Docket #0322 Date Filed: 02/20/2026

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

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| *In re*<br>**UNITED SITE SERVICES, INC.** *et al.*,[1]<br>Debtors. | Case No. 25-23630 (MBK)<br>Chapter 11<br>(Jointly Administered) |

# DECLARATION OF CHRIS KELLY IN SUPPORT OF AN ORDER (I) APPROVING THE DISCLOSURE STATEMENT AND (II) CONFIRMING THE SECOND AMENDED JOINT PREPACKAGED PLAN OF REORGANIZATION OF UNITED SITE SERVICES, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The last four digits of the tax identification number of United Site Services, Inc. are 3387. A complete list of the Debtors in these chapter 11 cases (the "**Chapter 11 Cases**"), with each one's tax identification number, principal office address and former names and trade names, is available on the website of the Debtors' noticing agent at www.veritaglobal.net/USS. The location of the principal place of business of United Site Services, Inc., and the Debtors' service address for these Chapter 11 Cases is 2487 W Navigator Drive, 3rd Floor, Meridian, ID 83642.

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Under 28 U.S.C. § 1746, I, Chris Kelly, declare as follows under penalty of perjury:

1. I am a Managing Director in the North American Commercial Restructuring Practice at Alvarez & Marsal North America, LLC ("**A&M**"), a global professional services firm with principal offices located at 600 Madison Avenue, 8th Floor, New York, New York 10022. I have more than 17 years of experience assisting companies in addressing complex financial and operational challenges in connection with restructurings and the chapter 11 process. My engagements have spanned across multiple industries, such as transportation and logistics, distribution services, retail services, financial services, and government contracting.

2. I hold a bachelor's degree in commerce (with concentrations in finance and management information systems) from McIntire School of Commerce at the University of Virginia and an MBA from Columbia University.

3. I submit this declaration in support of the request of United Site Services, Inc. and its affiliated debtors and debtors in possession (collectively, the "**Debtors**" or "**USS**") for approval of the *Disclosure Statement for the Joint Prepackaged Plan of Reorganization of United Site Services, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of The Bankruptcy Code* (as it may be amended or modified, the "**Disclosure Statement**") [Dkt. No. 17] and confirmation of the *Joint Prepackaged Plan of Reorganization of United Site Services, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy*, filed on December 29, 2026 [Dkt. No. 16] (as it may be amended or modified, the "**Plan**")[2], along with the Plan Supplements, Amended Plan, and Second Amended Plan (each as defined below).

[2] Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Plan.

4. On January 23, 2026, the Debtors filed the plan supplement [Dkt. No. 217] (the "**Plan Supplement**") and on February 2, 2026, filed the second plan supplement [Dkt. No. 250] ("**Second Plan Supplement**", and together with the Plan Supplement, the "**Plan Supplements**").

5. On or about July 7, 2025, the Debtors' counsel, Milbank LLP ("**Milbank**") retained A&M to assist in the Debtors' restructuring process as financial advisor pursuant to a formal engagement letter between Milbank, A&M, and the Debtors. I have been actively advising the Debtors since July 2025, including during the time leading up to the Debtors' chapter 11 filings, and will continue advising the Debtors through the effective date of the Plan. On January 6, 2026, the Debtors filed the *Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Alvarez & Marsal North America, LLC as Financial Advisors to Debtors and Debtors in Possession Effective as of the Petition Date* [Dkt. No. 136]. Thereafter, on January 21, 2026, the Court entered the *Order Authorizing the Retention and Employment of Alvarez & Marsal North America, LLC as Financial Advisors to the Debtors and Debtors in Possession Effective as of the Petition Date* [Dkt. No. 204].

6. I have previously submitted the Declaration of Chris Kelly, Managing Director of A&M, in Support of Chapter 11 Petitions and First Day Pleadings [Dkt. No. 15] (the "**First Day Declaration**") containing information regarding, among other things, my background and experience, the Debtors' business and operations, and the events leading to the filing of the Debtors' Chapter 11 Cases. I confirm that the information (to the extent applicable) contained in the First Day Declaration, including as clarified during my testimony at the December 30, 2025 hearing, remains true and correct to the best of my knowledge, information and belief, and hereby incorporate the First Day Declaration herein by reference.

7. I have reviewed, and I am generally familiar with, the terms of the Disclosure Statement, the Plan, the Plan Supplements, and the requirements for confirmation of the Plan under section 1129 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"). I also have read the objections to the confirmation of the Plan filed by the Office of the United States Trustee [Dkt. No. 257] (the "**UST Objection**") and the objection and supplemental objection of OMJ LLC [Dkt. Nos. 240, 316]. USS has consensually resolved many formal and informal objections and comments from various parties in interest, and has filed a further amended Plan [Dkt. No. 234] ("**Amended Plan**") and second amended plan [Dkt. No. 291] ("**Second Amended Plan**") and proposed Confirmation Order that reflect these resolutions.

8. Except as otherwise indicated, all facts set forth herein are based on my personal knowledge, my discussions with the members of the Debtors' senior management, the Debtors' advisors, and A&M personnel working directly with me and under my supervision, direction, or control, as well as my review of the relevant documents. My opinions are based upon my knowledge concerning the Debtors' operations and financial affairs, as well as my general experience. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

## PRELIMINARY STATEMENT

9. The Plan, which has been unanimously accepted by all classes of creditors entitled to vote thereon, and otherwise provides full satisfaction of all other third-party claims, implements a comprehensive financial restructuring that will reduce existing funded indebtedness by approximately $2.4 billion and raise up to $1.075 billion in new capital, including an Equity Rights Offering of up to $480 million fully backstopped by the Ad Hoc Group and certain other creditors,

$300 million[3] of Exit Term Loan Facility funding provided by the Ad Hoc Group and certain other creditors, and approximately $295 million of additional asset-based and other revolving loans to satisfy the obligations under the Plan and to provide critical new liquidity to support the Reorganized Debtors. While the Plan will right-size USS's balance sheet for future success, it also ensures that USS's customers, vendors, and employees will remain unaffected by the Chapter 11 Cases by paying in full all General Unsecured Claims, allowing USS to emerge as a stronger company, with a sustainable capital structure that is better aligned with its operating prospects.

10. Prior to the Petition Date, USS and certain major creditors and other stakeholders (the "**Consenting Stakeholders**"), entered into an agreement (together with all exhibits, annexes and schedules and as subsequently amended, the "**Restructuring Support Agreement**" or "**RSA**") on December 28, 2025, which set a road map for solicitation and confirmation of a prepackaged chapter 11 plan. Under the Restructuring Support Agreement, the Ad Hoc Group committed to support the Plan, provide and backstop a DIP Facility of $120 million, backstop the Equity Rights Offering, and provide the Exit Term Loan Facility.

11. The Plan, which is the product of several months of intense, arm's-length negotiations with key stakeholders across the capital structure, reflects the significant settlements and compromises agreed to by the Debtors' stakeholders across their capital structure. As a result, the Plan will provide significant value to USS's creditors that would not be obtained without the settlements and compromises embodied in the Plan. USS has determined that implementing the transactions contemplated by the RSA, including near-term confirmation of the Plan, represents the best outcome for all of its stakeholders. This outcome was made possible by the hard-fought

[3] Pursuant to the CastleKnight Settlement, an additional $14 million of debt will be issued under the Exit Term Loan Facility.

negotiations among USS, the members of the Ad Hoc Group, the lenders under USS's asset-backed and revolving credit facilities, and affiliates of Platinum Equity (USS's equity sponsor), and ultimately, CastleKnight Management LP ("**CastleKnight**"). USS has committed significant resources to minimizing operational disruption while negotiating a consensual restructuring framework that allows for prompt emergence from chapter 11.

12. To implement the Restructuring Transactions, the Debtors launched solicitation of votes to accept or reject the Plan on December 28, 2025.

13. Despite the commencement of these cases with overwhelming support for the proposed restructuring, the Plan was initially opposed by one creditor, CastleKnight. On the Petition Date, CastleKnight filed a preliminary objection to certain of the requested first-day relief (the "**CastleKnight Objection**"). At the first day hearing, the Court directed the Debtors, the Ad Hoc Group, and CastleKnight to participate in mediation with respect to the CastleKnight Objection and the Plan. The Court later appointed the Honorable Robert D. Drain (Ret.) to serve as mediator.

14. Following a full-day mediation on January 13, 2026, and further negotiations over the following days, the mediation parties agreed to a settlement and memorialized its terms in a settlement agreement on January 26, 2026 (the "**CastleKnight Settlement**"). Among other things, the CastleKnight Settlement provides for separate classification and negotiated treatment of the Second-Out Term Loans and the Amended Term Loans, a limited fee reimbursement, mutual releases, and certain governance rights for CastleKnight. USS then filed an amended proposed Final DIP Order [Dkt. No. 233] and Plan [Dkt. No. 234], each of which incorporated terms of the CastleKnight Settlement. Following the CastleKnight Settlement, creditors in each Voting Class unanimously voted to accept the Plan.

15. USS has also consensually resolved many formal and informal objections and comments from various parties in interest, and has filed further amended versions of the Plan [Dkt. Nos. 234, 291] and a proposed Confirmation Order that reflect these resolutions.

16. As such, I believe that the proposed restructuring pursuant to the Plan is fair and equitable, maximizes stakeholder value, and represents the best path forward for a successful emergence from these Chapter 11 Cases. An overwhelming majority of the Debtors' stakeholders agree. As such I believe the Plan is in the best interests of the Debtors and all of their stakeholders.

## THE DISCLOSURE STATEMENT SHOULD BE APPROVED.

### I. THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION AS REQUIRED BY SECTION 1125 OF THE BANKRUPTCY CODE

17. Based on my discussions with the Debtors' counsel, I believe the Disclosure Statement contains "adequate information" for creditors to evaluate the Plan.

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

- an overview of the Plan (Section I);
- a description of the Debtors' business and capital structure (Sections II.A & II.B);
- key events leading to the commencement of these Chapter 11 Cases (Section II.C);
- financial projections (Exhibit C);
- a liquidation analysis (Exhibit D);
- a valuation analysis (Exhibit E);
- risk factors (Section IX);
- confirmation requirements (Section VI.B, C);
- description of alternatives to the Plan (Section X); and
- tax and securities laws consequences of the effectiveness of the Plan (Section VIII and IX).

19. I have assisted in the preparation of the Disclosure Statement and certain supplemental information filed at the request of the Securities Exchange Commission, which is intended to provide additional financial information for the benefit of investors that will transact

in the securities of the Reorganized Debtors (the "**Supplemental Information**"). I believe that the information contained in the Disclosure Statement and the Supplemental Information is correct and sufficient to allow the Debtors' creditors to evaluate the Plan and make an informed voting decision.

## THE PLAN SHOULD BE CONFIRMED.

### I. THE PLAN SATISFIES THE BANKRUPTCY CODE'S REQUIREMENTS FOR CONFIRMATION

20. I have been advised of the applicable standards under which a plan may be confirmed under chapter 11 of the Bankruptcy Code. For the reasons set forth below, based on my understanding of the Bankruptcy Code, as explained to me by the Debtors' counsel, I believe the Plan satisfies all applicable requirements for confirmation. I also believe the filing of the Plan Supplements comply with the terms of the Plan, and the Debtors provided good and proper notice of its filing in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Scheduling Order, and the facts and circumstances of the Chapter 11 Cases. I have set forth the reasons for such belief below, except where compliance is apparent on the face of the Plan or where it will be the subject of other testimony or evidence introduced at the Combined Hearing.

#### A. Section 1129(a)(1)

21. Based on my discussions with Debtors' counsel, I understand that Bankruptcy Code section 1129(a)(1) requires that a chapter 11 plan comply with the applicable provisions of the Bankruptcy Code, principally sections 1122 and 1123(a) of the Bankruptcy Code, which govern, respectively, the classification of claims and interests and the contents of a chapter 11 plan.

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

23. Article III of the Plan provides for the following classification of Claims and Interests:

1. Class 1: Priority Non-Tax Claims
2. Class 2: Other Secured Claims
3. Class 3: ABL Facility Claims
4. Class 4: First-Out Revolving Loans Claims
5. Class 5: First-Out Term Loan/Notes Claims
6. Class 6a: Second-Out Claims
7. Class 6b: Amended Term Loan Claims
8. Class 7: Unsecured Funded Debt Claims
9. Class 8: General Unsecured Claims
10. Class 9: Intercompany Claims
11. Class 10: Intercompany Interests
12. Class 11: Existing Equity Interests; and
13. Class 12: Subordinated Claims.

24. Based on my familiarity with the Debtors' capital structure, and discussions with Debtors' counsel, (a) each of the Claims and Interests assigned to a particular Class is substantially similar to all other Claims or Interests, as applicable, in such Class; and (b) to the extent similar Claims are classified separately, such separate classification is justified by valid business, legal, and factual reasons.

25. I understand that the Plan satisfies the applicable requirements set forth in section 1123(a) of the Bankruptcy Code because:

- Article III of the Plan designates Classes of Claims and Interests;
- Article III of the Plan identifies Unimpaired Classes of Claims and Interests;
- Article III of the Plan specifies treatment of Impaired Classes of Claims and Interests; and
- Article III of the Plan provides the same treatment for each Claim or Interest of a particular Class, unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of such particular Claim or Interest.

26. I believe that Article V of the Plan provides adequate means for its implementation, including, among other things,

- satisfaction or settlement of all Claims and Interests;
- the implementation of the Restructuring Transactions;
- the incurrence of the new debt under the Exit ABL Facility, Exit RCF Facility, and Exit Term Loan Facility (collectively, the "**Exit Financing**") by the Reorganized Debtors;
- the vesting of the assets of the Estates in the Reorganized Debtors; and
- the execution, delivery, filing, or recording of all necessary contracts, instruments, releases, and other agreements or documents.

27. I believe that the manner of selection of the officers, directors, or managers (as applicable) of the Reorganized Debtors in the New Organizational Documents are consistent with the interests of creditors and equity security holders and with public policy.

28. Further, the New Organizational Documents provide for no issuance of non-voting securities to the extent required by section 1123(a)(6) of the Bankruptcy Code, as explained to me by Debtors' counsel.

29. The Debtors have reviewed all of their material Executory Contracts and Unexpired Leases to reach a determination as to whether to assume or reject such contracts or leases, based on a full analysis as to their necessity for future operations, costs, potential rejection damages, and

available alternatives. Based on such analysis, the Debtors intend to reject a limited number of Executory Contracts and Unexpired Leases. The Debtors intend to cure monetary defaults under the Executory Contracts and Unexpired Leases to be assumed under the Plan in accordance with the provisions thereof.

30. Further, I believe the settlements embodied in the Plan, including the CastleKnight Settlement, are the product of arm's-length negotiations and, in my view, are fair, equitable, and reasonable and in the best interests of the Debtors and their Estates, because they improve creditor recoveries, avoid costly and time-consuming litigation, and facilitate a timely and consensual emergence.

**B. Section 1129(a)(2)**

31. Based on my review of information provided by the Debtors and their advisors, I believe that the Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code, including sections 1122, 1123, 1124, 1125, 1126, and 1128, and Bankruptcy Rules 3017, 3018, and 3019, as required by section 1129(a)(2) of the Bankruptcy Code.

**C. Section 1129(a)(3)**

32. I believe that the Debtors have proposed the Plan, the Restructuring Transactions (and all documents necessary to effectuate the foregoing) in good faith. The Plan was proposed with the legitimate purpose of allowing the Debtors to maximize the value of their Estates and to effectuate a successful restructuring.

33. The Plan is the result of extensive negotiations conducted at arm's-length among the Debtors, the representatives of key stakeholders, and certain other parties in interest. Given the financial situation of the Debtors, I believe that the restructuring embodied in the Restructuring

Support Agreement, the Plan, and other Definitive Documents is necessary for the Debtors to strengthen their balance sheet and allow them to emerge with a deleveraged capital structure and sufficient liquidity that will enable the Reorganized Debtors to execute their business plan.

**D. Section 1129(a)(4)**

34. It is my understanding that payments made or to be made by the Debtors for services or for costs or expenses in connection with these Chapter 11 Cases prior to the Effective Date, including all Professional Fee Claims, have been approved by, or are subject to approval of, the Court. Further, Article II of the Plan contains procedures for filing applications for final allowance of Professional Fee Claims and procedures for the payment of such Professional Fee Claims upon approval by the Bankruptcy Court. Similarly, the Debtors' ordinary course professionals will be paid in the ordinary course consistent with the *Order (I) Authorizing Employment and Payment of Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief* [Dkt. No. 265].

**E. Section 1129(a)(5)**

35. To the extent the identities of the individuals proposed to serve as the members of the New Boards have not been disclosed as part of the Plan Supplements, the Debtors will disclose such identities, to the extent known, before the Combined Hearing.

**F. Section 1129(a)(6)**

36. No regulatory commission needs to approve any rate changes provided for in the Plan.

**G. Section 1129(a)(7)**

37. The Liquidation Analysis attached as Exhibit D to the Disclosure Statement establishes that each holder of an Allowed Claim or Interest in each Impaired Class will recover

as much or more value under the Plan on account of its Claim or Interest, as applicable, than the value such member would have received if the Debtors were liquidated under a hypothetical chapter 7 liquidation on the anticipated Effective Date.

**H. Section 1129(a)(9)**

38. Based on my own understanding, as well as discussions with the Debtors' advisors, I believe that the Plan complies with section 1129(a)(9) of the Bankruptcy Code because the Plan generally provides for the full payment of Allowed Administrative Claims on or as soon as reasonably practicable after the Effective Date (if not already satisfied). Further, the Plan generally provides for the full payment of Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims in Cash or other treatment in a manner consistent with the terms set forth in section 1129(a)(9) of the Bankruptcy Code on the Effective Date or as soon as practicable thereafter.

**I. Section 1129(a)(10)**

39. It is my understanding that the Bankruptcy Code provides that, to the extent there is an impaired class of claims, at least one impaired class of claims must accept the plan without including any acceptance of the plan by any insider. As set forth in the *Declaration of James Lee Regarding the Solicitation and Tabulation of Votes on the Joint Prepackaged Plan of Reorganization of United Site Services, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Dkt. No. 290], each of the Voting Classes (Classes 6a, 6b, and 7) accepted the Plan by the requisite amount and number of votes, without counting votes of any insider.

**J. Section 1129(a)(11)**

40. I believe that the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors. The Debtors and A&M have carefully and thoroughly analyzed the Reorganized Debtors' projected cash flow, their ability to meet their

obligations under the Plan, and to continue as a going-concern post-emergence without the need for further financial restructuring.

41. I believe that the Plan provides the Reorganized Debtors with a reasonable assurance of commercial viability and that the Reorganized Debtors will be well-positioned to execute their business plan and to meet their obligations as they come due in the ordinary course of business. The Plan will deleverage the Debtors' balance sheet, eliminating all existing funded indebtedness other than the Exit Financing, reducing the aggregate amount of the Reorganized Debtors' funded indebtedness by approximately $2.4 billion, which will position the Reorganized Debtors for success.

42. As shown by the Financial Projections, the Debtors anticipate that the ongoing operational turnaround will continue to progress, resulting in annual EBITDA increasing from $124 million in fiscal year ("**FY**") 2026 to $221 million by FY 2029. Operating cash flow generation, which includes interest expense on funded debt, is similarly projected to grow from $104 million in FY 2026 to over $145 million in FY 2029, which will be more than adequate to fund necessary capital expenditures. Further, I believe the significant debt reduction achieved through this chapter 11 process will substantially improve the Reorganized Debtors' liquidity position, which is estimated to be approximately $140 million at emergence and projected to increase to over $425 million by FY 2029. This significant improvement in liquidity will give the Reorganized Debtors greater flexibility to continue to invest in the business, positioning it for long-term success.

43. I believe that the process for preparing the Financial Projections was robust. I have reviewed the material assumptions underlying the Financial Projections, and I believe that such

assumptions are reasonable, appropriate, and provide the proper foundation for the Financial Projections.

**K. Section 1129(b)**

44. I believe that the Plan does not "discriminate unfairly" with respect to Classes 9, 10, 11, and 12 because the Claims or Interests, as applicable, in each such Class are legally distinct in nature from the Claims and Interests in any other Class.

45. I also believe the Plan is "fair and equitable" with respect to all Impaired rejecting Classes. Under the Plan, distributions will be made in the order of priority prescribed by the Debtors' capital structure. My understanding is that no Claim or Interest, as applicable, junior to the Claims and Interests in the Impaired rejecting Classes will receive or retain any property under the Plan.

**L. Section 1129(d)**

46. The Debtors filed the Plan to efficiently and responsibly reorganize their capital structure, preserve their businesses as a going concern, and provide recoveries to their stakeholders. The purpose of the Plan is not to avoid taxes or the application of section 5 of the Securities Act of 1933.

## II. THE DISCRETIONARY CONTENTS OF THE PLAN ARE APPROPRIATE

47. I believe the discretionary provisions of the Plan allowed by section 1123(b) of the Bankruptcy Code are appropriate because, among other things, they (a) are the product of arm's-length negotiations, (b) have been critical to obtaining the support of the various case constituencies, (c) are fair and equitable and in the best interests of the Debtors, these Estates, and their stakeholders, and (d) are consistent with the relevant provisions of the Bankruptcy Code.

## III. CONSENSUAL DEBTOR AND THIRD-PARTY RELEASES AND EXCULPATION PROVISIONS ARE APPROPRIATE

48. The Plan includes a Debtor Release and a Third-Party Release (each as defined below), an exculpation provision, and an injunction provision. It is my understanding that these discretionary provisions are the product of extensive good-faith, arm's-length negotiations, are given for valuable consideration, are integral components of the Plan, and, as I have been advised, are consistent with applicable precedent.

49. In consideration for the release, exculpation, and injunction provisions, the Released Parties have made substantial contributions to the success of the Chapter 11 Cases. Specifically, the Released Parties, among other things (as applicable), (a) negotiated the RSA and the terms of the Plan and the Restructuring Transactions, (b) provided significant concessions to the Debtors and to each other that made the Plan possible (including by consenting to the Plan's equitization Second-Out Claims and the Plan's unimpairment of all General Unsecured Claims in full), (c) negotiated the CastleKnight Settlement, (d) consented to the Debtors' use of cash collateral, (e) funded the DIP Facility, (f) entered into the ERO Backstop Agreement, and (g) committed to provide Exit Financing. The Released Parties went to great lengths to assure the Debtors' successful reorganization and it is unlikely that they would have supported a plan that preserved claims against themselves, or against their affiliates and employees. The Debtors' own Related Parties (e.g., the Debtors' directors, officers, and employees) have likewise been essential to conducting a smooth and successful process, both by personally participating in restructuring negotiations and by maintaining steady operations and communications with the Debtors' base of customers and vendors.

**A. Debtor Release**

50. Release by the Debtors, their Estates, and the Reorganized Debtors of certain claims and Causes of Actions against the Released Parties contained in Article VIII.D. of the Plan (the "**Debtor Release**") is an integral component of the Restructuring Support Agreement and the comprehensive settlement implemented under the Plan. The Debtor Release is the result of a hard fought and arm's-length negotiation process conducted in good faith. It is my belief that the Released Parties would not have made the considerable contributions to the Chapter 11 Cases and concessions reflected in the Plan without the assurance of receiving the Debtor Release. Therefore, the Debtor Release is necessary to effectuate the Plan.

51. Each of the Released Parties have supported the Debtors' restructuring by providing, among other things, the benefits outlined in paragraph 49 above. Additionally, the officers and directors of the Debtors and Reorganized Debtors have indemnification rights against the Debtors, and thus, any claims against the officers and directors would be a Claim against the Debtors. In addition, I believe that each of the Released Parties has an interest, shared with the Debtors, to see the Plan implemented.

52. The Debtors considered and did not identify any material claims or Causes of Action that would be subject to the Debtor Releases. The cost of pursuing any claims or Causes of Action (if any) would be an inefficient use and expenditure of estate resources that would be more efficiently used towards the implementation and emergence from these Chapter 11 Cases. I believe that any value that could be achieved from preserving any potential claims or Causes of Action would be outweighed by the benefits provided by the Plan and the transactions contemplated therein.

**B. Third-Party Release**

53. I also believe that the release of the Released Parties by the non-Debtor Releasing Parties set forth in Article VIII.E. of the Plan (the "**Third-Party Release**") is an essential component of the Plan. I understand that the Third-Party Release is: (a) consensual; (b) given in exchange for good and valuable consideration; (c) a good faith settlement and compromise of the released claims and Causes of Action; (d) materially beneficial to, and in the best interests of, the Debtors, their Estates, and their stakeholders; (e) fair, equitable, reasonable, and important to the overall objectives of the Plan; (f) given and made after due notice and opportunity for hearing; and (g) appropriately narrow in scope.

54. Like the Debtor Release, the Third-Party Release facilitated participation of the key parties in interest in both the chapter 11 process generally and the formulation of the fully consensual Plan. The Third-Party Release was critical in incentivizing such parties to support the Plan and avoiding potentially time-consuming and costly litigation. I understand the Third-Party Release was a significant negotiation point in finalizing the terms of the Plan. As such, the Third-Party Release appropriately offers certain protections to parties who constructively participated in the Debtors' restructuring process by, among other things, funding these Chapter 11 Cases, both by providing financing under the DIP Facility and the Exit Financing and facilitating satisfaction of all General Unsecured Claims in full.

55. It is my understanding that the Releasing Parties were provided with adequate notice and an opportunity to opt-out of the Third-Party Release. The consequences of failing to opt out of granting the Third-Party Releases were explained to the Releasing Parties as well. Based on my discussions with the Debtors' counsel, I believe that that the scope of the Third-Party Release is appropriately and narrowly tailored to the facts and circumstances of these cases. In addition,

the Third-Party Release contains exclusions for, among other things, liability arising from any act or omission that is the result of actual fraud or willful misconduct.

**C. Exculpation Provision**

56. I understand that the exculpation provision contained in Article VIII.F of the Plan was formulated following extensive good faith, arm's-length negotiations with key constituents, and is appropriately limited in scope. The Exculpated Parties have participated in the Chapter 11 Cases in good faith, made meaningful contributions to the Debtors' efforts to maximize value of their Estates, and are essential to the successful implementation of the Plan.

57. The Debtors and their officers, directors, and professionals actively negotiated the Plan with the Consenting Stakeholders and the U.S. Trustee. Such negotiations were extensive, and the compromises ultimately achieved will maximize value for all stakeholders while enabling the Debtors to emerge swiftly from these cases and provide finality to all stakeholders.

58. Finally, the Exculpation provision is narrowly tailored to protect the Exculpated Parties only from litigation related to acts or omissions on or after the Petition Date through the Effective Date in connection with the administration of the Chapter 11 Cases and related transactions and does not protect them from actions determined by a Final Order to have constituted gross negligence, intentional fraud, or willful misconduct.

**D. Injunction Provision**

59. I believe that the permanent injunction contained in Article VIII.G of the Plan preventing actions that are released or exculpated under the Plan is necessary to protect the Released and Exculpated Parties from the risk of litigation as they implement the provisions of the Plan following the Effective Date, as it preserves and enforces the discharge, the Debtor Release,

the Third-Party Release, and the Exculpation. Further, I believe the injunction provision is appropriately tailored to achieve those purposes.

## MODIFICATIONS TO THE PLAN DO NOT REQUIRE RE-SOLICITATION

60. The Debtors have made certain modifications to the Plan after the voting deadline. These modifications are technical clarifications and/or resolve certain formal and informal comments to the Plan received from parties in interest. These modifications do not materially affect the treatment of any Claim or Interest under the Plan. Specifically, as a result of the CastleKnight Settlement, under the Second Amended Plan, the Amended Term Loan Claims are obtaining more favorable treatment by virtue of receiving Cash in the amount of approximately $10,600,000.00 and the Amended Term Loan Exit Loan Allocation.[4] Additionally, the Required Consenting Second-Out Creditors accepted the Plan modifications, and I understand that the Consenting Stakeholders and CastleKnight also support these modifications.

## CONCLUSION

61. I believe that the Plan satisfies the applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and applicable non-bankruptcy laws, as they have been explained to me, and should be confirmed.

*[Remainder of page intentionally blank]*

[4] The "**Amended Term Loan Exit Term Loan Allocation**" means Exit Term Loans with an initial principal value equal to $13,592,233.01, which shall accrue and capitalize the Upfront Premium (as defined in the Exit Term Loan Facility Documents) upon issuance, which shall result in an aggregate principal amount of such Exit Term Loans equating to $14,000,000. For the avoidance of doubt, the Exit Term Loans issued pursuant to the Amended Term Loan Exit Term Loan Allocation shall be on the same terms, be assigned the same CUSIP (if any), and subject to the same conditions as all other Exit Term Loans.

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

Dated: February 20, 2026

*/s/ Chris Kelly*

Chris Kelly
Managing Director
Alvarez & Marsal North America, LLC