

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

In re:

TRICIDA, INC.,¹

Debtor.

Chapter 11

Case No. 23-10024 (___)

**DEBTOR’S MOTION FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING
DEBTOR TO MAINTAIN CERTAIN POLICIES AND PROGRAMS AND
TO PAY ALL OBLIGATIONS WITH RESPECT THERETO;
(II) AUTHORIZING FINANCIAL INSTITUTIONS TO
HONOR AND PROCESS RELATED CHECKS AND
TRANSFERS; AND (III) GRANTING
RELATED RELIEF**

Tricida, Inc., as the debtor in possession in the above-captioned chapter 11 case (the “Debtor”), hereby submits this motion (this “Motion”), under sections 105(a), 362(d), 363(b), and 503(b) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 4001, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of interim and final orders (together, the “Proposed Orders”) (a) authorizing the Debtor to continue its Insurance Program (as defined below) and Workers’ Compensation Program, including making payment of all prepetition obligations related thereto; (b) authorizing applicable banks and other financial institutions (the “Banks”) to honor and process related checks and transfers; and (c) granting related relief. In support of this Motion, the Debtor submits the *Declaration of Lawrence Perkins in Support of the Debtor’s Chapter 11 Petition and First Day Pleadings*

¹ The Debtor in this chapter 11 case, together with the last four digits of the Debtor’s federal tax identification number, is Tricida, Inc. (2526). The Debtor’s service address is 7000 Shoreline Court, Suite 201, South San Francisco, CA 94080.



(the “First Day Declaration”), filed contemporaneously herewith and incorporated herein by reference.² In further support of this Motion, the Debtor respectfully states as follows:

STATUS OF THE CASE AND JURISDICTION

1. On the date hereof (the “Petition Date”), the Debtor filed a voluntary petition for relief under sections 101–1532 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”). The Debtor continues to operate its business as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner in this case, and no statutory committee has been appointed.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtor confirms its consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Local Rules”), to the entry of a final order or judgment by the Court in connection with this Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the First Day Declaration.

4. The statutory and other bases for the relief requested in this Motion are sections 105(a), 362(d), 363(b), and 503(b) of the Bankruptcy Code and Rules 4001, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure.

BACKGROUND OF THE DEBTOR

5. Founded in 2013, the Debtor is a clinical-stage pharmaceutical company focused on the development and commercialization of veverimer, a drug meant to slow the progression of CKD through the treatment of chronic metabolic acidosis. Veverimer is a new chemical entity discovered by the Debtor using its own proprietary technology. In addition to veverimer, the Debtor's intellectual property portfolio includes 233 patents in 52 different countries, including compositions-of-matter, dosage unit forms, methods-of-treatment, medical use, and methods of manufacture.

6. Additional information regarding the Debtor's business, capital structure and the circumstances preceding the Petition Date may be found in the First Day Declaration.

RELIEF REQUESTED

7. By this Motion, the Debtor seeks entry of the Proposed Orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, granting, among other things, the following relief:

- a. authorizing, but not directing, the Debtor to:
 - i continue its Insurance Program (as defined below) on an uninterrupted basis in accordance with the practices and procedures in effect prior to the Petition Date;
 - ii renew its Insurance Policies or obtain replacement policies as needed in the ordinary course of business without further Court approval;
 - iii pay or reimburse , in its discretion, all undisputed premiums, charges, claims, deductibles, retentions, administrative fees, Insurance Brokerage Fees (as defined below), and all other obligations relating to the Insurance Policies that are or may come due and payable, including any prepetition amounts (collectively, the "Insurance Obligations");

- iv continue paying and/or funding the Debtor's workers' compensation program (the "Workers' Compensation Program" together with the amounts related thereto, the "Workers' Compensation Obligations"), including administrative obligations to certain third parties in connection therewith, during this chapter 11 case in the ordinary course of business as such Workers' Compensation Program was in effect as of the Petition Date and as such may be modified, terminated, amended, or supplemented by the Debtor;
- b. authorizing the Banks to receive, process, honor, and pay any and all checks drawn on the Debtor's accounts and other transfers to the extent that those checks or transfers relate to Insurance Obligations; and
- c. granting related relief, including scheduling a final hearing to consider approval of the Motion on a final basis.

DESCRIPTION OF DEBTOR'S INSURANCE COVERAGE

I. Insurance Policies and Related Payment Obligations

8. The Debtor maintains an insurance program (the "Insurance Program") that comprises various liability, property, and other insurance policies (whether current or expired, and together with any agreements related thereto and any new policies that may be entered into, the "Insurance Policies") through several different insurance carriers (together with any third-party administrators, the "Insurance Carriers") including, but not limited to, the Insurance Policies and Insurance Carriers identified in **Exhibit C** to this Motion. The Insurance Policies provide the Debtor with insurance coverage for liabilities relating to, among other things, global general liability (includes property, general liability, hired & non-owned automobile, umbrella/excess liability, and foreign liability), umbrella (includes excess liability), fiduciary liability, employment practices liability, directors' and officers' liability, products/clinical trial liability, crime liability (includes employee theft, forgery or alteration, computer fraud, funds transfer, third party coverage, and social engineering), stock throughput, and cyber liability. The Debtor may also enter into replacement or new Insurance Policies after the date hereof due to the expiration or other termination of the Insurance Policies.

9. The aggregate amount of annual premiums on account of all of the Insurance Policies, including amounts for certain additional premium payments that have been made to extend the current term of certain policies, is approximately \$3,450,000.³ All of the premiums for the Insurance Policies have been paid in full, in advance. Notwithstanding that such premiums have been paid, the Debtor seeks authority, out of an abundance of caution, to honor any amounts owed on account of these or any other insurance policies in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies.

10. In addition to annual premiums, pursuant to certain of the Insurance Policies, the Debtor may be required to pay various other amounts including deductibles, retentions, administrative fees, and claims asserted under such policies. It is possible that the failure to pay these amounts may result in a loss of coverage under the Insurance Policies or other disputes with the Insurance Carriers over the parties' respective rights and obligations if such amounts remain unpaid. As of the Petition Date, no such amounts are outstanding, though such amounts may become due during the pendency of this chapter 11 case. The Debtor seeks authority to honor any such amounts owed on account of the Insurance Policies in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies.

11. Continuation of the current Insurance Policies and entry into new or replacement insurance policies is essential to the operation of the Debtor's business and is necessary to protect the Debtor from catastrophic, potential liability. Furthermore, in many instances, insurance coverage is required by the regulations, laws, and contracts that govern the Debtor's commercial activities, including the requirement imposed by the Office of the United States Trustee for the

³ In addition, the Debtor has independent directors' and officers' liability tail insurance policies for which they have already paid a premium of \$3,731,881.00.

District of Delaware (the “U.S. Trustee”) that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtor respectfully requests authority to enter into new insurance policies in the ordinary course of business.

II. Insurance Broker

12. The Debtor obtains its Insurance Policies through its insurance broker, Newfront Insurance (the “Insurance Broker”). The Insurance Broker assists the Debtor in obtaining comprehensive insurance coverage for its operations in the most cost-effective manner, negotiating policy terms, provisions, and premiums, assisting the Debtor with claims, and providing ongoing support throughout the applicable policy periods. The Debtor pays brokerage fees (the “Insurance Brokerage Fees”) to the Insurance Broker for its services, which are built into the premiums. As of the Petition Date, the Debtor does not believe it owes any amounts to the Insurance Broker on account of Insurance Brokerage Fees or any other prepetition obligations. Out of an abundance of caution, however, the Debtor seeks authority to honor any prepetition amounts owed to the Insurance Broker to the extent such amounts become due and owing.

III. The Debtor’s Workers’ Compensation Program

13. The Workers’ Compensation Program covers, among other things, workers’ compensation and employer liability for accidents, death, or disease sustained by employees. California Labor Code §§ 3700-3823 mandates that the Debtor provide for payment of all injury claims suffered by the Debtor’s employees arising out of the course and scope of their employment (the “Workers’ Compensation Claims”), either by obtaining third-party insurance or obtaining a certificate to self-insure from the California Department of Industrial Relations. The Debtor has elected to obtain third-party insurance through Travelers, which is serviced through its broker, Newfront Insurance. The annual premium for the Workers’ Compensation Program, including

labor costs, medical payments, and costs associated with the investigation of claims, medical records, examinations and bills, is approximately \$18,352.

14. As of the Petition Date, there is one known open claim under the Workers' Compensation Program pending appeal. Due to the Debtor's limited number of employees and maintenance of the Workers' compensation Program, the Debtor has not paid any amount since 2013 on account of Workers' Compensation Claims.⁴ The Debtor seeks authority to maintain the Workers' Compensation Program in the ordinary course of business and to pay all prepetition amounts related to the Workers' Compensation Program as well as amounts that may become due and owing with respect to the Workers' Compensation Program during this chapter 11 case.

BASIS FOR RELIEF REQUESTED

I. Maintaining the Insurance Policies and the Workers' Compensation Program Is Required Under the Bankruptcy Code, the U.S. Trustee Operating Guidelines, and Other Applicable Law

15. Maintaining the Debtor's insurance coverage under the Insurance Policies and the Workers' Compensation Program are a critical, ordinary course of business transactions. Under section 1112(b)(4)(C) of the Bankruptcy Code, a "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case.⁵ In addition, in many instances, the coverage provided under the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtor's commercial activities, including, during the pendency of this chapter 11 case, the operating guidelines issued

⁴ The Debtor's Worker's Compensation Program has paid amounts in connection with Workers' Compensation Claims.

⁵ 11 U.S.C. § 1112(b)(4)(C).

by the U.S. Trustee for Region 3 (the “U.S. Trustee Guidelines”).⁶ Moreover, applicable state law requires the Debtor to maintain the Workers’ Compensation Program.

16. Given this backdrop, it is essential to the Debtor’s estate and is consistent with the Bankruptcy Code and the U.S. Trustee Guidelines that the Debtor be authorized to maintain and continue making all payments required under its Insurance Policies and the Workers’ Compensation Program. It is similarly critical that the Debtor has the authority to supplement, amend, extend, renew, or replace its Insurance Policies as needed, in its business judgment, without further order of the Court.

II. Payments Made in Connection With the Insurance Policies and the Workers’ Compensation Program Are Authorized Pursuant to Section 363 of the Bankruptcy Code

17. Payments made in connection with the Insurance Policies and the Workers’ Compensation Program, as well as the payment of any Insurance Obligations, Insurance Brokerage Fees, and the Workers’ Compensation Claims in connection therewith (other than certain prepetition amounts addressed below), fall within the ordinary course of business and are therefore authorized pursuant to section 363(c)(1) of the Bankruptcy Code.⁷

18. Here, maintaining the Insurance Policies and the Workers’ Compensation Program and honoring the obligations with respect thereto, including undertaking renewals of the Insurance Policies as they expire or entering into new insurance arrangements, are not only essential to ongoing operations, but also are the type of ordinary course transactions contemplated by section 363(c)(1) of the Bankruptcy Code. Accordingly, the Debtor asserts that 363(c)(1) authorizes the

⁶ See, e.g., 28 U.S.C. § 959(b) (obligating chapter 11 debtors under federal law to operate their business and manage their property according to the laws of the states where such business and property are located).

⁷ 11 U.S.C. § 363(c)(1) (authorizing the trustee or debtor in possession to enter into transactions in the ordinary course of business, without notice or hearing).

continued post-petition payment of all obligations related to the Insurance Policies and Workers' Compensation Program without this Court's approval. Out of an abundance of caution, however, and to provide certainty to its Insurance Carriers, the Insurance Broker, and the employees subject to the Workers' Compensation Program, the Debtor respectfully requests authorization to continue, maintain, and renew its Insurance Policies and pay all Insurance Obligations relating thereto.

III. Continuation of Payments with Respect to the Insurance Policies and the Workers' Compensation Program and Payment of Any Related Obligations Is Necessary to Protect and Preserve the Debtor's Estate

19. Postpetition payments made to maintain the Insurance Policies and the Workers' Compensation Program, as well as the payments of any Insurance Obligations or Workers' Compensation Claims made in connection therewith, fall within the Debtor's ordinary course of business and are therefore authorized pursuant to section 363(c)(1) of the Bankruptcy Code. To the extent that any such actions do not constitute ordinary-course transactions, however, the Debtor respectfully requests that the Court authorize the Debtor to continue to make payments related to the Insurance Policies and Workers' Compensation Program, including any prepetition amounts owed with respect thereto, pursuant to sections 105(a), 363(b), and 503(b) of the Bankruptcy Code.

20. Under section 363(b)(1) of the Bankruptcy Code, "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate."⁸ The business judgment rule is satisfied where "the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company."⁹ "Where the debtor articulates a reasonable basis for its business decisions (as

⁸ 11 U.S.C. § 363(b)(1); see also *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989).

⁹ See, e.g., *Official Comm. Of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); see also *F.D.I.C. v.*

distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct."¹⁰ Courts construing Delaware law have consistently declined to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence, and have upheld a board's decisions as long as such decisions were made in good faith.¹¹

21. Moreover, section 105(a) of the Bankruptcy Code empowers the court to "issue any order, process, or judgment that is necessary and appropriate to carry out the provisions of this title."¹² A bankruptcy court may use its equitable powers under section 105 of the Bankruptcy Code to permit a debtor in possession to pay prepetition claims where payment is necessary to effectuate a debtor's bankruptcy goals and essential to the continued operation of the business.¹³

22. Finally, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the "implied duty of the debtor in possession to 'protect and preserve the estate, including an operating business' going-concern value." Accordingly, the above-referenced sections of the Bankruptcy Code and the Bankruptcy Rules authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of a debtor's estate.

Castetter, 184 F.3d 1040, 1043 (9th Cir. 1999) (the business judgment rule "requires directors to perform their duties in good faith and as an ordinarily prudent person in a like circumstance would").

¹⁰ *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).

¹¹ See *In re Federal Mogul Global, Inc.*, 293 B.R. 124, 126 (D. Del. 2003) (explaining that under the business judgment standard, a court should approve a debtor's business decision unless it was the product of bad faith or a gross abuse of discretion); *In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) ("Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task."); *In re Filene's Basement, LLC*, 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) ("If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate").

¹² 11 U.S.C. § 105(a).

¹³ *Miltenberger v. Logansport C. & S.W.R. Co.*, 106 U.S. 286, 312 (1882); *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981); *In re Just for Feet, Inc.*, 242 B.R. 821, 825 (D. Del. 1999) (finding under the necessity of payment doctrine that prepetition claims may be paid if they are essential to the continued operation of the business).

23. While the Debtor here is unaware of any prepetition amounts that may be due under the Insurance Policies or Insurance Obligations, failure to pay any such amounts to the extent they come due could result in the termination of the Insurance Policies. Such termination would force the Debtor to cease operations at a time when it is focusing on running a value maximizing sale process for the benefit of its creditors and stakeholders. It would also leave the Debtor open to potential catastrophic liability, which would reduce the available assets and estimated recovery for all parties. Accordingly, to the extent any prepetition amounts relating to the Insurance Policies or Insurance Obligations come due and owing, the Debtor seeks authority to pay amounts.

IV. The Automatic Stay Should Be Modified for Workers' Compensation Claims

24. Section 362(a) of the Bankruptcy Code operates to stay:

the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title¹⁴

Section 362(d), however, permits a debtor or other party in interest to request a modification or termination of the automatic stay for “cause.”

25. To the extent the Debtor's employees hold claims under the Workers' Compensation Program, the Debtor seeks authority under section 362(d) to permit, in the Debtor's sole discretion, those employees to proceed with their Workers' Compensation Claims, in the appropriate judicial or administrative forum, and to receive any payments to which they are entitled under the Workers' Compensation Program. Modification of the automatic stay as requested is consistent with the continuation of the Workers' Compensation Program and necessary for the

¹⁴ 11 U.S.C. § 362(d).

covered employees to pursue their Workers' Compensation Claims. Accordingly, the Court should (a) modify the automatic stay as it relates to Workers' Compensation Claims to allow, in the Debtor's sole discretion, any such claims to proceed to resolution and (b) waive corresponding notice requirements under Bankruptcy Rule 4001. The Court should also authorize the Debtor, to the extent required by law or under the Workers' Compensation Program, to pay all or part of a claim related thereto directly to an employee, any of his or her medical providers, or any of his or her heirs or legal representatives, as set forth in the applicable law or policy.

V. Applicable Banks Should be Authorized to Receive, Process, Honor, and Pay Checks Issued and Transfers Requested on Account of the Insurance Obligations and Workers' Compensation Program

26. In the ordinary course of business, the Debtor draws upon funds in its bank accounts to satisfy the Insurance Obligations and the Workers' Compensation Program. The Debtor respectfully requests that the Court authorize the Banks at which the Debtor maintains its accounts to receive, process, honor, and pay, to the extent of funds on deposit, any and all checks issued or to be issued and electronic funds transfers requested or to be requested by the Debtor relating to Insurance Obligations or the Workers' Compensation Program. The Debtor also seeks authority to issue new postpetition checks or effect new postpetition electronic funds transfers in replacement of any checks or transfer requests on account of Insurance Obligations or the Workers' Compensation Program dishonored or rejected as a result of the commencement of this chapter 11 case.

THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED

27. The Debtor asserts that immediate relief is necessary to avoid immediate and irreparable harm. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." For the reasons discussed above, entry of the proposed interim

order is integral to the Debtor's ability to successfully transition into chapter 11 and run an orderly sale. Specifically, the relief requested is necessary to avoid a severe disruption of the Debtor's sale process and operations at this critical juncture and, in turn, to preserve and maximize the value of the Debtor's estate for the benefit of all stakeholders. Accordingly, the Debtor submits that it has satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully requests that the Court approve the relief requested in this Motion.

REQUEST FOR BANKRUPTCY RULE 6004 WAIVERS

28. The Debtor requests a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above and in the First Day Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtor's sale process and to preserve and maximize the value of the Debtor's estate for all stakeholders. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

RESERVATION OF RIGHTS

29. Nothing contained herein or any action taken pursuant to relief requested is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made

pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtor's or any party in interest's rights to subsequently dispute such claim.

NOTICE

30. Notice of this Motion has been provided to: (a) the U.S. Trustee; (b) the holders of the 20 largest unsecured claims against the Debtor; (c) Davis Polk & Wardwell LLP and Greenberg Traurig, LLP counsel to (1) U.S. Bank, the indenture trustee to the 3.50% Convertible Senior Notes Due 2027 and (2) certain holders of 3.50% Convertible Senior Notes Due 2027; (e) the United States Attorney's Office for the District of Delaware; (f) the Internal Revenue Service; (g) the Securities and Exchange Commission; (h) the United States Food and Drug Administration; (i) the Insurance Carriers; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtor respectfully requests entry of the Proposed Orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: January 11, 2023
Wilmington, Delaware

/s/ Sean M. Beach

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Exhibit A

Proposed Interim Order

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

In re:

TRICIDA, INC.,¹

Debtor.

Chapter 11

Case No. 23-10024 (___)

Re: Docket No. ___

**INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO MAINTAIN CERTAIN
POLICIES AND PROGRAMS AND TO PAY ALL OBLIGATIONS WITH
RESPECT THERETO; (II) AUTHORIZING FINANCIAL INSTITUTIONS
TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS
AND (III) GRANTING RELATED RELIEF**

Upon consideration of the motion (“Motion”)² of Tricida, Inc., as debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor”), for entry of an interim order (a) authorizing the Debtor to continue its Insurance Program and Workers’ Compensation Program, including by the payment of all prepetition obligations related thereto; (b) authorizing applicable banks and other financial institutions to honor and process related checks and transfers; and (c) granting related relief, including scheduling a hearing to consider approval of the Motion on a final basis, each as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III

¹ The Debtor in this chapter 11 case, together with the last four digits of the Debtor’s federal tax identification number, is Tricida, Inc. (2526). The Debtor’s service address is 7000 Shoreline Court, Suite 201, South San Francisco, CA 94080.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Motion.

of the United States Constitution; and venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and opportunity for hearing on the Motion having been given; and the Court having determined that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate, as contemplated by Bankruptcy Rule 6003; and the relief requested in the Motion being in the best interests of the Debtor's estate, its creditors, and other parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is GRANTED on an interim basis as set forth herein.

2. The final hearing on the Motion shall be held on _____, 2023 at _____ (prevailing Eastern Time) (the "Final Hearing"). Any objections or responses to entry of the proposed final order shall be filed on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2023. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter a final order without need for the Final Hearing.

3. The Debtor is authorized, but not directed, to continue and maintain the Insurance Program (including payment of the Insurance Obligations thereunder) and the Workers' Compensation Program, and to perform all of its obligations with respect thereto, provided that the Debtor shall not satisfy any amounts that come due in connection with pre-petition obligations in excess of \$50,000 without an order from this Court.

4. The Debtor is authorized, but not directed, in the ordinary course of business to revise, renew, roll over, replace, extend, supplement or otherwise modify its insurance coverage

as needed, including, without limitation, through the purchase of new or the renewal of existing Insurance Policies.

5. Pursuant to section 362(d) of the Bankruptcy Code, to the extent any of the Debtor's employees hold claims under or in connection with the Workers' Compensation Program, in the Debtor's sole discretion, the Debtor may authorize its employees to proceed with their Workers' Compensation Claims through and including the collection or payment of any judgment or claim under the Workers' Compensation Program; provided, that, the prosecution of such claims is in accordance with the Workers' Compensation Program and the recoveries are limited to the proceeds available under the Workers' Compensation Program.

6. Applicable banks and financial institutions are authorized, but not directed, at the Debtor's request, to receive, process, honor and pay, to the extent of funds on deposit, any and all checks issued or to be issued or electronic funds transfers requested or to be requested by the Debtor relating to the Insurance Obligations or the Workers' Compensation Program.

7. The Debtor is authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers on account of the Insurance Obligations or the Workers' Compensation Program, to replace any prepetition checks or electronic funds transfer requests that may be lost, dishonored, or rejected as a result of the commencement of this chapter 11 case.

8. Nothing in this interim order constitutes (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under

section 365 of the Bankruptcy Code. Any payment made pursuant to this order is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to subsequently dispute such claim.

9. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief granted in this interim order is necessary to avoid immediate and irreparable harm to the Debtor's estate.

10. Notice of the Motion shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are waived by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this interim order are immediately effective and enforceable upon its entry.

12. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this interim order in accordance with the Motion.

13. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation and enforcement of this interim order.

Exhibit B

Proposed Final Order

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

In re:

TRICIDA, INC.,¹

Debtor.

Chapter 11

Case No. 23-10024 (___)

Re: Docket No. ___

**FINAL ORDER (I) AUTHORIZING THE DEBTOR TO MAINTAIN CERTAIN
POLICIES AND PROGRAMS AND TO PAY ALL OBLIGATIONS WITH
RESPECT THERETO; (II) AUTHORIZING FINANCIAL INSTITUTIONS
TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS;
AND (III) GRANTING RELATED RELIEF**

Upon consideration of the motion (“Motion”)² of Tricida, Inc., as debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor”), for entry of a final order (a) authorizing the Debtor to continue its Insurance Program and Workers’ Compensation Program, including by the payment of all prepetition obligations related thereto; (b) authorizing applicable banks and other financial institutions to honor and process related checks and transfers; and (c) granting related relief, each as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the

¹ The Debtor in this chapter 11 case, together with the last four digits of the Debtor’s federal tax identification number, is Tricida, Inc. (2526). The Debtor’s service address is 7000 Shoreline Court, Suite 201, South San Francisco, CA 94080.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Motion.

Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and opportunity for a hearing on the Motion having been given; and the relief requested in the Motion being in the best interests of the Debtor's estate, its creditors, and other parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is GRANTED on a final basis as set forth herein.
2. The Debtor is authorized, but not directed, to continue and maintain the Insurance Program (including payment of the Insurance Obligations thereunder) and the Workers' Compensation Program, and to perform all of its obligations with respect thereto.
3. The Debtor is authorized, but not directed, in the ordinary course of business to revise, renew, roll over, replace, extend, supplement or otherwise modify its insurance coverage as needed, including, without limitation, through the purchase of new or the renewal of existing Insurance Policies.
4. Pursuant to section 362(d) of the Bankruptcy Code, to the extent any of the Debtor's employees hold claims under or in connection with the Workers' Compensation Program, in the Debtor's sole discretion, the Debtor may authorize its employees to proceed with their Workers' Compensation Claims through and including the collection or payment of any judgment or claim under the Workers' Compensation Program; provided, that, the prosecution of such claims is in accordance with the Workers' Compensation Program and the recoveries are limited to the proceeds available under the Workers' Compensation Program.

5. Applicable banks and financial institutions are authorized, but not directed, at the Debtor's request, to receive, process, honor and pay, to the extent of funds on deposit, any and all checks issued or to be issued or electronic funds transfers requested or to be requested by the Debtor relating to the Insurance Obligations or the Workers' Compensation Program.

6. The Debtor is authorized, but not directed, to issue new post-petition checks, or effect new electronic funds transfers on account of the Insurance Obligations or the Workers' Compensation Program, to replace any prepetition checks or electronic funds transfer requests that may be lost, dishonored, or rejected as a result of the commencement of this chapter 11 case.

7. Nothing in this final order constitutes (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code. Any payment made pursuant to this order is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to subsequently dispute such claim.

8. Notice of the Motion shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are waived by such notice.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this final order are immediately effective and enforceable upon its entry.

10. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this final order in accordance with the Motion.

11. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation and enforcement of this final order.

Exhibit C

Insurance Policies

EXHIBIT C

Type of Policy	Insurance Carrier	Policy Number	Effective Dates
Property	Travelers / Travelers Prop Cas of America	ZLP-71N47973	02/02/2022 - 02/02/2023
General Liability	Travelers / Travelers Prop Cas of America	ZLP-71N47973	02/02/2022 - 02/02/2023
Hired & Non-Owned Automobile	Travelers / Travelers Prop Cas of America	ZLP-71N47973	02/02/2022 - 02/02/2023
Umbrella/Excess Liability - Layer 1	Travelers / Travelers Prop Cas of America	ZLP-71N47973	02/02/2022 - 02/02/2023
Foreign Package	Travelers / Travelers Prop Cas of America	ZLP-71N47973	02/02/2022 - 02/02/2023
Products / Clinical Trial Liability	Medmarc / Noetic Specialty	N22CA380019	02/02/2022 - 02/02/2023
Umbrella/Excess Liability - Layer 2	Berkley life Sciences / Gemini	CUP-0T946890	02/02/2022 - 02/02/2023
Workers' Compensation	Travelers / Travelers Prop Cas of America	UB-4T485863	07/01/2022 - 07/01/2023
Fiduciary Liability	Chubb / Federal Ins Co	82483715	02/02/2022 - 02/02/2023
Crime	Chubb / Federal Ins Co	82488735	02/02/2022 - 02/02/2023
Stock Throughput	Falvey / Lloyd's of London	MC-FAL-10000390	02/02/2022 - 02/02/2023
Cyber Liability - \$3m Primary	Markel/ Evanston	MKLV5PCY000052	02/16/2022 - 02/02/2023
Cyber Liability - \$2m Excess of \$3m	Corvus / Hudson Excess	CXS3032210000	02/16/2022 - 02/02/2023
Employment Practices Liability	CAN/ Continental Casualty Company	652050630	01/02/2022 - 04/15/2023
Directors & Officers Liability - \$5m Primary	Chubb / Federal Ins Co	8262-0321	06/15/2021 - 04/15/2023
Directors & Officers Liability - \$5m xs \$5m	Hudson Insurance Company	HN-030-5112-062721	06/15/2021 - 04/15/2023
Directors & Officers Liability - \$5m xs \$10m	Berkley Insurance Company	BPRO8064360	06/15/2021 - 04/15/2023
Directors & Officers Liability - \$5m xs \$15m	XL Specialty Insurance Company	ELU175807-21	06/15/2021 - 04/15/2023
Directors & Officers Liability - \$5m xs \$20m	Old Republic Insurance Company	ORPRO 12 100744	06/15/2021 - 04/15/2023
Directors & Officers Liability - \$5m xs \$25m Side A DIC	Chubb / ACE American Insurance Company	DOX G31327647 004	06/15/2021 - 04/15/2023
Directors & Officers Liability - \$5m xs \$30m Excess Side A DIC	Hudson Insurance Company	HN-0303-5736-062721	06/15/2021 - 04/15/2023
Directors & Officers Liability - Side A Tail	Chubb	8262-0321	01/11/2023 - 01/11/2028
	Hudson Insurance Company	HN-0303-5112-062721	01/11/2023 - 01/11/2028
	Berkley Insurance Company	BPRO8064360	01/11/2023 - 01/11/2028
	XL Specialty Insurance Company	ELU175807-21	01/11/2023 - 01/11/2028
	Old Republic Insurance Company	ORPRO 12 100744	01/11/2023 - 01/11/2028
	Chubb	DOX G31327647 004	01/11/2023 - 01/11/2028
ERISA Bond	Travelers Casualty and Surety Company of America	106183248	10/15/2020 - 10/15/2023