Docket #0033 Date Filed: 2/13/2025

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
NU RIDE INC., *et al.*,[1]	Case No. 23-10831 (MFW)
Reorganized Debtors.	(Jointly Administered)
COHEN RECYCLING, INC., Plaintiff and Counterdefendant,	
vs.	Adv. Proc. No. 24-50127 (MFW)
NU RIDE INC., Defendant and Counterclaimant.	**Hearing Date: March 11, 2025 at 3:00 p.m. (ET)** **Objection Deadline: February 27, 2025 at 4:00 p.m. (ET)**

MOTION OF NU RIDE INC. FOR APPROVAL OF STIPULATION AND SETTLEMENT AGREEMENT BETWEEN COHEN RECYCLING, INC., AND NU RIDE INC., PURSUANT TO BANKRUPTCY RULE 9019

The above-captioned reorganized debtors (the "Post-Effective Date Debtors" or "Nu Ride") and Cohen Recycling, Inc. ("CRI," and together with the Post-Effective Date Debtors, the "Parties"), hereby respectfully submit this motion (the "Motion") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), under sections 105(a) and 363(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") approving the *Stipulation and Settlement Agreement Between Cohen Recycling Inc. and Nu Ride Inc.* (the "Settlement Agreement") between the Post-Effective Date Debtors and CRI, a copy of which is

[1] The Post-Effective Date Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Reorganized Debtors' service address is: Nu Ride Inc. c/o William Gallagher, CEO, M 3 Partners, 1700 Broadway, 19th Floor, New York, NY 10019.

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attached hereto as **Exhibit B**. In support of this Motion, the Post-Effective Date Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United State Bankruptcy Court for the District of Delaware ("Court") has jurisdiction over these cases and this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2).

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are sections 105(a), 363(b), and 1142(b) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure.

BACKGROUND

4. On June 27, 2023 (the "Petition Date"), the above captioned debtors and debtors-in-possession each filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The cases are being jointly administered pursuant to Bankruptcy Rule 1015(b).

5. On November 22, 2023, the above captioned debtors and debtors-in-possession filed the *Debtors' Motion for Entry of an Order (I) Authorizing, But Not Directing, the Debtors to Repurchase Endurance Trucks from Customers, and (II) Granting Related Relief* [Docket No. 731] (the "Decommission Motion").

6. On December 7, 2023, the Court granted the Decommission Motion. *See* Docket No. 790 (the "Vehicle Decommission Order"). In the Vehicle Decommission Order, the Court

authorized the above captioned debtors and debtors-in-possession to reclaim their Endurance vehicles (collectively, the "Subject Vehicles") and instructed that: "For the avoidance of doubt, the vehicles will be decommissioned . . . ." *See id.* ¶ 4.

7. Beginning in or around December 2023, the above-captioned debtors and debtors-in-possession and CRI engaged in discussions for the sale of the Subject Vehicles to CRI.

8. CRI eventually purchased 31 of the Subject Vehicles. CRI has represented that two of the Subject Vehicles have been resold, and three have been disassembled or were in the process of being disassembled prior to the filing of this adversary proceeding. *See* Adv. P. Docket No. 6 at 3.

9. On March 6, 2024, the Court confirmed the *Third Modified First Amended Joint Chapter 11 Plan of Lordstown Motors Corp. and its Affiliated Debtors* [Docket No. 1066] (the "Plan," and the Order confirming the Plan [Docket No. 1069], the "Confirmation Order"). The Plan went Effective on March 14, 2024 (*see* Docket No. 1096).

10. The Post-Effective Date Debtors filed the *Post-Effective Date Debtors' Motion For (A) Entry of an Order Enforcing the Vehicle Decommission Order and (B) For Related Relief* [Docket No. 1314] (the "Motion to Enforce").

11. On September 5, 2024, CRI initiated an adversary proceeding (the "Adversary Proceeding"), styled as *Cohen Recycling, Inc. v Nu Ride Inc.* [Docket No. 1303] by the filing of a Complaint against the Post-Effective Date Debtors (the "Complaint").

12. After briefing on the Motion to Enforce and the filing of CRI's amended Complaint (Adv. Proc. No. 24-50127, Docket No. 3), the Court held a hearing on September 30, 2024, during which the Court consolidated the Parties' dispute into the above-captioned adversary proceeding.

13. After discovery and multiple negotiations between the Parties, Nu Ride and CRI have agreed upon the terms of settlement to resolve all outstanding matters related to and arising out of the Nu Ride's relationship with CRI, including, but not limited to, the claims asserted in the Adversary Proceeding, the relief requested in the Motion to Enforce, and any claims they may have against each other (the "Settlement").

14. The terms of the Settlement Agreement are subject to entry of a final order approving the Settlement by the Court after notice and opportunity. The primary terms of the Settlement Agreement are as follows:[2]

a. **Effective Date**. The terms and conditions of this Settlement Agreement, and the obligations of the Parties to perform hereunder, shall become effective immediately upon the entry of the Order, as defined below (the "Effective Date"), except for certain obligations which may occur later as otherwise set forth herein.

b. **Remaining Vehicles**. CRI will refrain from operating, marketing, selling, or otherwise transferring any of the twenty-six (26) Vehicles remaining in CRI's possession (the "Remaining Vehicles") in their fully assembled or substantially fully assembled condition. CRI shall not allow any other party to operate, market, sell, or otherwise transfer any of the Remaining Vehicles in their fully assembled or substantially fully assembled condition while in CRI's custody, possession, or control. For the avoidance of doubt, it will be a violation of this Agreement by CRI if any Vehicle is sold or otherwise transferred in a fully assembled or substantially fully assembled condition, even if CRI expressly conditions the sale or transfer on the recipient of such sale or transfer agreeing to accept such sale or transfer with a "parts only" limitation.

c. **Resale**. CRI is permitted to sell or transfer parts from the Vehicles; provided, however, that CRI shall not sell or transfer all or substantially all of the parts from any one or more of the Vehicles (whether in a single transaction or a series of transactions) to a single purchaser or series of purchasers that CRI knows or reasonably should know intend to reassemble the parts into functioning Vehicles of the same type as the Vehicles that were sold to CRI by Nu Ride. For the avoidance of doubt, CRI may sell parts from the Vehicles that are to be incorporated by purchasers into functioning vehicles other than the Vehicles. For the further avoidance of doubt, and notwithstanding the anything to the contrary in this Agreement, CRI is not permitted to sell or otherwise transfer any Vehicle

[2] The summary set forth in the Motion is only a summary. To the extent the summary conflicts with the actual terms of the Settlement Agreement, the actual terms of the Settlement Agreement shall control.

or any part of any Vehicle in such a way that allows CRI, the transferee, or any other party to use the fully-assembled or substantially fully assembled chassis, battery, and drivetrain of a Vehicle together with the body of a different vehicle.

d. **Releases.** As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, Nu Ride hereby shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged CRI and each of CRI's current and former affiliates, and all of CRI's and such entities' current and former affiliates' current and former directors, managers, officers, predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, financial advisors, partners, attorneys, accountants, management companies, investment bankers, consultants, representatives, and other professionals, each in its capacity as such (the "CRI Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever (in each case, whether prepetition or postpetition) (collectively, "Claims"), that Nu Ride would have been legally entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including but not limited to any Claims arising under the Vehicle Repurchase Order; provided that nothing in the foregoing shall release any person from any claim or obligation arising under this Agreement. As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, CRI hereby shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged Nu Ride and each of Nu Ride's current and former affiliates, and all of Nu Ride's and such entities' current and former affiliates' current and former directors, managers, officers, predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, financial advisors, partners, attorneys, accountants, management companies, investment bankers, consultants, representatives, and other professionals, each in its capacity as such (the "Nu Ride Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever (in each case, whether prepetition or postpetition), that CRI would have been legally entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including but not limited to any Claims arising under the Vehicle Repurchase Order; provided that nothing in the foregoing shall release any person from any claim or obligation arising under this Agreement

e. **No Admission of Wrongdoing.** The Parties acknowledge and agree that this Agreement is entered into solely for the purpose of settling disputed claims and avoiding the expense and burden of litigation. Nothing in this Agreement, nor any actions taken pursuant to it, shall be construed as an admission of liability, wrongdoing, or any violation of law by any Party. Each Party expressly denies any and all liability or wrongdoing in connection with the claims and disputes that are the subject of this Agreement. The Parties are entering into this Agreement solely as a means of compromising disputed claims and defenses; provided that nothing in this paragraph shall limit or affect the Parties' other obligations under this Agreement, including but not limited to CRI's obligations under paragraph 4 hereof.

RELIEF REQUESTED

15. By this Motion, the Nu Ride seeks approval of the Settlement Agreement pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019.

BASIS FOR RELIEF REQUESTED

16. Section 105(a) of the Bankruptcy Code provides in relevant part that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Section 105(a) has been interpreted to expressly empower bankruptcy courts with broad equitable powers to "craft flexible remedies that, while not expressly authorized by the Code, effect the result the Code was designed to obtain." *Official Comm. of Unsecured Creditors of Cybergenics Corp. ex rel. Cybergenics Corp.v. Chinery*, 330 F.3d 548, 568 (3d Cir. 2003) (en banc). Section 1142(b) of the Bankruptcy Code provides that "[t]he court may direct the debtor and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by a confirmed plan, and to perform any other act, including the satisfaction of any lien, that is necessary for the consummation of the plan."

17. Bankruptcy Rule 9019 governs the procedural prerequisites to approve a settlement, providing that:

> On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

Fed. R. Bankr. P. 9019(a).

18. Settlements in bankruptcy are favored as a means of minimizing litigation, expediting the administration of the bankruptcy estate, and providing for the efficient resolution of bankruptcy cases. *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996). Bankruptcy Rule 9019 provides that on motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. In deciding whether to approve a settlement pursuant to Bankruptcy Rule 9019, the court should determine whether the compromise is fair, reasonable, and in the best interest of the estates. *In re Marvel Entertainment Group, Inc.*, 222 B.R. 43, 249 (D. Del. 1998). The decision whether to accept or reject a compromise lies within the sound discretion of the court. *In re Neshaminy Office Bldg. Assocs.*, 62 B.R. 798, 803 (E.D. Pa. 1986).

19. In making this determination, the United States Court of Appeals for the Third Circuit has provided four criteria that a bankruptcy court should consider: (a) the probability of success in litigation; (b) the likely difficulties in collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (d) the paramount interest of the creditors. *Martin*, 91 F.3d at 393. Courts generally defer to a trustee's business judgment when there is a legitimate business justification for the trustee's decision. *Id.* at 395.

20. When applying the *Martin* factors to a particular motion, "the court is not supposed to have a 'mini-trial' on the merits, but should canvass the issues to see whether the settlement falls below the lowest point in the range of reasonableness." *Aetna Casualty & Surety Co. v. Jasmine, Ltd (In re Jasmine, Ltd)*, 258 B.R. 119, 123 (D.N.J. 2000) (internal quotations omitted); *see also In re TSIC, Inc.*, 393 B.R. 71, 79 (Bankr. D. Del. 2008); *In re World Health Alternatives, Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006). Although approval of a compromise is within the "sound discretion" of the bankruptcy court (*World Health*, 344 B.R. at 296), the court should not substitute its judgment for that of a trustee or debtor in possession. *In re Parkview Hosp.-Osteopathic Med. Ctr.*, 211 B.R. 603, 610 (Bankr. N.D. Ohio 1996). The ultimate inquiry is whether the compromise is "fair, reasonable, and in the interests of the estate." *TSIC*, 393 B.R. at 78. A court need not be convinced that a proposed settlement is the best possible settlement, but "must conclude that it is within the reasonable range of litigation possibilities." *World Health*, 344 B.R. at 296 (internal citations omitted).

21. Nu Ride believes the Settlement is fair and reasonable and is in the best interests of the Post-Effective Date Debtors' estates and creditors and should be approved pursuant to Bankruptcy Rule 9019. Nu Ride and CRI participated in multiple discussions regarding the claims asserted in the Adversary Proceeding and the related defenses thereto. After continued talks, the Parties were successful in negotiating the Settlement Agreement. Accordingly, Nu Ride submits that the Settlement Agreement is a product of good-faith discussions and arms' length bargaining among the parties.

22. The Settlement resolves costly and complex litigation of the Adversary Proceeding. The terms agreed to in the Settlement Agreement not only allow Nu Ride to save time and expenses associated with the remaining motion practice and trial, but also provides

finality to the prospect of what could be long and difficult litigation. The Settlement Agreement is favorable because if it is approved, the Parties will receive a resolution to their ongoing dispute.

23. Because the Settlement provides for a certain and immediate resolution, Nu Ride believes that the Settlement Agreement is in the best interests of the Post-Effective Date Debtors' estates and should be approved.

24. Courts normally defer to the trustee's business judgment so long as there is a legitimate business justification. *See id.; see also Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (Bankr. D. Del. 1999) (trustee need only have a "sound business purpose" to justify use of estate property pursuant to section 363(b)).

25. Here, Nu Ride submits that approval under section 363(b) of the Bankruptcy Court is required. The Settlement Agreement provides for, among other terms, a mutual general release and waiver of potential claims. *See Northview Motors, Inc. v. Chrysler Motors Corp.*, 186 F.3d 346, 350 (3d Cir. 1999) (settling a claim against a third party constitutes a sale of the claim under section 363 and subject to court approval). For all the reasons set forth above, Nu Ride, in an exercise of their sound business judgment, submit that the Settlement is fair, reasonable, and appropriate and should be approved by this Court.

NOTICE

26. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) CRI; and (c) parties requesting notice pursuant to Bankruptcy Rule 2002. Nu Ride submits that no other or further notice if necessary or required.

CONCLUSION

WHEREFORE, the Nu Ride respectfully requests that the Court grant the Motion and enter the Proposed Order (i) authorizing the Nu Ride to enter into the Settlement Agreement; (ii) approving the Settlement Agreement; and (iii) granting such other and further relief as is just and proper.

Dated: February 13, 2025

MORRIS JAMES LLP

/s/ Tara C. Pakrouh

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Defendant, Nu Ride Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
NU RIDE INC., *et al.*,[1]	Case No. 23-10831 (MFW)
Reorganized Debtors.	(Jointly Administered)
COHEN RECYCLING, INC., Plaintiff and Counterdefendant,	
vs.	Adv. Proc. No. 24-50127 (MFW)
NU RIDE INC., Defendant and Counterclaimant.	**Hearing Date: March 11, 2025 at 3:00 p.m. (ET)** **Objection Deadline: February 27, 2025 at 4:00 p.m. (ET)**

NOTICE OF MOTION OF NU RIDE INC. FOR APPROVAL OF STIPULATION AND SETTLEMENT AGREEMENT BETWEEN COHEN RECYCLING, INC., AND NU RIDE INC., PURSUANT TO BANKRUPTCY RULE 9019

PLEASE TAKE NOTICE that on February 13, 2025, the above-captioned reorganized debtors (the "Post-Effective Date Debtors" or "Nu Ride") by and through undersigned counsel, filed the *Motion of Nu Ride Inc. for Approval of Stipulation and Settlement Agreement Between Cohen Recycling, Inc., and Nu Ride Inc., Pursuant to Bankruptcy Rule 9019* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that responses, if any, to the Motion must be filed and received before **February 27, 2025, at 4:00 p.m. (ET) (the "Objection Deadline")** with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the response on undersigned counsel.

[1] The Post-Effective Date Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Reorganized Debtors' service address is: Nu Ride Inc. c/o William Gallagher, CEO, M 3 Partners, 1700 Broadway, 19th Floor, New York, NY 10019.

PLEASE TAKE FURTHER NOTICE that a hearing to consider the Motion will be held on **March 11, 2025, at 3:00 p.m. (ET)** before the Honorable Mary F. Walrath, United States Bankruptcy Judge for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801.

IF NO OBJECTIONS ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN CONNECTION WITH SUCH PLEADINGS WITHOUT FURTHER NOTICE OR HEARING.

Dated: February 13, 2025

MORRIS JAMES LLP

/s/ Tara C. Pakrouh

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Defendant, Nu Ride Inc.

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
NU RIDE INC., *et al.*,[1]	Case No. 23-10831 (MFW)
Reorganized Debtors.	(Jointly Administered)
COHEN RECYCLING, INC., Plaintiff and Counterdefendant,	
vs.	Adv. Proc. No. 24-50127 (MFW)
NU RIDE INC., Defendant and Counterclaimant.	

ORDER GRANTING MOTION OF NU RIDE INC. FOR APPROVAL OF STIPULATION AND SETTLEMENT AGREEMENT BETWEEN COHEN RECYCLING, INC., AND NU RIDE INC., PURSUANT TO BANKRUPTCY RULE 9019

Upon consideration of the *Motion of Nu Ride Inc. for Approval of Stipulation and Settlement Agreement Between Cohen Recycling, Inc., and Nu Ride Inc., Pursuant to Bankruptcy Rule 9019* (the "Motion")[2] and the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409, and (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having determined that adequate notice of the Motion was given; and that sufficient legal and

[1] The Reorganized Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Reorganized Debtors' service address is: Nu Ride Inc. c/o William Gallagher, CEO, M 3 Partners, 1700 Broadway, 19th Floor, New York, NY 10019.

[2] Capitalized terms otherwise noted defined herein shall have the same meanings ascribed to them in the Motion.

factual bases exist for the relief requested in the Motion; and after due deliberation, the Court having determined that the relief requested in the Motion is in the best interest of the Debtors' estates and their creditors; and good and sufficient cause having been shown; it is hereby **ORDERED** that:

1. The Motion is GRANTED, as set forth herein.

2. The Settlement Agreement attached as **Exhibit B** to the Motion is approved in its entirety pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019.

3. The Movants are hereby authorized to take such additional actions or execute such additional documents as are necessary or appropriate to implement the terms of the Settlement Agreement.

4. Notwithstanding the possibility of Rules 6004, 7062, or 9014 of the Bankruptcy Rules, any other Bankruptcy Rule, this Order shall be immediately effective and enforceable upon its entry and there shall be no stay of effectiveness or execution of this Order.

5. The Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation, implementation, or enforcement of the Settlement Agreement or this Order.

EXHIBIT B

Settlement Agreement

STIPULATION AND SETTLEMENT AGREEMENT
BETWEEN COHEN RECYCLING INC. AND NU RIDE INC.

This stipulation and settlement agreement (this "Agreement"), dated February 11, 2025, is made by and between Cohen Recycling Inc. ("CRI") and Nu Ride Inc. ("Nu Ride") and its affiliated debtors (together with Nu Ride, the "Debtors"). CRI, Nu Ride, and each of the Debtors are each a "Party" and together, the "Parties."

RECITALS

WHEREAS, on June 27, 2023 (the "Petition Date"), the Debtors each filed a voluntary petition under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

WHEREAS, prior to the Petition Date the Debtors had been engaged in the design, manufacture and sale of electric battery powered motor vehicles sold under the tradename "Endurance".

WHEREAS, the Debtors have represented that pursuant to the *Order (I) Authorizing, But Not Directing, the Debtors to Repurchase Endurance Trucks from Customers, and (II) Granting Related Relief* [Docket No. 731] (the "Vehicle Repurchase Order") entered by the Bankruptcy Court, the Debtors repurchased 31 Endurance Truck vehicles (the "Vehicles") in December 2023, and subsequently sold those vehicles to CRI in January 2024. The sale of the Vehicles by the Debtors to CRI resulted in the disputes at issue in the adversary proceeding styled as *Cohen Recycling, Inc. vs. Nu Ride Inc.*, No. 24-50127-MWF (the "Adversary Proceeding") and the Motion to Enforce (as defined below) and CRI's objection thereto.

WHEREAS, on March 6, 2024, the Bankruptcy Court confirmed the *Fourth Modified First Amended Joint Chapter 11 Plan of Lordstown Motors Corp. and its Affiliated Debtors*

[Docket No. 1066] (the "Plan," and the Order confirming the Plan [Docket No. 1069], the "Confirmation Order"). The Plan became effective on March 14, 2024 [*see* Docket No. 1096].

WHEREAS, CRI sold two of the Vehicles (VIN Numbers 7NYLEWFA0PM001056 and 7NYLEWFA3PM001035) to Ford Automotive in April 2024, and CRI has previously disassembled three of the Vehicles (VIN Numbers 7NYLEWFA7PM001040, 7NYLEWFA7PM001042, and 7NYLEWFAXPM001002).

WHEREAS, the Debtors filed the *Post-Effective Date Debtors' Motion For (A) Entry of an Order Enforcing the Vehicle Repurchase Order and (B) For Related Relief* [Docket No. 1314] (the "Motion to Enforce") in the main bankruptcy case styled as *In re Nu Ride Inc., et al.*, Case No. 23-10831-MFW (the "Main Bankruptcy Case"). CRI filed an objection to the Motion to Enforce [Docket No. 1345].

WHEREAS, on September 5, 2024, CRI initiated this Adversary Proceeding by filing a complaint [Docket No. 1303; Adv. Docket No. 1]. On September 26, 2024, CRI filed an amended complaint [Adv. Docket No. 3].

WHEREAS, on October 9, 2024, Nu Ride filed its *Answer, Affirmative Defenses, and Counterclaims* [Adv. Docket No. 5] and, on October 30, CRI filed its *Answers and Affirmative Defenses to Nu Ride Inc.'s Counterclaims* [Adv. Docket No. 16].

WHEREAS, each party has denied the other party's claims and entitlement to relief and maintains that they are not liable to one another for the claims set forth in the pleadings.

WHEREAS, the Parties, through their respective undersigned counsel, engaged in good faith negotiations with respect to resolving this Adversary Proceeding and the matters contemplated therein consensually.

WHEREAS, in consideration of the mutual covenants and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree to abide by the terms of this Agreement.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, AND UPON ENTRY OF AN ORDER APPROVING THIS AGREEMENT BY THE BANKRUPTCY COURT, IT IS SO ORDERED AS FOLLOWS:

1. The above Recitals are incorporated into this Agreement for all purposes.

2. **Effective Date**. The terms and conditions of this Settlement Agreement, and the obligations of the Parties to perform hereunder, shall become effective immediately upon the entry of the Order, as defined below (the "Effective Date"), except for certain obligations which may occur later as otherwise set forth herein.

3. The Vehicles were sold by the Debtors to CRI in CRI's capacity as a state licensed automotive dismantler and recycler.

4. CRI will refrain from operating, marketing, selling, or otherwise transferring any of the twenty-six (26) Vehicles remaining in CRI's possession (the "Remaining Vehicles") in their fully assembled or substantially fully assembled condition. CRI shall not allow any other party to operate, market, sell, or otherwise transfer any of the Remaining Vehicles in their fully assembled or substantially fully assembled condition while in CRI's custody, possession, or control. For the avoidance of doubt, it will be a violation of this Agreement by CRI if any Vehicle is sold or otherwise transferred in a fully assembled or substantially fully assembled condition, even if CRI expressly conditions the sale or transfer on the recipient of such sale or transfer agreeing to accept such sale or transfer with a "parts only" limitation.

5. CRI is permitted to sell or transfer parts from the Vehicles; *provided*, however, that CRI shall not sell or transfer all or substantially all of the parts from any one or more of the Vehicles (whether in a single transaction or a series of transactions) to a single purchaser or series of purchasers that CRI knows or reasonably should know intend to reassemble the parts into functioning Vehicles of the same type as the Vehicles that were sold to CRI by Nu Ride. For the avoidance of doubt, CRI may sell parts from the Vehicles that are to be incorporated by purchasers into functioning vehicles other than the Vehicles. For the further avoidance of doubt, and notwithstanding the anything to the contrary in this Agreement, CRI is **not** permitted to sell or otherwise transfer any Vehicle or any part of any Vehicle in such a way that allows CRI, the transferee, or any other party to use the fully-assembled or substantially fully assembled chassis, battery, and drivetrain of a Vehicle together with the body of a different vehicle.

6. CRI shall maintain the Remaining Vehicles at a secured facility controlled by CRI or its owners or affiliates at all times until such Vehicles and/or their parts are, respectively, dismantled or sold, recycled, or otherwise disposed of.

7. Within five (5) business days after the Bankruptcy Court's entry of the Order, the Parties shall file a stipulation of withdrawal of the Motion to Enforce and the objection thereto.

8. **Order**. The Parties agree to resolve all claims raised in the Adversary Proceeding and the Motion to Enforce through the entry of an order approving this Agreement (the "Order") substantially in form approved by all Parties. Entry by the Bankruptcy Court of the Order is a necessary and non-severable component of this Settlement Agreement.

9. **Releases.**

a. As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, Nu Ride hereby shall be deemed to have conclusively,

absolutely, unconditionally, irrevocably, and forever released, waived, and discharged CRI and each of CRI's current and former affiliates, and all of CRI's and such entities' current and former affiliates' current and former directors, managers, officers, predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, financial advisors, partners, attorneys, accountants, management companies, investment bankers, consultants, representatives, and other professionals, each in its capacity as such (the "CRI Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever (in each case, whether prepetition or postpetition) (collectively, "Claims"), that Nu Ride would have been legally entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including but not limited to any Claims arising under the Vehicle Repurchase Order; provided that nothing in the foregoing shall release any person from any claim or obligation arising under this Agreement.

b. As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, CRI hereby shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged Nu Ride and each of Nu Ride's current and former affiliates, and all of Nu Ride's and such entities' current and former affiliates' current and former directors, managers, officers, predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, financial advisors, partners, attorneys, accountants, management companies, investment bankers,

consultants, representatives, and other professionals, each in its capacity as such (the "Nu Ride Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever (in each case, whether prepetition or postpetition), that CRI would have been legally entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including but not limited to any Claims arising under the Vehicle Repurchase Order; provided that nothing in the foregoing shall release any person from any claim or obligation arising under this Agreement.

c. The Parties agree not to pursue any Claims that are released under this Agreement.

10. **Remedies for Breach**. Each Party has continuing obligations to comply with this Agreement. In the event of any breach of this Agreement, the breaching Party will be responsible for all costs, fees and expenses incurred by the non-breaching Party in any action seeking enforcement.

11. **Voluntary, Knowing Act Based on Independent Investigation**. The Parties acknowledge that they have read and fully understand the terms of this Settlement Agreement, that they have executed this Settlement Agreement without any threat, force, fraud, duress, or representation of any kind by any person or entity whatsoever, and that they are aware of the rights to which they are otherwise entitled by reason of the Adversary Proceeding. The Parties hereby represent and warrant that they have had full and adequate opportunity to investigate the nature and extent of the claims against each other and then decided to enter into this Settlement Agreement without reliance upon any representation, warranty, or other information provided by

any other Party that is not set forth in this Settlement Agreement. The Parties represent and warrant that they have had the opportunity to have full and appropriate representation by counsel of their own choice and that after consultation with their respective attorneys, after being duly apprised of their rights with respect to the Settlement Agreement, each freely accepts the terms, conditions, and provisions hereof and enters into this Settlement Agreement.

12. **Entire Agreement**. This Settlement Agreement and the Order constitute the entire agreement and understanding between the Parties relating to the subject matter contained herein and supersede all prior discussions, negotiations, and understandings between the Parties regarding such subject matter. This Settlement Agreement may not be altered, amended, or modified in any respect, or revoked or terminated, except by a writing duly executed by the Parties hereto or their successors or assigns, and order of the Bankruptcy Court if applicable.

13. **Consent Order**. With respect to the 26 unsold Vehicles and three disassembled Vehicles (VIN Numbers 7NYLEWFA7PM001040, 7NYLEWFA7PM001042, and 7NYLEWFAXPM001002), the Parties acknowledge and agree that this Agreement as entered is incorporated into the Order filed with the Court and is subject to all the powers, remedies, and the jurisdiction of the Court. With respect to the two Vehicles sold by CRI to Ford Automotive (VIN Numbers 7NYLEWFA0PM001056 and 7NYLEWFA3PM001035) nothing in this Agreement shall be interpreted as a release of or limitation on CRI's rights to defend any claims brought against CRI by Mr. Ahn or Ford Automotive.

14. **No Admission of Wrongdoing.** The Parties acknowledge and agree that this Agreement is entered into solely for the purpose of settling disputed claims and avoiding the expense and burden of litigation. Nothing in this Agreement, nor any actions taken pursuant to it, shall be construed as an admission of liability, wrongdoing, or any violation of law by any Party.

Each Party expressly denies any and all liability or wrongdoing in connection with the claims and disputes that are the subject of this Agreement. The Parties are entering into this Agreement solely as a means of compromising disputed claims and defenses; *provided that* nothing in this paragraph shall limit or affect the Parties' other obligations under this Agreement, including but not limited to CRI's obligations under paragraph 4 hereof.

15. **Governing Law**. This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflict of law provisions thereof that would dictate application of any other law. The Bankruptcy Court shall be the exclusive forum for resolution of disputes arising out of or relating to this Settlement Agreement and the Order.

16. **Binding Effect**. This Settlement Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, legatees, executors, estates, legal representatives, assigns, and other successors.

17. **Severability**. Except as otherwise provided in this Settlement Agreement, if any provision of this Settlement Agreement is determined by a court to be invalid or unenforceable to any extent, the remainder of this Settlement Agreement will remain unaffected and will be valid and enforceable to the fullest extent permitted by law.

18. **Counterparts**. This Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Signature pages emailed in a portable document format (.PDF) shall be acceptable and deemed binding on all Parties hereto as if they were originals. Signature pages may be executed electronically via Docusign or other similarly secure method.

[SIGNATURE PAGE FOLLOWS]

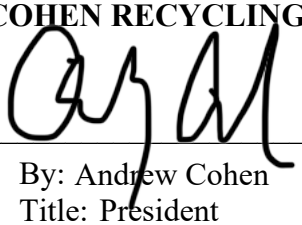
IN WITNESS WHEREOF, the Parties hereto have caused this Settlement Agreement to be executed as of the date first written above.

NU RIDE INC.

/s/ William Gallagher

By:William Gallagher
Title:Chief Executive Officer

COHEN RECYCLING INC.



By: Andrew Cohen
Title: President

MORRIS JAMES LLP */s/ Tara C. Pakrouh* Eric J. Monzo (DE Bar No. 5214) Tara C. Pakrouh (DE Bar No. 6192) 500 Delaware Avenue, Suite 1500 Wilmington, DE 19801 Telephone: (302) 888-6800 Facsimile: (302) 571-1750 E-mail: emonzo@morrisjames.com tpakrouh@morrisjames.com -and- **BROWN RUDNICK LLP** Robert J. Stark (admitted *pro hac vice*) Bennett S. Silverberg (*admitted pro hac vice*) Alexander F. Kasnetz (admitted *pro hac vice*) 7 Times Square New York, NY 10036 Telephone: (212) 209-4800 Facsimile: (212) 209-4801 E-mail: rstark@brownrudnick.com bsilverberg@brownrudnick.com mwinograd@brownrudnick.com -and- Sharon I. Dwoskin (admitted *pro hac vice*) James W. Stoll (admitted *pro hac vice*) One Financial Center Boston, MA 02111 Telephone: (617) 856-8200 Facsimile: (617) 856-8201 E-mail: sdwoskin@brownrudnick.com msawyer@brownrudnick.com *Counsel to Nu Ride Inc.*	**HILLER LAW, LLC** */s/ Adam Hiller* Adam Hiller (DE No. 4105) 300 Delaware Avenue, Suite 210, #227 Wilmington, Delaware 19801 (302) 442-7677 telephone ahiller@adamhillerlaw.com -and- Jeff Goldstein, Esquire Law Office of Jeffrey D. Goldstein, LLC 9211 Corporate Boulevard, Suite 350 Rockville, Maryland 20850 (301) 838-7047 telephone Jeff@Rockvillelaw.com *Counsel to Cohen Recycling Inc.*