the

right, in their discretion, to withhold or limit access to any information that the Debtors determine to be sensitive or otherwise not appropriate to disclose to any Prospective Bidder. The Debtors shall provide the Stalking Horse Bidders identified in Section II.A above with any information provided to a Prospective Bidder that has not already been provided to the Stalking Horse Bidders.

The Debtors may terminate access to the Data Room and any other non-public information in their reasonable discretion at any time, including if (a) a Prospective Bidder fails to become a Qualified Bidder (as defined below) or (b) these Bidding Procedures are terminated. The Prospective Bidder shall return or destroy any non-public information the Debtors or their advisors provided to the Prospective Bidder in accordance with the terms of the confidentiality agreement executed by the Debtors and the Prospective Bidder.

The Debtors will work to accommodate all reasonable requests from the Stalking Horse Bidders and any Prospective Bidders for additional information and due diligence access. Each Prospective Bidder shall be required to acknowledge that it has had an opportunity to conduct any and all due diligence regarding the Assets in conjunction with submitting its Bid (as defined below). All due diligence requests shall be directed to Greenhill & Co., LLC, ProjectPretzel@greenhill.com Attn: Neil Augustine.

V. BID DEADLINE

Any Prospective Bidder that intends to participate in the Auction must submit in writing to the Bid Notice Parties a bid (a “Bid”) on or before ~~+~~August 3, 2023, at 5 p.m. (prevailing Eastern Time) (the “Bid Deadline”).

The Debtors may, in their reasonable judgment, and in consultation with the Consultation Parties, extend the Bid Deadline for all or certain Prospective Bidders (provided that the Bid Deadline for Assets subject to a Stalking Horse Bid shall not be extended beyond 55 days after the Petition Date without the consent of the applicable Stalking Horse Bidder for such Assets).

VI. BID REQUIREMENTS

A. Qualified Bid Requirements

To qualify as a “**Qualified Bid**,” a Bid must be in writing and determined by the Debtors to satisfy the following requirements:

1. Identification of Bidder. A Qualified Bid must fully disclose the following: (a) the legal identity of each person or entity bidding for the applicable Assets and/or otherwise sponsoring, financing (including through the issuance of debt in connection with such Bid) or participating in (including through license or similar arrangement with respect to the Assets to be acquired in connection with such Bid) the Auction in connection with such Bid and the complete terms of any such participation; (b) any past or present connections or agreements with the Debtors or their non-Debtor affiliates, any Stalking Horse Bidder(s), any other known Prospective Bidder or Qualified Bidder, the Prepetition First

Lien Lenders (as defined in the Bidding Procedures Order) or any officer or director of any of the foregoing (including any current or former officer or director of the Debtors or their non-Debtor affiliates) and (c) with respect to any Bid that includes the Lexington Law Assets, the legal identity of each person that holds, as of the date the Bid is being submitted, any equitable interest whatsoever in the Prospective Bidder (including, without limitation, any capital stock, convertible securities, options, warrants or similar instruments), and the status of each such person as a “lawyer” (as such term is defined in any applicable rules of professional conduct).

2. Purchased Assets. A Qualified Bid must identify the following:
 - a. the Assets to be purchased (including any then-known executory contracts and unexpired leases (collectively, the “Contracts”)) such Prospective Bidder wishes to bid on. For the avoidance of doubt, a Bid may be a bid on the Assets in either (i) individual lots (by brand and/or by division or any other combination), (ii) as a collective whole, or (iii) in any combination;
 - b. the liabilities (including applicable Cure Amounts (as defined in the Stalking Horse Agreements)³), if any, to be assumed by the Prospective Bidder in the Sale Transaction, including any debt to be assumed; and
 - c. if a Bid is for more than one Asset, an allocation of the purchase price across the individual Assets.

3. Form of Consideration.

- a. Credit Bidding. A Stalking Horse Bidder or Prospective Bidder holding a perfected security interest in any of the Assets may seek to credit bid all or a portion of the Stalking Horse Bidder’s or the Prospective Bidder’s claims for the collateral in which it holds a perfected security interest (each such Bid, a “Credit Bid”) in accordance with section 363(k) of the Bankruptcy Code. A Credit Bid may be applied only with respect to those Assets in which the party submitting such Credit Bid holds a perfected security interest.

For the avoidance of doubt, (i) Blue Torch Finance LLC, as administrative agent and collateral agent (in such capacities, the “Prepetition First Lien Agent”), on behalf of the Prepetition First Lien Lenders, (ii) the Prepetition First Lien Lenders, (iii) Lender AcquisitionCo LLC, (iii) the DIP Agent, on behalf of the DIP Lenders (each as defined in the DIP Motion³) or (iv) the DIP

³ “DIP Motion” means the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and*

Lenders, as applicable, will be deemed to be a Qualified Bidder, for all purposes and requirements pursuant to these Bidding Procedures, notwithstanding the requirements that a Prospective Bidder must satisfy to be a Qualified Bidder, and any Bid submitted by any party identified in this paragraph will be deemed to be a Qualified Bid, for all purposes and requirements pursuant to these Bidding Procedures, notwithstanding the requirements that a Bid must satisfy to be a Qualified Bid, including the requirements, among others, that each Bid must be irrevocable and to deliver a confidentiality agreement and post a Good Faith Deposit (as defined herein).

- b. Form of Consideration and Allocation. A Bid must specify whether the Bid is an all cash offer (including confirmation that the cash component is in U.S. Dollars) or consists of certain non-cash components, such as a credit bid, assumption of liabilities, or other forms of consideration (and including a detailed analysis of the value of any non-cash component of the Bid) as well as the allocation of the purchase price among the Assets to be acquired and the liabilities to be assumed. Subject to Section VI.A.4 below, to be a Qualified Bid, a Bid (whether on an individual Asset, a package of Assets or all Assets) must include sufficient cash consideration to pay any applicable termination payment, expense reimbursement, or similar payment payable to any Stalking Horse Bidder under the terms of any Stalking Horse Agreement applicable to one or more of the Assets for which the Bid is submitted.

Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (V) Granting Related Relief[Docket No. 17].

4. Minimum Bid for Stalking Horse Assets. Each Bid submitted in connection with Assets that are the subject of a particular Stalking Horse Bid (any such Assets, the “Stalking Horse Assets”) must either (a) (i) be a Bid for all of the particular Stalking Horse Assets that are the subject of a particular Stalking Horse Bid, (ii) include cash consideration of not less than the sum of the purchase price set forth in the applicable Stalking Horse Agreement (excluding, for the avoidance of doubt, any “Assumed Liabilities” to be assumed by the Stalking Horse Bidder pursuant to the applicable Stalking Horse Bid Agreement) *plus* (A) all “Obligations” outstanding under the DIP Documents (as defined in the DIP Motion) which are not included in the purchase price set forth in the applicable Stalking Horse Agreement, *plus* (B) the any applicable termination payment and/or expense reimbursement, *plus* (C) an Initial Bid Increment (as defined below), and (iii) assume the Assumed Liabilities (as defined in the applicable Stalking Horse Agreement) or (b) propose an alternative transaction that, in the Debtors’ business judgment, provides higher value or better terms than the applicable Stalking Horse Bid, including by exceeding the purchase price of such Stalking Horse Bid *plus* any applicable termination payment and/or expense reimbursement *plus* any applicable Initial Bid Increment, and after taking into account, among other things, in light of all the Bids submitted for the Assets or any combination of Assets, whether there is sufficient cash to pay (x) any applicable termination payment and/or expense reimbursement, (y) any amounts necessary to fund a wind-down of the Debtors estate and, if determined by the Debtors to be in the best interests of the Debtors’ estates, confirmation and administration of a liquidating plan, in an amount not to exceed the Wind Down Amount (as defined in the Progexion APA), (z) and any DIP financing amount (the “DIP Financing Amount”), in each case, as applicable. For the avoidance of doubt, as to clause (b) in this Section VI.A.4, the Debtors may evaluate each Bid in light of each of the factors set forth therein, but a Bid is not required to meet each factor in order to be determined a Qualified Bid.

The Debtors may consider a Bid for a portion of any applicable Stalking Horse Assets (each such bid, a “Partial Bid”) if (a) the Debtors receive one or more other Partial Bids for the remaining applicable Stalking Horse Assets such that, when taken together, and after considering the risks associated with consummating several individual Bids, the Partial Bids collectively constitute a higher or otherwise better bid than the applicable Stalking Horse Bid (taking into account any applicable termination payment, expense reimbursement, and the Initial Bid Increment) or (b) the Partial Bid proposes a purchase price for the applicable Stalking Horse Assets that, when taken together with the liquidation or alternative sale value of the remaining applicable Stalking Horse Assets, as determined by the Debtors in good faith with the advice of their legal and financial advisors, exceeds the purchase price in the Stalking Horse Bid *plus* any applicable termination payment and/or expense reimbursement *plus* any

applicable Initial Bid Increment, and after taking into account, among other things, in light of all the Bids submitted for the Assets or any combination of Assets, whether there is sufficient cash to pay (x) any applicable termination payment and/or expense reimbursement, (y) the Wind-Down Amount, (z) and the DIP Financing Amount, in each case, as applicable. For the avoidance of doubt, notwithstanding the foregoing, in evaluating any Partial Bid, the Debtors may also consider the factors set forth in Section IV.B.

If the value of a competing Qualified Bid (whether such Qualified Bid is for all of the applicable Stalking Horse Assets or is a Partial Bid) relative to the Stalking Horse Bid includes additional non-cash components (such as fewer contingencies than are in the applicable Stalking Horse Agreement), the bidder should include an analysis or description of the value of any such additional non-cash components, including any supporting documentation, to assist the Debtors in better evaluating the competing Qualified Bid.

“Initial Bid Increment” shall mean (a) with respect to the Progrexion Stalking Horse Bid, ~~\$5~~1 million and (b) with respect to the Lexington Law Stalking Horse Bid, ~~\$250~~0,000.

5. Proposed Asset Purchase Agreement and Sale Order: A Qualified Bid must constitute a *binding and irrevocable* offer and be in the form of an asset purchase agreement reflecting the terms and conditions of the Bid (each, a “Proposed Asset Purchase Agreement”). A Proposed Asset Purchase Agreement shall (a) be duly authorized and executed, (b) be based on, and marked against, (i) in the case of Assets subject to a Stalking Horse Agreement, the applicable Stalking Horse Agreement, and (ii) in the case of Assets not subject to a Stalking Horse Agreement, a form asset purchase agreement provided by the Debtors to Prospective Bidders to reflect the proposed Sale Transaction and to show any other proposed modifications to the form purchase agreement, (c) specify the proposed purchase price for the applicable Assets, and (d) identify any then-known Contracts proposed for or that may be proposed for assumption and assignment in connection with the proposed Sale Transaction. A Qualified Bid must also contain a sale order based on, and marked against, the applicable Sale Order(s) (as defined below) (which Sale Orders are to be filed by the Debtors no later than five (5) days prior to the Bidding Procedures Hearing) for the applicable assets to reflect the proposed Sale Transaction and to show any other proposed modifications to the applicable Sale Order(s).
6. Financial Information. A Qualified Bid must include the following:
 - a. a statement that the Prospective Bidder is financially capable of timely consummating the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement;
 - b. sufficient evidence, as reasonably determined by the Debtors (in consultation with the Consultation Parties), to determine that the Prospective Bidder has, or can obtain, the financial wherewithal to timely consummate the Sale Transaction contemplated by the Prospective Bidder’s Proposed Asset Purchase Agreement; and
 - c. Adequate Assurance Information (as defined in Section VI.A.8 below) with respect to any Contracts included or that may be included in the Prospective Bidder’s Bid.
7. Good Faith Deposit. Each Qualified Bid must be accompanied by a good faith deposit (each, a “Good Faith Deposit”) in the form of cash (or other form acceptable to the Debtors in their sole discretion) in an amount equal to ten percent (10%) of the proposed purchase price for the applicable Assets (inclusive of any amount thereof comprising any applicable Credit Bid consideration); *provided*, that no Good Faith Deposit shall be required for any Qualified Bid from any Stalking Horse Bidder or any Qualified Bid that solely contains Credit Bid consideration.

Good Faith Deposits shall be deposited into a trust account maintained on behalf of the Debtors (and to be designated by Debtors) and handled in

accordance with Section VII.E of these Bidding Procedures. To the extent a Qualified Bidder increases the purchase price before, during, or after the Auction, the Debtors reserve the right to require that such Qualified Bidder adjust its Good Faith Deposit so that it equals ten percent (10%) of the increased purchase price. The Debtors reserve the right to increase or decrease the Good Faith Deposit for one or more Qualified Bidders in their sole discretion except with respect to any Qualified Bid from any Stalking Horse Bidder or any Qualified Bid that solely contains Credit Bid consideration as set forth above; *provided*, the Debtors may not decrease or waive any Good Faith Deposit without consulting with the Consultation Parties.

8. Adequate Assurance. A Qualified Bid must include evidence of the Prospective Bidder's (or any other relevant assignee's) ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Prospective Bidder's (or any other relevant assignee's) ability to perform future obligations arising under any Contracts included in its Bid. The Debtors may require the following information in connection with demonstrating adequate assurance of future performance: information evidencing the Prospective Bidder's (or any other relevant assignee's) financial wherewithal and willingness to perform under any Contracts included in the Bid, which information may include (i) a corporate organizational chart or similar disclosure identifying corporate ownership and control, (ii) financial statements, (iii) tax returns, (iv) annual reports and (v) with respect to Qualified Bid's including a Bid on the Lexington Law Assets, certificate(s) of good standing and/or other written certification evidencing the Prospective Bidder's (and the Prospective Bidder's interest holders') qualification(s) as a lawyer (the information described in this Section VI.A.8, the "Adequate Assurance Information"). All Adequate Assurance Information must be in a form that will permit its immediate dissemination to the applicable Counterparties (as defined below).

9. Representations and Warranties. A Qualified Bid must include the following representations and warranties:
 - a. a statement that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors' businesses and the applicable Assets prior to submitting its bid;

 - b. a statement that the Prospective Bidder has relied solely upon its own independent review, investigation and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors' businesses or

the applicable Assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in a Stalking Horse Agreement;

- c. a statement that all proof of financial ability to consummate the applicable Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance is true and correct; and
 - d. a statement that the Prospective Bidder agrees to be bound by the terms of the Bidding Procedures.
10. Authorization. A Qualified Bid must (a) include evidence of authorization and approval from the Prospective Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of any bid for the Assets, participation in the Auction and closing of the Sale Transaction contemplated by the Prospective Bidder's Proposed Asset Purchase Agreement or (b) if the Prospective Bidder is an entity formed for the purpose of effecting the proposed Sale Transaction, a Qualified Bid must provide written evidence acceptable to the Debtors of authorization and the approval by the equity holder(s) of such Prospective Bidder.
11. Joint Bids. The Debtors will be authorized to approve joint Bids in their discretion on a case-by-case basis, so long as a joint bid meets the Qualified Bid requirements and the applicable bidders otherwise comply with these Bidding Procedures. Approved joint Bids shall be treated as bids for all purposes. In addition to the other requirements of these Bidding Procedures, a joint Bid shall include a concise description of the nature of such partnership or joint Bid to the extent reasonably practicable.
12. Other Requirements. A Qualified Bid must:
- a. state that the Prospective Bidder agrees to serve as a backup bidder (a "Backup Bidder") if such bidder's Qualified Bid is selected at the Auction as the next highest or next best bid after the Successful Bid (as defined in Section VII.C.1 below) for the applicable Assets (each such bid, a "Backup Bid"); provided, that as to any Stalking Horse Bidder, the terms of any applicable Stalking Horse Agreement shall control as to any Backup Bidder and Backup Bid requirement, and no Stalking Horse Bidder shall be required to serve as a Backup Bidder, notwithstanding such Stalking Horse Bidder's Stalking Horse Bid being the next highest or next best bid after a Successful Bid for the applicable Assets, without its prior written consent.

- b. state that the bid, as may be modified before or during the Auction, represents a binding, irrevocable, good-faith and *bona fide* offer to purchase the applicable Assets and is not subject to or conditioned on any due diligence, financing, or other contingency (other than the conditions to closing under the applicable agreement), and is irrevocable until the later of (i) the applicable outside date for consummation of the applicable Sale Transaction or (ii) the Backup Bid Expiration Date (as defined in Section VII.C.2 below);
- c. except as otherwise may be provided in a Stalking Horse Agreement, expressly state and acknowledge that the Prospective Bidder shall not be entitled to a break-up fee, termination fee, expense reimbursement or other “bidding protection” in connection with the submission of a bid for the Assets or otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court;
- d. state that the Prospective Bidder is committed to closing the Sale Transaction contemplated in its Bid as soon as practicable and in any case no later than the applicable deadline to consummate an approved Sale Transaction set forth herein;
- e. specify (i) whether the Qualified Bidder intends to hire any of the Debtors’ employees and (ii) the proposed treatment of the Debtors’ prepetition compensation, incentive, retention, bonus or other compensatory arrangements, plans, or agreements, including offer letters, employment agreements, consulting agreements, retiree benefits, and any other employment related agreements (collectively, the “Employee Obligations”);
- f. expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code or the payment of any broker fees or costs in connection with bidding for any of the Assets and/or otherwise participating in the Auction or the Sale Transaction process;
- g. include a covenant to cooperate with the Debtors (i) to provide pertinent factual information regarding the Prospective Bidder’s operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and any other applicable regulatory requirements and (ii) to obtain Court approval of the Sale Transaction;
- h. state or otherwise estimate the types of transition services, if any, the Prospective Bidder would require of and/or provide to the Debtors, including an estimate of the time any such transition

services would be required of and/or provided to the Debtors, if the Prospective Bidder's Bid were selected as the Successful Bid for the applicable Assets;

- i. certify that the Prospective Bidder did not collude with any other bidders and is not otherwise a partnership, joint venture or other entity in which more than one bidder (or any affiliates of a bidder) has a direct or indirect interest, unless consented to in writing by the Debtors;
- j. include a covenant to comply with the terms of these Bidding Procedures and the Bidding Procedures Order; and
- k. include contact information for the specific person(s) the Debtors should contact in the event they have any questions about the Prospective Bidder's bid.

B. Bid Review Process

The Debtors will review each Bid received from a Prospective Bidder to determine whether it meets the requirements set forth above. Based upon their evaluation of the content of each Bid, the Debtors may, as they deem appropriate in their business judgment and in a manner consistent with their fiduciary duties and applicable law, engage in negotiations with any Prospective Bidder for the purposes of (i) curing any deficiencies in a Bid that prevents it from constituting a Qualified Bid, (ii) improving the terms of the Prospective Bidder's Bid or (iii) otherwise promoting a more competitive bidding and Auction process with the ultimate goal of maximizing the value of the Assets.

A Bid received from a Prospective Bidder for all or any portion of the Assets that the Debtors determine meets the requirements set forth in Section V and VI above, and is otherwise satisfactory to the Debtors, will be considered a Qualified Bid and each Prospective Bidder that submits a Qualified Bid will be considered a "Qualified Bidder." The Debtors shall inform Qualified Bidders that their Bids have been designated as Qualified Bids as reasonably in advance of the commencement of the Auction as is practicable.

For the avoidance of doubt, any Stalking Horse Agreement will be deemed a Qualified Bid, and the Stalking Horse Bidder will be deemed a Qualified Bidder, for all purposes and requirements pursuant to the Bidding Procedures, notwithstanding the requirements that a Prospective Bidder must satisfy to be a Qualified Bidder. The Debtors shall, within two (2) calendar days following the Bid Deadline, inform any Stalking Horse Bidder of the Baseline Bid (as defined in Section VII.B.2) received relevant to the Assets under such Stalking Horse Bidder's Stalking Horse Agreement and shall provide copies of the Baseline Bid at the same time other Qualified Bidders receive such information.

In evaluating a Bid, the Debtors may take into consideration any and all factors that the Debtors deem reasonably pertinent, including, without limitation:

- (i) the amount of the proposed purchase price and proposed form of consideration;
- (ii) any Assets and liabilities included in, or excluded from, the Bid, including any Contracts marked for assumption and assignment;
- (iii) the value to be provided to the Debtors under the Bid, including the net economic effect on the Debtors' estates (taking into account any Stalking Horse Bidder's rights with respect to any termination payment, expense reimbursement, any Wind-Down Amount, and the DIP Financing Amount, in each case, as applicable);
- (iv) any benefit to the Debtors' estates from any assumption or waiver of liabilities contemplated by the Bid; (v) any benefit to the Debtors' estates arising from the avoidance of additional costs that may be incurred as a result of the Bid;
- (vi) the structure of the proposed Sale Transaction and any attendant execution risk, including conditions to, timing of and certainty of closing, termination provisions, financing contingencies, availability of financing and general financial wherewithal to meet all commitments, and any required governmental approvals;
- (vii) the impact of the proposed Sale Transaction on employees and the proposed treatment of the Employee Obligations;
- (viii) the impact of the proposed Sale Transaction on the Debtors' trade creditors, licensees, clients and any other parties in interest; and (ix) any other factors the Debtors may reasonably deem relevant and consistent with their fiduciary duties; provided that in conjunction with any Credit Bid, the Debtors must have sufficient cash to pay any applicable termination payment and/or expense reimbursement pursuant to the terms of any Stalking Horse Agreement.

The Debtors will make a determination regarding the Bids that qualify as Qualified Bids and as Baseline Bids and will notify bidders whether they have been selected as Qualified Bidders as reasonably in advance of the commencement of the Auction as is practicable. A Qualified Bidder shall not (without the consent of the Debtors), modify, amend or withdraw its Qualified Bid, unless for the purposes of increasing the purchase price or otherwise improving the terms of the bid, as determined by the Debtors in their business judgment.

The Debtors, in their business judgment reserve the right to reject any Bid (other than any Stalking Horse Bid) if such Bid, among other things, (i) is on terms that are more burdensome or conditional than the terms of any applicable Stalking Horse Agreement, (ii) requires any indemnification of the Prospective Bidder in its asset purchase agreement, (iii) is not received by the Bid Deadline, (iv) is subject to any contingencies (including representations, warranties, covenants and timing requirements) of any kind or any other conditions precedent to such party's obligation to acquire the relevant Assets, (v) seeks any bid protections, or (vi) does not, in the Debtors' determination, include a fair and adequate price or the acceptance of which would not be in the best interests of the Debtors' estates.

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors may, in their sole discretion, among other things (i) amend or waive the conditions precedent to qualifying as a Qualified Bidder, (ii) extend the Bid Deadline as to any party or with respect to any Assets (provided the Bid Deadline may not be extended beyond 55 days after the Petition Date without the consent of the Stalking Horse Purchasers identified in Section II.A above), (iii) with respect to any Bid that is not a Qualified Bid, the Debtors may provide (but shall not be obligated to provide) the Bidder with the opportunity to remedy any deficiencies prior to the Auction, and/or (iv) postpone or cancel the Auction and terminate the proposed sale(s) for any Assets.

C. Bidding Protections

~~In recognition of their expenditure of time, energy, and resources, the Debtors have agreed, subject to the Bidding Procedures Order, the Progrexion APA and the Lexington Law APA, to provide the following bidding protections to the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, each in its capacity as a Stalking Horse Bidder:~~

~~• the payment of the Expense Reimbursement, under and as defined in the Progrexion APA (the “Progrexion Expense Reimbursement”), in the event that the Progrexion APA is terminated under certain circumstances;~~

Other than ~~the Progrexion Expense Reimbursement and any other~~any bid protections provided to a Stalking Horse Bidder, as applicable, no bidder or any other party shall be entitled to any termination or “break-up” fee, expense reimbursement or any other bidding protections in connection with the submission of a bid for the Assets or for otherwise participating in the Auction or the Sale Transaction process, unless otherwise granted by the Debtors and approved by an order of the Court.

VII. THE AUCTION

If the Debtors receive more than one Qualified Bid (including any Stalking Horse Bid) for an Asset or combination of Assets, the Debtors will conduct an Auction for such Asset(s). If more than one Qualified Bid exists for acquiring specific combinations of the Assets, then the Debtors may, in the exercise of their reasonable business judgment, and in consultation with the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “Committee”), first conduct a separate Auction (a “Sub-Auction”) for such Assets that have at least one Qualified Bid pursuant to the Bid Procedures; *provided*, that in the event that the Debtors elect to conduct any such Sub-Auction and select an Alternate Transaction (as defined in the applicable Asset Purchase Agreement) for any Asset, any Stalking Horse Bidder, including, without limitation, the Progrexion Stalking Horse Bidder and the Lexington Law Stalking Horse Bidder, may, in its sole discretion, immediately or at any time thereafter terminate such Stalking Horse Bidder’s applicable Stalking Horse Purchase Agreement upon written notice of termination to the Debtors, and, upon delivery of such written notice of termination, the applicable Stalking Horse Purchase Agreement will become void and have no further force and effect and all further obligations of the parties to each other under such Stalking Horse Purchase Agreement will terminate without further obligation or liability of the parties (the “Sub-Auction Stalking Horse Purchaser’s Option”); ~~provided, further, that notwithstanding anything to the contrary in these Bidding Procedures or the Progrexion Stalking Horse Purchase Agreement, if the Progrexion Stalking Horse Purchase Agreement is terminated pursuant to the Sub-Auction~~

~~Stalking Horse Purchaser's Option, then the Progrexion Stalking Horse Bidder shall be entitled to payment of the Expense Reimbursement, if approved by the Bankruptcy Court, upon consummation of an Alternate Transaction from the proceeds of such Alternate Transaction in accordance with the terms of the Bid Procedures Order.~~ With respect to any particular Asset for which the Debtors receive only one Qualified Bid by the Bid Deadline, the Debtors may, in their business judgment, and in consultation with the Committee, determine to consummate a Sale Transaction with the applicable Qualified Bidder without conducting an Auction.

In the event the Debtors determine not to hold an Auction for some or all of the Assets, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice containing the following information, as applicable: (i) a statement that the Auction for the relevant Assets has been canceled, (ii) the identity of the Successful Bidder, (iii) a copy of the Successful Bid or a summary of the material terms of such Successful Bid, including any assumption and assignment of Contracts contemplated thereby, and (iv) the date, time and location of the applicable Sale Hearing.

The Auction, if required, will be conducted on ~~+~~August 8, 2023, at 5 p.m. (prevailing Eastern Time), virtually through Zoom, after providing notice to the Sale Notice Parties; provided, however, the Debtors shall have the right to hold the Auction remotely, including telephonically or by other electronic means (including, without limitation, video conferencing) as the Debtors may choose in their sole discretion, and in consultation with the Committee, so as to comply with all applicable federal, state and local laws, orders, ordinances, guidelines and guidance, including any shelter-in-place, social distancing and non-essential business orders and guidelines. If held, the Auction proceedings will be transcribed and/or video recorded.

A. Participants and Attendees

Only Qualified Bidders are eligible to participate in the Auction or any Sub-Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with these Bidding Procedures. At least one (1) day prior to the Auction or any Sub-Auction, each Qualified Bidder must inform the Debtors in writing whether it intends to participate in the Auction. Qualified Bidders participating in the Auction or specific Sub-Auction must appear via video conferencing at the Auction or specific Sub-Auction, as applicable, or through a duly authorized representative. Subject to the Auction procedures set forth in Section VII of these Bidding Procedures, all Qualified Bidders and the Consultation Parties are permitted to attend the Auction or any Sub-Auction; provided, that the Debtors may, in their sole discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction or specific Sub-Auction. Any creditor and its advisors wishing to attend the Auction may do so by contacting, no later than one (1) day prior to the start of the Auction, the Debtors' advisors.

Each Qualified Bidder participating in the Auction or specific Sub-Auction will be required to confirm in writing and on the record at the Auction or Sub-Auction, as applicable, that (i) it has not engaged in any collusion with respect to the Auction or the submission of any bid for any of the Assets and (ii) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the

Auction or specific Sub-Auction is a binding, good-faith and *bona fide* offer to purchase the Assets identified in such bids.

All Prospective Bidders and Qualified Bidders (including any Stalking Horse Bidder, Successful Bidder and Backup Bidder) shall be deemed to have (i) consented to the core jurisdiction of the Court to enter any order related to these Bidding Procedures, the Auction or, any other relief requested in the Motion or granted pursuant to the Bidding Procedures Order or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, (ii) waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Auction or the construction or enforcement of any agreement or any other document relating to any Sale Transaction, and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to these Bidding Procedures, the Auction or specific Sub-Auction, the construction or enforcement of any agreement or any other document relating to any Sale Transaction, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

B. Auction Procedures

The Auction or Sub-Auction shall be governed by the following procedures, subject to the Debtors' right to modify such procedures in their business judgment, subject to and in accordance with these Bidding Procedures and the applicable parties' rights under any Stalking Horse Agreement:

1. Auction Packages. Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will make a determination regarding the Assets and/or combinations of Assets for which the Debtors will conduct an Auction (each such Asset or group of Assets, an “Auction Package”). For the avoidance of doubt, the Debtors may, in their business judgment determine to (i) include an individual Asset in more than one Auction Package and (ii) have an Auction Package for all or substantially all of the Debtors’ Assets.
2. Baseline Bids. Prior to the commencement of the Auction or specific Sub-Auction, the Debtors will determine, in their business judgment, the highest and/or best Qualified Bid submitted for each Auction Package (each such Qualified Bid, a “Baseline Bid”). Bidding for each Auction Package at the Auction shall commence at the amount of the applicable Baseline Bid.
3. Minimum Overbid. Bidding at the Auction or Sub-Auction for an Auction Package (or subset thereof) that is subject to Qualified Bids will begin with the Baseline Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid (a “Subsequent Bid”) is submitted by a Qualified Bidder that (i) improves on such Qualified Bidder’s immediately prior Qualified Bid and (ii) the Debtors determine that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Baseline Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below).

The Debtors will announce at the outset of the Auction or Sub-Auction the minimum required increments for successive Bids (each, such Bid, a “Minimum Overbid”). The Debtors may, in their discretion, announce increases or reductions to Minimum Overbids at any time during the Auction or Sub-Auction.

Upon a Qualified Bidder’s declaration of a Bid at the Auction or specific Sub-Auction, the Qualified Bidder must state on the record its commitment to pay within two (2) business days following the Auction or Sub-Auction, if such Bid were to be selected as the Successful Bid or as the Backup Bid for the applicable Auction Package, the incremental amount of the Qualified Bidder’s Good Faith Deposit calculated based on the increased purchase price of such bid (such Good Faith Deposit so increased, the “Incremental Deposit Amount”) if applicable. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by any Bid subsequent to a Baseline Bid, the Debtors will, at each round of bidding, consider and/or give effect to (a) any termination payment or expense reimbursement (only if such amount has not previously been paid) payable to any Stalking Horse Bidder under an applicable Stalking Horse Agreement, including the crediting of

such amounts to the applicable Stalking Horse Bidder, (b) any additional liabilities to be assumed by a Qualified Bidder under the Bid, including whether such liabilities are secured or unsecured, (c) any additional costs that may be imposed on the Debtors, and (d) the provision of any Wind-Down Amount and treatment of the DIP Financing Amount, as applicable.

4. Leading Bid. After the first round of bidding and between each subsequent round of bidding, the Debtors will announce the bid that they believe to be the highest or otherwise best offer for the applicable Auction Package (each such bid, a “Leading Bid”) and describe the material terms thereof. Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the material terms of the Leading Bid, subject to the Debtors’ authority to revise the Auction procedures to the extent permitted hereby.

The Auction or any Sub-Auction will be conducted by open bidding in the presence of all other Qualified Bidders and each Qualified Bidder shall have the right to be present for all rounds of open bidding and to submit additional bids and make modifications to its Proposed Asset Purchase Agreement at the Auction to improve its bid. The Debtors may, in their business judgment, engage in discussions and negotiate with any and all Qualified Bidders participating in the Auction or Sub-Auction outside the presence of other bidders before each round of bidding, including to improve or clarify the terms of bids made.

The Debtors shall have the right to determine, in their business judgment, which bid is the highest or otherwise best bid with respect to an applicable Auction Package (including, without limitation, with respect to an Auction Package that includes all or substantially all of the Debtors’ Assets) and, in accordance with the terms of these Bidding Procedures, reject, at any time, without liability (except for any requirement to pay any termination payment or expense reimbursement under a Stalking Horse Agreement, as applicable), any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, these Bidding Procedures, any order of the Court, or the best interests of the Debtors and their estates, including, without limitation, the provision of any Wind-Down Amount and treatment of the DIP Financing Amount, as applicable.

C. Auction Results

1. Successful Bids. Immediately prior to the conclusion of the Auction or a specific Sub-Auction for an Auction Package, the Debtors will (a) determine, consistent with these Bidding Procedures, which Qualified Bid constitutes the highest or otherwise best bid(s) for the Auction Package (each such bid, a “Successful Bid”) and (b) notify all Qualified Bidders at the Auction or Sub-Auction of the identity of the bidder that submitted the Successful Bid for the Auction Package (each such bidder, a “Successful Bidder”) and the amount of the purchase price and other material terms of the Successful Bid. As a condition to remaining the Successful Bidder, the Successful Bidder shall, within two (2) business days after the conclusion of the Auction or Sub-Auction, (i) if applicable, wire to the Debtors in immediately available funds the Incremental Deposit Amount, calculated based on the purchase price in the Successful Bid(s) and (ii) submit to the Debtors fully executed documentation memorializing the terms of the Successful Bid(s).
2. Backup Bids. Immediately prior to the conclusion of the Auction or Sub-Auction for an Auction Package, the Debtors will (a) determine, in a manner consistent with these Bidding Procedures, which Qualified Bid is the Backup Bid for the Auction Package and (b) notify all Qualified Bidders at the Auction or Sub-Auction for the Auction Package of the identity of the Backup Bidder for the Auction Package and the amount of the purchase price and other material terms of the Backup Bid. Within two (2) business days after the Auction or Sub-Auction, the Backup Bidder shall submit to the Debtors execution versions of the documentation memorializing the terms of the Backup Bid(s).

A Backup Bid will remain binding on the applicable Backup Bidder until the earlier of (a) the first business day after the closing of a Sale Transaction with the Successful Bidder for the applicable Auction Package and (b) 30 days after the Sale Hearing (or such other date as may be set forth in a Stalking Horse Agreement, the “Backup Bid Expiration Date”). If the Sale Transaction with the applicable Successful Bidder is terminated prior to the Backup Bid Expiration Date, the Backup Bidder shall be deemed the new Successful Bidder for the applicable Auction Package and shall be obligated to consummate the Backup Bid as if it were the Successful Bid at the Auction or Sub-Auction; provided, that the Debtors may, in their business judgment and after providing notice to the Sale Notice Parties, elect not to pursue the Sale Transaction contemplated by the Backup Bid.

3. Notice of Auction or Sub-Auction Results. By the later of (a) ~~+~~August 9, 2023 and (b) one day after the conclusion of the Auction or Sub-Auction, or as soon as is reasonably practicable thereafter, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website, a notice setting forth the results of the Auction or Sub-Auction (the “Notice of Auction Results”), which will (a) identify each Successful Bidder and each Backup Bidder, (b) include a copy of each Successful Bid and each Backup Bid or a summary of the material terms of such bids, including any proposed assumption and assignment of Contracts contemplated thereby, and (c) set forth the Post-Auction Objection Deadline (as defined in Section X.D below), the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction or any Sub-Auction.
4. The Debtors’ presentation to the Bankruptcy Court for approval of a selected Qualified Bid as a Successful Bid does not constitute the Debtors’ acceptance of such Bid. The Debtors will have accepted a Successful Bid only when such Successful Bid has been approved by the Bankruptcy Court at the Sale Hearing.

D. Additional Auction Procedures

The Debtors may announce at the Auction or a specific Sub-Auction additional procedural rules (*e.g.*, among other things, the amount of time to make Subsequent Bids, the amount of the Minimum Overbid, or the requirement that parties submit “best and final” Bids) for conducting the Auction or specific Sub-Auction or otherwise modify these Bidding Procedures; provided, that such rules (i) are not materially inconsistent with the Bidding Procedures Order, the DIP Orders, these Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are disclosed to each Qualified Bidder during the Auction or Sub-Sub-Auction, and (iii) are in form and substance acceptable to the DIP Lenders (as defined in the Bidding Procedures). For the avoidance of doubt, any bid for any Assets included in any Auction Package shall be subject to a determination by the Debtors, in their business judgment and in accordance with the other provisions of these Bidding Procedures, that (i) a bid for substantially all of the Debtors’ Assets and/or (ii) a combination of bids that groups the Assets together differently is the highest or otherwise best offer for such Assets.

E. Disposition of Good Faith Deposit

1. Prospective Bidders. Within five business days after the Debtors make final determinations as to which Prospective Bidders qualify as Qualified Bidders, a Prospective Bidder's Good Faith Deposit shall be returned to any such Prospective Bidder that did not qualify as a Qualified Bidder, as confirmed by the Debtors. Upon the authorized return of a Prospective Bidder's Good Faith Deposit in accordance with this Section VII.E, the bid of such Prospective Bidder shall be deemed terminated and no longer binding against the Prospective Bidder.
2. Qualified Bidders.
 - a. Forfeiture of Good Faith Deposit. The Good Faith Deposit of a Qualified Bidder shall be forfeited if the Qualified Bidder attempts to withdraw its Qualified Bid, except as may be permitted by these Bidding Procedures, during the time the Qualified Bid remains binding and irrevocable under these Bidding Procedures. The Debtors and their estates shall be entitled to retain the Qualified Bidder's Good Faith Deposit as partial compensation for the damages caused to the Debtors and their estates as a result of the Qualified Bidder's failure to adhere to the terms of these Bidding Procedures and/or the relevant Qualified Bid. In the event that a Qualified Bidder's Good Faith Deposit is deemed forfeited, such Qualified Bidder's Good Faith Deposit shall be released by wire transfer of immediately available funds to an account designated by the Debtors within two (2) business days after receipt of written notice by an authorized officer of the Debtors stating that the applicable Qualified Bidder has breached or otherwise failed to satisfy its obligations in accordance with these Bidding Procedures and the applicable Qualified Bid.
 - b. Return of Good Faith Deposit. With the exception of the Good Faith Deposits of Successful Bidders and Backup Bidders and any forfeiture of a Good Faith Deposit as described above, any other Qualified Bidder's Good Faith Deposit shall be returned within 5 business days after the conclusion of the Auction for the applicable Auction Package.
 - c. Backup Bidder. Any Backup Bidder's Good Faith Deposit shall be returned within 5 business days after the occurrence of the applicable Backup Bid Expiration Date.
- d. Successful Bidder. At the closing of a Sale Transaction, the Successful Bidder shall be entitled to a credit against the purchase price for the applicable Assets in the amount of the Successful Bidder's Good Faith Deposit (and, in the case of a Successful Bidder that was a Stalking Horse Bidder where there is bidding on the Assets subject to the Stalking

Horse Agreement, that Successful Bidder shall be entitled to a credit against the purchase price in an amount equal to any termination payment and/or expense reimbursement that would have been payable under the applicable Stalking Horse Agreement had the Stalking Horse Bidder not participated in the Auction). The Good Faith Deposit of a Successful Bidder shall be forfeited if the Successful Bidder fails to consummate the applicable Sale Transaction because of a breach that entitles the Debtors to terminate the applicable asset purchase agreement with such Successful Bidder, and the Debtors and their estates shall be entitled to retain the Successful Bidder's Good Faith Deposit as partial compensation for the damages caused to the Debtors and their estates as a result of such breach. In the event that a Successful Bidder's Good Faith Deposit is deemed forfeited, such Good Faith Deposit shall be released by wire transfer of immediately available funds to an account designated by the Debtors within two (2) business days after receipt of written notice by an authorized officer of the Debtors stating that the applicable Successful Bidder has breached or otherwise failed to satisfy its obligations in accordance with these Bidding Procedures and the applicable Successful Bid.

VIII. SALE HEARING

Each Successful Bid (including any Backup Bid that is subsequently deemed a Successful Bid) will be subject to approval by the Bankruptcy Court. The hearing to approve any Sale Transaction consummated in accordance with these Bidding Procedures (except in the case of a Sale Transaction contemplated by a Backup Bid that subsequently is deemed a Successful Bid) shall take place on **†•August 11, 2023, at 5 p.m. (prevailing Eastern Time)** (the "Sale Hearing") before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware.

At the Sale Hearing, the Debtors will seek entry of one or more orders (each, a "Sale Order") approving, among other things, one or more sales of the Assets to the Successful Bidder(s).

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors may, in their business judgment (after consulting with the Successful Bidder(s)), adjourn or reschedule the Sale Hearing with sufficient notice to the Sale Notice Parties, including by announcing such adjournment or rescheduling at the Auction or Sub-Auction or in Court on the date of the originally scheduled Sale Hearing.

At the Sale Hearing, the Debtors will seek entry of an order that, among other things: (i) authorizes and approves the Sale Transaction(s) to the Successful Bidder(s) and/or the Backup Bidder(s), (ii) includes a finding that the Successful Bidder(s) and/or the Backup Bidder(s) is a good faith purchaser pursuant to section 363(m) of the Bankruptcy Code, and (iii) as appropriate, exempts the Sale Transaction(s) and conveyance(s) of the Assets from any transfer tax, stamp tax or similar tax, or deposit under any applicable bulk sales statute.

IX. RESERVATION OF RIGHTS TO MODIFY BIDDING PROCEDURES

Without prejudice to the rights of a Stalking Horse Bidder under the applicable Stalking Horse Agreement, the Debtors reserve the right to, in their business judgment, in a manner

consistent with their fiduciary duties and applicable law, modify these Bidding Procedures, including to, among other things, (a) extend or waive deadlines or other terms and conditions set forth herein, (b) adopt new rules and procedures for conducting the bidding and Auction process, (c) if applicable, provide reasonable accommodations to a Stalking Horse Bidder, or (d) otherwise modify these Bidding Procedures to further promote competitive bidding for and maximizing the of value of the Assets; provided, that such extensions, waivers, new rules and procedures, accommodations and modifications (i) do not conflict with and are not inconsistent with the Bidding Procedures Order, these Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court, (ii) are promptly communicated to each Qualified Bidder, and (iii) do not extend the Bid Deadline, the date of the Auction or the closing of the Auction, unless the DIP Lenders give their prior written consent to do so.

X. NOTICING

A. Bid Notice Parties

Qualified Bids must be submitted in writing to the following parties (collectively, the “Bid Notice Parties”):

- the Debtors, c/o PGX Holdings, Inc., 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111 (Attn: Eric Kamerath) or (as applicable), c/o John C. Heath, Attorney At Law PC, P.O. Box 1173, Salt Lake City, Utah 84110 (Attn: John C. Heath);
- counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com)); and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney Fogelberg (whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)); and
- solely to the extent they are not an active or prospective bidder with respect to the relevant Asset(s), counsel for the Prepetition First Lien Agent, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)) and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com)).

B. Sale Notice Parties

The “Sale Notice Parties” shall include the following persons and entities:

- counsel to any Stalking Horse Bidder;
- all persons and entities known by the Debtors to have expressed an interest to the Debtors in a Sale Transaction involving any of the Assets during the past 12 months, including any person or entity that has submitted a Bid for any of the Assets;

- all persons and entities known by the Debtors to have asserted any lien, claim, interest or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors), including, for the avoidance of doubt, the Prepetition First Lien Agent (on behalf of the Prepetition First Lien Lenders);
- with respect to any Sale of the Lexington Law Assets, all persons and entities currently and/or formerly represented by the Lexington Law Firm;
- counsel to the Prepetition First Lien Agent, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey King, Esq. (gking@kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)) and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisonichols.com));
- all relevant non-Debtor parties (each, a “Counterparty”) to any Contract that may be assumed or rejected in connection with a Sale Transaction;
- all of the Debtors’ known creditors (for whom identifying information and addresses are available to the Debtors);
- any governmental authority known to have a claim against the Debtors in these Chapter 11 Cases;
- the Federal Trade Commission;
- the Bureau of Consumer Protection;
- the Consumer Protection Financial Bureau;
- the office of the U.S. Trustee;
- all applicable federal, state and local taxing authorities, including the Internal Revenue Service;
- the United States Securities and Exchange Commission;
- the United States Attorney’s Office for the District of Delaware;
- United States Attorney General’s Office for the District of Delaware;
- the Office of the Attorney General and the Secretary of State in each state in which the Debtors operate;
- [counsel for the Committee, Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019 \(Attn: Andrew I. Silfen \(andrew.silfen@afslaw.com\) and Beth M.](#)

[Brownstein \(beth.brownstein@afslaw.com\)](mailto:beth.brownstein@afslaw.com)); Arent Fox Schiff LLP, 800 Boylston Street, 32nd Floor, Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)); and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisjames.com), Brya M. Keilson (bkeilson@morrisjames.com), and Jason S. Levin (jlevin@morrisjames.com));

- counsel for any other official committee appointed in these Chapter 11 Cases;
- all of the parties entitled to notice pursuant to Bankruptcy Rule 2002; and
- all other parties as directed by the Court.

C. Sale Notice and Publication Notice

~~By the later of (i) **10/1/2023** and (ii) two (2)~~ Within three (3) business days, or as soon as reasonably practicable, after entry of the Bidding Procedures Order, the Debtors will file with the Court, serve on the Sale Notice Parties and cause to be published on the Claims Agent Website a notice (the “Sale Notice”) setting forth (A) a description of the Assets available for sale in accordance with these Bidding Procedures, (B) the date, time and location of the Auction and Sale Hearing, (C) the Sale Objection Deadline and Post- Auction Objection Deadline (each as defined in Section X.D below) and the procedures for filing such objections, and, if applicable, (D) a summary of the material terms of any Stalking Horse Agreement, including the terms and conditions of any termination payment or expense reimbursement to be provided thereunder, as of the date of the Sale Notice.

Within four business days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, the Debtors will cause the information contained in the Sale Notice to be published once in *The New York Times* (national edition) (the “Publication Notice”).

D. Sale Objections and Post-Auction Objections

Objections to a sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) entry of any Sale Order shall, by **no later than ~~10/1/2023~~ August 3, 2023, at 5 p.m. (prevailing Eastern Time)** (the “Sale Objection Deadline”), be filed with the Court and served on the following parties (collectively, the “Objection Notice Parties”):

- the Debtors, c/o PGX Holdings, Inc., 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111 (Attn: Eric Kamerath) or (as applicable), c/o John C. Heath, Attorney At Law PC, P.O. Box 1173, Salt Lake City, Utah 84110 (Attn: John C. Heath);
- counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (Attn.: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com)); Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654 (Attn: Spencer Winters (spencer.winters@kirkland.com); Whitney

Fogelberg (whitney.fogelberg@kirkland.com); and Alison J. Wirtz (alison.wirtz@kirkland.com)); and Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801 (Attn.: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com));

- counsel for the Committee, Arent Fox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, New York 10019 (Attn: Andrew I. Silfen (andrew.silfen@afslaw.com) and Beth M. Brownstein (beth.brownstein@afslaw.com)); Arent Fox Schiff LLP, 800 Boylston Street, 32nd Floor, Boston, Massachusetts 02199 (Attn: Justin A. Kesselman (justin.kesselman@afslaw.com)); and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801 (Attn: Eric J. Monzo (emonzo@morrisjames.com), Brya M. Keilson (bkeilson@morrisjames.com), and Jason S. Levin (jlevin@morrisjames.com));

- counsel for any other official committee appointed in these Chapter 11 Cases;

- counsel for the Prepetition First Lien Lenders and DIP Lenders, (i) King & Spalding, 1185 Avenue of the Americas, New York, NY 10036 (Attn: Roger Schwartz, Esq. (rschwartz@kslaw.com); Geoffrey Michael King, Esq. (gking&kslaw.com) and Timothy Fesenmyer, Esq. (tfesenmyer@kslaw.com)); and (ii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Suite 1600, Wilmington, Delaware 19801, (Attn: Robert J. Dehney (rdehney@morrisnichols.com));

- counsel for any relevant Successful Bidder(s); and

- counsel for any relevant Backup Bidder(s).

Following service of the Notice of Auction Results, Sale Notice Parties may object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in a Successful Bid, other than with respect to a Stalking Horse Bid (each such objection, a “Post-Auction Objection”) by no later than **later of (i) ~~10~~ August 9, 2023, at 5 p.m. (prevailing Eastern Time) and (ii) three (3) days prior to the Sale Hearing** (the “Post-Auction Objection Deadline”). Each Post-Auction Objection shall be filed with the Court and served on the Objection Notice Parties.

E. Notices Regarding Assumption and Assignment of Contracts

The Debtors will provide all notices regarding the proposed assumption and assignment of Contracts in accordance with the Assumption and Assignment Procedures (as defined in the Bidding Procedures Order).

XI. CONSULTATION BY THE DEBTORS

Throughout the Sale Transaction process, the Debtors and their advisors will consult with the following parties (collectively, the “Consultation Parties”), as provided in these Bidding Procedures, or as is otherwise necessary or appropriate, as determined in the Debtors’ business judgment: (i) the legal and financial advisors for any official committee

appointed in these Chapter 11 Cases and (ii) solely to the extent they are not an active or prospective bidder with respect to the relevant Asset(s), or are participating in any way in any active or prospective bid with respect to such Asset(s), the legal and financial advisors for the Prepetition First Lien Lenders.

Notwithstanding the foregoing, the Debtors will not consult with or provide copies of any Bids or other confidential information to any Consultation Party or any insider or affiliate of the Debtors if such party is an active or prospective bidder for the relevant Asset(s) at the applicable time. If, however, a member of an official committee appointed in these Chapter 11 Cases submits a Qualified Bid for any of the Assets, the applicable committee will maintain its consultation rights as a Consultation Party, provided, that such committee excludes the bidding committee member from any discussions or deliberations regarding a transaction involving the relevant Assets, and shall not provide any confidential information regarding the Assets or otherwise involving the Sale Transaction process to the bidding committee member.

For the avoidance of doubt, any consultation rights afforded to the Consultation Parties by these Bidding Procedures or the Bidding Procedures Order shall not in any way limit the Debtors' discretion and shall not include the right to veto any decision made by the Debtors in the exercise of their business judgment.

EXHIBIT 2

Progexion APA

[Progrexion APA to be Filed Prior to the Hearing]

EXHIBIT 3

Lexington Law APA

[Lexington Law APA to be Filed Prior to the Hearing]

EXHIBIT 4

Sale Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on ~~June 6~~ June 6, 2023, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Motion of the Debtors for Entry of Order (I)(A) Approving Bidding Procedures for Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling A Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. ~~166~~ 66] (the “Sale Motion”)² with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of substantially all of the assets of PGX to Lender AcquisitionCo LLC and of substantially all of the assets of Lexington Law to AcquisitionCo, free and clear of liens, claims, encumbrances, and other interests, except as set forth in the applicable Stalking Horse Agreement, or an alternative asset purchase agreement with a Successful Bidder at auction (the “Sale”); and (b) the assumption and assignment of certain executory contracts and unexpired leases (collectively, the “Contracts”).

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of the substantially all of the assets of the Debtors consistent with the bidding procedures (the “Bidding Procedures”) approved by the Court by entry of an order on July [●], 2023 [Docket No. [●]] (the “Bidding Procedures Order”). **All interested bidders should**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Sale Motion or Bidding Procedures Order, as applicable.

carefully read the Bidding Procedures and Bidding Procedures Order. To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtors receive qualified competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtors will conduct an auction (the “Auction”) of the Assets **on ~~Monday, August 7, 2023~~ on ~~Monday, August 7, 2023~~ August 8, 2023 at ~~5:00 p.m.~~ at ~~5:00 p.m.~~ 5:00 p.m. (prevailing Eastern Time) ~~at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022-4611~~ virtually through Zoom (or at any other location or electronically as the Debtors may hereafter designate on proper notice).**

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing scheduled to commence on or before **August 11, 2023, at ~~5:00 p.m.~~ 5:00 p.m. (prevailing Eastern Time) (the “Sale Hearing”) before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Courtroom No. 7, Wilmington, Delaware 19801.**

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Contracts, objections to the relief requested in the Sale Motion **must:** (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received on or before August 3, 2023 at ~~5:00 p.m.~~ 5:00 p.m.** (prevailing Eastern Time) by the following parties:

Counsel to the Debtors	Co-Counsel to the Debtors
<p style="text-align: center;">Kirkland & Ellis LLP 601 Lexington Ave New York, New York 10022 Attn. Joshua A. Sussberg, P.C. Chris Ceresa Email: joshua.sussberg@kirkland.com chris.ceresa@kirkland.com</p> <p style="text-align: center;">Kirkland & Ellis LLP 300 North LaSalle Street Chicago, Illinois 60654 Attn.: Spencer Winters Whitney Fogelberg Alison J. Wirtz Email: spencer.winters@kirkland.com whitney.fogelberg@kirkland.com alison.wirtz@kirkland.com</p>	<p style="text-align: center;">Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000 Wilmington, Delaware 19801 Attn: Domenic E. Pacitti Michael W. Yurkewicz Email: dpacitti@klehr.com myurkewicz@klehr.com</p> <p style="text-align: center;">Klehr Harrison Harvey Branzburg LLP 1835 Market Street, Suite 1400 Philadelphia, Pennsylvania 19103 Attn: Morton R. Branzburg Email: mbranzburg@klehr.com</p>
Counsel to the Committee	The United States Trustee <u>Co-Counsel to the Committee</u>

<p><u>Arent Fox Schiff LLP</u> <u>1301 Avenue of the Americas, 42nd Floor</u> <u>New York, New York 10019</u> <u>Attn: Andrew I. Silfen</u> <u>Beth M. Brownstein</u> <u>Email: andrew.silfen@afslaw.com</u> <u>beth.brownstein@afslaw.com</u></p> <p><u>Arent Fox Schiff LLP</u> <u>800 Boylston Street, 32nd Floor</u> <u>Boston, Massachusetts 02199</u> <u>Attn: Justin A. Kesselman</u> <u>Email: justin.kesselman@afslaw.com</u></p>	<p><u>Morris James LLP</u> Office of the United States Trustee for the District of Delaware 844 King Street<u>500 Delaware Avenue, Suite 2207,</u> Lockbox 35, 1500 Wilmington, Delaware 19801 <u>Attn: Eric J. Monzo</u> Attn: Jane<u>Brya M. Leamy</u><u>Keilson</u> jane.m.leafy@usdoj.gov <u>Jason S. Levin</u> <u>Email: emonzo@morrisjames.com</u> <u>bkeilson@morrisjames.com</u> <u>jlevin@morrisjames.com</u></p>
<p>Counsel to the PGX Stalking Horse Bidder<u>The United States Trustee</u></p>	<p>Co-Counsel to the PGX Stalking Horse Bidder</p>
<p>King & Spalding LLP 1185 Avenue<u>Office of the Americas, 34th Floor</u><u>United States Trustee</u> <u>New York, New York 10036</u> <u>for the District of Delaware</u> <u>844 King Street, Suite 2207, Lockbox 35,</u> <u>Wilmington, Delaware 19801</u> <u>Attn.: Roger Schwartz Jane M. Leamy</u> <u>jane.m.leafy@usdoj.gov</u> <u>Email: rschwartz@kslaw.com</u></p>	<p>Proskauer Rose<u>King & Spalding LLP</u> <u>1185 Avenue of the Americas, 34th Floor</u> <u>New York, New York 10036</u> One International Place Boston, Massachusetts 02110-2600 <u>Attn.: Peter Antoszyk</u><u>Roger Schwartz</u> <u>David M. Hillman</u> <u>Michelle Muscara</u> <u>Email: pantoszyk@proskauerrschwartz@kslaw.com</u> <u>dhillman@proskauer</u><u>mmuscara@kslaw.com</u></p> <p><u>King & Spalding LLP</u> <u>110 N. Wacker Drive, Suite 3800</u> <u>Chicago, Illinois 60606</u> <u>Attn: Geoffrey M. King</u> <u>Email: gking@kslaw.com</u></p>
<p>Counsel<u>Co-Counsel</u> to the PGX Stalking Horse Bidder</p>	<p><u>Counsel to the Lexington Law Stalking Horse Bidder</u></p>
<p><u>Proskauer Rose LLP</u> <u>One International Place</u> <u>Boston, Massachusetts 02110-2600</u> <u>Attn.: Peter Antoszyk</u> <u>David M. Hillman</u> <u>Email: pantoszyk@proskauer.com</u> <u>dhillman@proskauer.com</u></p>	<p>Young Conway Stargatt & Taylor, LLP Rodney Square 1000 North King Street Wilmington, Delaware 19801 Attn: Joseph M. Barry Lauren McCreary Joseph M. Mulvihill Joseph Barry Email: jbarry@ycst.com lmccrery@ycst.com jmulvihill@ycst.com</p>

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

PLEASE TAKE FURTHER NOTICE that copies of the Sale Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, including the PGX Stalking Horse APA, is available: (a) free of charge upon request to Kurtzman Carson Consultants LLC (the notice and claims agent retained in these chapter 11 cases) by calling (888) 249-2721 (U.S./Canada) or (310) 751-2604 (International); (b) by visiting the website maintained in these chapter 11 cases at www.kccllc.net/PGX; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.kccllc.net/PGX.

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Dated: ~~June~~July [____], 2023
Wilmington, Delaware

/s/ Draft

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EXHIBIT 5

Assumption and Assignment Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
PGX HOLDINGS, INC., <i>et al.</i> , ¹	)	Case No. 23-10718 (CTG)
)	
Debtors.	)	(Jointly Administered)
)	

**NOTICE TO CONTRACT PARTIES TO POTENTIALLY
ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU
OR ONE OF YOUR AFFILIATES IS A COUNTERPARTY TO AN
EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH ONE OR MORE
OF THE DEBTORS AS SET FORTH ON EXHIBIT A ATTACHED HERETO.**

PLEASE TAKE NOTICE that on June 16, 2023, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I)(A) Approving Bidding Procedures for Substantially All of the Debtors’ Assets, (B) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling A Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. 23-10718-CTG-166] (the “Bidding Procedures Order”),² authorizing the Debtors³ to conduct an auction (the “Auction”) to select the party to purchase the Debtors’ assets. The Auction will be governed by the bidding procedures approved pursuant to the Bidding Procedures Order (attached to the Bidding Procedures Order as Exhibit 2, the “Bidding Procedures”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PGX Holdings, Inc. (2510); Credit Repair UK, Inc. (4798); Credit.com, Inc. (1580); Creditrepair.com Holdings, Inc. (7536); Creditrepair.com, Inc. (7680); eFolks Holdings, Inc. (5213); eFolks, LLC (5256); John C. Heath, Attorney At Law PC (8362); Progrexion ASG, Inc. (5153); Progrexion Holdings, Inc. (7123); Progrexion IP, Inc. (5179); Progrexion Marketing, Inc. (5073); and Progrexion Teleservices, Inc. (5110). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 257 East 200 South, Suite 1200, Salt Lake City, Utah 84111.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order or the Sale Motion, as applicable.

³ This relief granted in the Bidding Procedures Order is solely limited to the Debtors.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures and the terms of any Successful Bid, the Debtors **may** assume and assign to the Successful Bidder the contract or agreement listed on **Exhibit A** to which you are a counterparty, upon approval of the Sale. The Debtors have conducted a review of their books and records and have determined that the cure amount for unpaid monetary obligations under such Assigned Contracts is as set forth on **Exhibit A** attached hereto (the “Cure Amounts”).

PLEASE TAKE FURTHER NOTICE that if you disagree with the proposed Cure Amounts, object to a proposed assignment to the Successful Bidder of any Assigned Contract, or object to the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Assigned Contract, your objection must: (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, Local Bankruptcy Rules, and any order governing the administration of these chapter 11 cases; (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Amounts, state the correct cure amount alleged to be owed to the objecting Contract Counterparty, together with any applicable and appropriate documentation in support thereof; and (iv) be filed with the Court and served and **actually received no later than [August 9, 2023, at 5:00 p.m. (prevailing Central Eastern Time)]** (the “**Contract Objection Deadline**”) by the Court and the following parties: (i) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com) and Chris Ceresa (chris.ceresa@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Spencer Winters (spencer.winters@kirkland.com), Whitney C. Fogelberg (whitney.fogelberg@kirkland.com), and Alison J. Wirtz (alison.wirtz@kirkland.com); (ii) proposed co-counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com), and Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, Suite 1400, Philadelphia, Pennsylvania 19103, Attn: Morton R. Branzburg (mbranzburg@klehr.com); and (iii) the Debtors’ proposed investment banker, Greenhill & Co., LLC, 1271 Avenue of the Americas, New York, New York 10020, Attn: Nail Augustine (ProjectPretzel@greenhill.com).

PLEASE TAKE FURTHER NOTICE that if no objection to (a) the Cure Amounts(s), (b) the proposed assignment and assumption of any Assigned Contract, or (c) adequate assurance of the Successful Bidder’s ability to perform is filed by the Contract Objection Deadline, then (i) you will be deemed to have stipulated that the Cure Amounts as determined by the Debtors are correct, (ii) you will be forever barred, estopped, and enjoined from asserting any additional cure amount under the proposed Assigned Contract, and (iii) you will be forever barred, estopped, and enjoined from objecting to such proposed assignment to the Successful Bidder on the grounds that the Successful Bidder has not provided adequate assurance of future performance as of the closing date of the Sale.

PLEASE TAKE FURTHER NOTICE that any objection to the proposed assumption and assignment of an Assigned Contract or related Cure Amounts in connection with the Successful Bid that otherwise complies with these procedures yet remains unresolved as of the commencement of the Sale Hearing, shall be heard at a later date as may be fixed by the Court.

PLEASE THAT FURTHER NOTICE that, notwithstanding anything herein, the mere listing of any Assigned Contract on the Cure Notice does not require or guarantee that such Assigned Contract will be assumed by the Debtors at any time or assumed and assigned, and all rights of the Debtors and the Successful Bidder with respect to such Executory Contracts and/or Unexpired Leases are reserved. Moreover, the Debtors explicitly reserve their rights, in their reasonable discretion, to seek to reject or assume each Assigned Contract pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing the Debtors and/or the Successful Bidder, as applicable, to designate any Assigned Contract as either rejected or assumed on a post-closing basis.

PLEASE TAKE FURTHER NOTICE that, nothing herein (i) alters in any way the prepetition nature of the Assigned Contracts or the validity, priority, or amount of any claims of a counterparty to any Assigned Contract against the Debtors that may arise under such Assigned Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assigned Contract against the Debtors that may arise under such Assigned Contract.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.kccllc.net/PGX.

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Dated: ~~June~~July [____], 2023

Wilmington, Delaware

/s/ Draft

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Exhibit A

Potentially Assumed Contracts¹

¹ The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract. The Debtors reserve all rights with respect to assumption or rejection of any Contract included on this list.