

**UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY**

**Caption in Compliance with D.N.J. LBR 9004-1(b)**

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In re:

Powin, LLC, *et al.*,

Debtors.<sup>1</sup>

Case No.: 25-16137  
(MBK)

Chapter: 11

Judge: Hon. Michael B. Kaplan

**LIMITED OBJECTION OF APPLIED SURETY UNDERWRITERS, SIRIUSPOINT AMERICA INSURANCE COMPANY AND PENNSYLVANIA INSURANCE COMPANY TO MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING POSTPETITION USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES, (III) SCHEDULING A FINAL HEARING, AND (IV) GRANTING RELATED RELIEF**

Applied Surety Underwriters, SiriusPoint America Insurance Company, and Pennsylvania Insurance Company (together, the “Surety”), by their undersigned counsel Womble Bond Dickinson (US) LLP, file this limited objection to the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing Postpetition Use of Cash Collateral, (II) Granting Adequate Protection*

<sup>1</sup>The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: (i) Powin Project LLC [1583], (ii) Powin, LLC [0504], (iii) PEOS Holdings, LLC [5476], (iv) Powin China Holdings 1, LLC [1422], (v) Powin China Holdings 2, LLC [9713], (vi) Charger Holdings, LLC [5241], (vii) Powin Energy Ontario Storage, LLC [8348], (viii) Powin Energy Operating Holdings, LLC [2495], and (ix) Powin Energy Operating, LLC [6487]. The Debtors’ mailing address is 20550 SW 115<sup>th</sup> Avenue Tualatin, OR 97062.



*to the Prepetition Secured Parties, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (Docket No. 11) (the “Motion”), stating the following:

1. On June 9 and 10, 2025, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, commencing these cases.

2. The Debtors filed the Motion seeking the Court’s approval of their agreement with the Prepetition Secured Parties (as defined in the Motion) for the use of cash collateral, in exchange for which the Debtors agreed to provide the Prepetition Secured Parties with adequate protection, including adequate protection liens with that would prime all other liens with the exception of “Permitted Prior Liens” as that term is defined in their Prepetition Loan Documents.

3. The Debtors do not disclose which creditors have Permitted Prior Liens.

4. The Surety issued a \$20 million customs bond in support of the Debtors’ business operations and in the ordinary course of the Debtors’ business. Powin, LLC, Powin Energy Holdings, LLC and Powin Energy Intermediate LLC agreed to indemnify, hold harmless and exonerate the Surety pursuant to that Indemnity Agreement dated May 30, 2024 (the “Indemnity Agreement”). The obligations under the indemnity agreement are secured by approximately \$8.3 million held in an account controlled by the Surety.

5. The Surety does not consent to the priming of its lien as contemplated by the Motion.

6. The Bankruptcy Code does not permit the priming of an existing lien unless the Debtors are not able to obtain credit otherwise and the interest of the lienholder is adequately protected. 11 U.S.C. § 364(d)(1).

7. The Debtors cannot offer adequate protection to the Surety if it loses its senior priority in its cash collateral.

8. The Court should not enter an interim order that would have the effect of priming the Surety's security interest in its collateral.

9. For these and such other reasons that may be raised at a hearing on the Motion, the Motion should be denied to the extent that it would grant a priming lien on the Surety's collateral.

Dated: June 12, 2025

**WOMBLE BOND DICKINSON (US) LLP**

/s/ Kevin J. Mangan

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