

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

In re:

TRICIDA, INC.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 23-10024 (JTD)

**Re: Docket Nos. 11, 100, & 211**

**DECLARATION OF ALEXANDER V. ROHAN  
IN SUPPORT OF THE DEBTOR'S MOTION FOR THE  
SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS**

I, Alexander V. Rohan, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director of the advisory and investment banking firm of Miller Buckfire, LLC ("Miller Buckfire"), which is a wholly owned affiliate of Stifel, Nicolaus & Company, Inc. ("Stifel" and, collectively with Miller Buckfire, "Stifel-MB") and maintains its principal office at 787 7th Avenue, New York, New York 10019. Stifel-MB is the investment banker to Tricida, Inc., the debtor and debtor in possession (the "Debtor") in the above-captioned chapter 11 case (the "Chapter 11 Case").

2. On January 11, 2023, I submitted a declaration [Docket No. 13] (the "Initial Declaration") in support of the *Debtor's Motion for Entry of (I) an Order (A) Approving Certain Bidding Procedures and the Form and Manner of Notice Thereof, (B) Scheduling an Auction and a Hearing on the Approval of the Sale of All or Substantially All of the Debtor's Assets, (C) Establishing Certain Assumption and Assignment Procedures and Approving the Manner of Notice Thereof, and (D) Granting Related Relief; and (II) an Order (A) Authorizing and Approving*

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<sup>1</sup> 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 Debtor's Entry into an Asset Purchase Agreement, (B) Authorizing the Sale of All or Substantially All of the Debtor's Assets Free and Clear of All Encumbrances, (C) Approving the Assumption and Assignment of the Assumed Contracts, and (D) Granting Related Relief* [Docket No. 11] (the "Sale Motion").

3. I submit this supplemental declaration (this "Supplemental Declaration") in further support of the Sale Motion and in support of *Debtor's Reply to the Objection of the Official Committee Of Unsecured Creditors to Debtor's Motion for Entry of an Order (I) Authorizing and Approving the Debtor's Entry into Asset Purchase Agreements, (II) Authorizing the Sale of All or Substantially All of the Debtor's Assets Free and Clear of All Encumbrances, (III) Approving the Assumption and Assignment of the Assumed Contracts, and (IV) Granting Related Relief* (the "Reply")<sup>2</sup> filed contemporaneously herewith.

4. I am authorized to execute this Supplemental Declaration on behalf of Stifel-MB in my capacity as a Managing Director of Miller Buckfire. Except as otherwise indicated, all facts set forth in this Supplemental Declaration are based upon my personal knowledge or opinion, information learned from my review of relevant documents, and information I have received from the Debtor's employees, its other advisors, or from other members of the team at Miller Buckfire and Stifel. If I were called to testify, I could and would testify competently to the facts set forth herein.

**A. Professional Qualifications**

5. Miller Buckfire is a leading investment bank focused on providing strategic and financial advisory services in financial restructurings, recapitalizations and other complex situations. Miller Buckfire and its professionals have extensive experience working with

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Motion or the Reply, as applicable or as context requires.

financially troubled companies in complex financing, restructuring and liability management transactions both in chapter 11 cases and in out-of-court situations. Miller Buckfire was acquired by Stifel in December 2012, at which point it became a wholly owned affiliate.

6. Stifel is a global, full-service investment banking firm that provides a wide array of financial advisory capabilities to its clients, including mergers and acquisitions, debt and equity capital markets and fund placement, among others. Stifel has over 600 investment banking professionals and trades on the New York Stock Exchange (ticker symbol: SF), with a current market capitalization of approximately \$7 billion. In this case, Stifel's healthcare investment banking team, comprised of approximately 58 professionals in the United States and Europe with extensive biotech and industry expertise, worked alongside Miller Buckfire in connection with the sale process.

7. I have over 26 years of experience, most of which has involved complex restructuring transactions. Specifically, I have been a Managing Director at Miller Buckfire since 2020. Prior to joining Miller Buckfire, I was a Senior Managing Director or Managing Director in the restructuring groups of B. Riley FBR, Inc., Guggenheim Securities, and Jefferies. Prior to my investment banking experience, I held senior restructuring-related roles at GE Asset Management (n/k/a Genworth Financial) and was a bankruptcy attorney at Paul, Weiss, Rifkind, Wharton & Garrison LLP. I began my career as an auditor at Ernst & Young LLP and a senior accountant at AIG.

8. Throughout my career, I have advised on approximately 125 transactions representing in excess of \$150 billion in liabilities and involving balance sheet restructurings, capital raising, mergers and acquisitions, exchanges, amendments, waivers, consents, tenders, direct investments, business unit dispositions and collective bargaining agreements. My

restructuring experience includes advising a wide range of stakeholders in complex transactions in and out-of-court. Furthermore, I have substantial experience in sale processes in chapter 11 cases in various roles some of which include: *In re PhaseBio Pharmaceuticals Inc.*, No. 22-10995 (Bankr. D. Del. Nov. 4, 2022) (advising debtor); *In re Compute North Holdings, Inc.*, No. 22-90273 (Bankr. S.D. Tex. Sept. 22, 2022) (advising creditors); *In re Washington Prime Group Inc.*, No. 21-31948 (Bankr. S.D. Tex. June 13, 2021) (advising equity holders); *In re GNC Holdings, Inc.* (Bankr. D. Del. June 23, 2020) (advising creditors); *In re Inverness Village*, No. 19-11510 (Bankr. N.D. Okla. July 22, 2019) (advising debtors); *In re Americore Holdings, LLC* (Bankr. E.D. Ky. Dec. 31, 2019) (advising debtors); *In re Pernix Therapeutics Holdings, Inc.* (Bankr. D. Del. Feb. 18, 2019) (advising creditors); *In re Appvion, Inc.*, No. 17-12082 (Bankr. D. Del. Oct. 1, 2017) (advising debtors); *In re Dendreon Corporation* (Bankr. D. Del. Nov. 10, 2014) (advising creditors); *In re Brookstone Holdings Corp.*, No. 14-10752 (Bankr. D. Del. April 3, 2014) (advising debtors); *In re Exide Technologies*, No. 13-11482 (Bankr. D. Del. June 10, 2013) (advising potential buyer); *In re ATP Oil & Gas Corp.*, No. 12-36187 (Bankr. S.D. Tex. August 17, 2012) (advising debtors); *In re Contract Research Solutions, Inc.*, No. 12-11004 (Bankr. D. Del. March 26, 2012) (advising debtors).

9. I received a Juris Doctor from NYU School of Law in 2000 and a BBA in Public Accounting from Pace University in 1993. I am a Chartered Financial Analyst charterholder and Certified Public Accountant (inactive). I also hold the following securities industry licenses from the Financial Industry Regulatory Authority: Series 7, 24 and 63.

10. I currently serve as a member of the board of directors for the following non-profit organizations: May Ellen and Gerald Ritter Foundation, BuildOn, and the Stamford Police Foundation.

**B. The Debtor's Prepetition Marketing Process**

11. As set forth in the First Day Declaration and the Initial Declaration, beginning in late October 2022, following an unsuccessful Phase 3(b) drug trial, the Debtor determined that it was necessary to explore strategic alternatives aimed at maximizing optionality while containing costs wherever possible to best preserve available liquidity and maximize the value of the Debtor's Assets for all its stakeholders. On November 3, 2022 the Debtor retained Stifel-MB to assist in these efforts, and commencing in early November 2022, the Debtor with the assistance of its professional advisors pursued multiple work streams to evaluate a range of strategic alternatives with the goal of maximizing the value of the Debtor and its Assets. After conducting initial due diligence, the Debtor, in consultation with Stifel-MB, launched a marketing process for the Assets on November 14, 2022. In order to further ensure a robust process, the Debtor made public through an 8-K filing (the "November 8-K") certain information regarding veverimer including potential future applications.<sup>3</sup>

12. Initially, Stifel-MB contacted or received inbound interest from approximately fifty-three (53) strategic and financial parties regarding a potential transaction, primarily comprised of large-cap and mid-cap public and private companies with strategic interests in nephrology or renal and metabolic therapeutic categories. With respect to this outreach process, Stifel-MB prioritized parties with both adequate commercial infrastructure and drug development capabilities along with sufficient capital resources—or a reasonable likelihood of being able to obtain such capital—to consummate a transaction that would maximize the value of the Debtor or its Assets. These parties were provided non-confidential presentation materials prepared by the

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<sup>3</sup> Tricida's presentation, dated November 2022, can be accessed via the U.S. Securities and Exchange Commission's website: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001595585/000159558522000089/tcda-20221115.htm>, Exhibit 99.1.

Debtor that were disclosed in the November 8-K. For parties who executed a non-disclosure agreement, the Debtor provided certain confidential information, including access to a virtual data room.

13. In addition, throughout this prepetition process, Stifel-MB and the Debtor's other advisors held a number of calls and meetings with the advisors to certain holders of the 3.50% convertible senior notes due 2027 (the "Joint Noteholders") regarding, among other things, the marketing process, strategic alternatives and potential next steps. On January 11, 2023 the Debtor entered into a Restructuring Support Agreement with the Joint Noteholders, which contemplated the continuation of the prepetition marketing process in connection with the Debtor's chapter 11 filing.

### **C. The Debtor's Postpetition Marketing and Sale Process**

14. Shortly after commencing the chapter 11 case, Stifel-MB launched the postpetition marketing process. This process was designed to build upon the prepetition efforts by marketing the Debtor's assets to an even broader group of potential buyers, which included the parties contacted prepetition, additional parties identified by the Debtor and its advisors, and all parties suggested by the advisors to the Joint Noteholders and the Official Committee of Unsecured Creditors ("Committee").<sup>4</sup> The expanded process included strategic and financial parties as well as distress-oriented investors who may be interested in the Debtor's intellectual property ("IP") and fixed assets. As a result, the Debtor and its advisors communicated with a total of eighty-seven (87) parties. Those parties received information regarding the proposed Bidding Procedures and access to non-confidential information, including a corporate presentation. In total, eight (8)

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<sup>4</sup> The advisors to the Joint Noteholders suggested six potential parties, all of which were contacted. None of those parties requested a non-disclosure agreement. The advisors to the Committee originally suggested five potential parties, however one of those parties was already contacted during the postpetition process; the remaining four parties were contacted and none of those parties requested a non-disclosure agreement.

parties executed a non-disclosure agreement and received additional materials, access to a virtual data room and in some cases, meetings with management. Throughout the process, the advisors to the Joint Noteholders and Committee received regular status updates from the Debtor's advisors.

15. On January 26, 2023 the Court entered the Bid Procedures Order which established the Bid Deadline of February 10, 2023 and auction date of February 15, 2023.

16. On February 9, 2023 and February 10, 2023 the Debtor received bid submissions from Potential Bidders for two distinct groups of Assets: (a) all of the Debtor's laboratory equipment; and (b) the Debtor's intellectual property, inventory and other assets. As part of the bid submission packages, each qualified bidder provided evidence of its financial wherewithal to consummate its proposed transaction as well as a good faith deposit of 10% of the cash purchase price. The Debtor's advisors held calls with the Consultation Parties on February 10, 2023 to discuss the submissions. That same day, the Debtor's advisors provided the bid submissions and a bid summary presentation to the Consultation Parties. Over the following days, the Debtor worked with the Potential Bidders to improve their bids and revise their proposed Purchase Agreements, with input from and updates to the Consultation Parties.

17. I understand, on information and belief, that on February 14, 2023, the Debtor conferred with the Consultation Parties on the status of the bids received and the upcoming commencement of an Auction for the Assets. The Debtor then informed the Potential Bidders that it intended to move forward with an in-person Auction at the offices of Sidley Austin in New York in an effort to maximize the value of the Assets. The Debtor sent the current bid from each of the Potential Bidders to the Consultation Parties in advance of the Auction.

#### **D. The Auction**

18. On February 15, 2023, the Debtor, following extensive in-person, phone, and email consultations with the Consultation Parties, determined it would maximize value to separate the

Assets into two lots: the first (“Lot 1”) consisted of the Debtor’s lab equipment, for which Liquidity Services and HGP presented competing bids, and the second (“Lot 2”), comprised all of the Debtor’s other Assets, primarily composed of its intellectual property Assets, for which Renibus and Patheon presented competing bids.

19. The Auction for the Lot 1 Assets occurred on February 15, 2023; the Auction for the Lot 2 Assets commenced on February 15, 2023, was continued to February 16, 2023 and again to February 20, 2023. The February 15, 2023, February 16, 2023, and February 20, 2023 transcripts of the Auction are attached hereto as **Exhibit 1**, **Exhibit 2**, and **Exhibit 3**, respectively.

20. First, with respect to Lot 1, the Debtor announced the \$145,000 bid submitted by Liquidity Services as the Starting Bid, and set the Incremental Overbid amount at \$10,000. Following multiple rounds of bidding between Liquidity Services and HGP, the Debtor selected Liquidity Services’ \$235,000 bid as the highest or otherwise best offer and HGP’s \$225,000 bid as the next highest or otherwise best offer for Lot 1.

21. The Debtor then adjourned the Auction with respect to Lot 2 to give Renibus and Patheon an opportunity to improve their existing bids and to discuss those bids with the Consultation Parties. Over approximately the next six hours, the Debtor, the Consultation Parties, Renibus, and Patheon engaged in extensive conferences and negotiations to understand the bids and resolve concerns regarding certain non-monetary terms of the Renibus and Patheon bids. The Debtor then continued the adjournment until the following morning to allow for additional conferences with the Consultation Parties to understand the relative value of the two bids.

22. On February 16, 2023, the Auction re-opened at approximately 10:00 a.m. (prevailing Eastern Time). With respect to Lot 2, the Debtor announced the \$250,000 bid submitted by Renibus as the Starting Bid. Additionally, the Debtor explained the Patheon bid



contained various provisions not present in the Renibus bid that the Debtor evaluated as reducing the value of that bid to the estate.<sup>5</sup> As a result, the minimum overbid required for Patheon was set at \$980,000, which equaled the Starting Bid, plus adjustments for the value deductions attributed to the Patheon bid, plus the minimum overbid increment of \$100,000 set forth in the Bidding Procedures.<sup>6</sup>

23. The Debtor provided Patheon with an opportunity to submit a further bid, including a bid that removed Patheon's proposed acquisition of the Patheon Causes of Action, but Patheon declined. As a result, the Debtor announced Renibus as the Successful Bidder and Patheon as the Next-Highest Bidder. The Consultation Parties each lodged verbal objections to the selection of the Successful Bid and the Next-Highest Bid on the record at the Auction. The Auction was adjourned until Monday, February 20, 2023, to give the Consultation Parties additional time to negotiate a resolution with Renibus, or provide an alternative proposal. As part of these discussions, the Debtor communicated to the Committee and Joint Noteholders that preserving the intellectual property Assets in a "wait and see" approach would entail estimated annual maintenance costs of approximately \$480,000 to \$875,000, and that the estimated administrative costs to the estate would be substantially lower if the Lot 2 Assets were sold.

#### **E. Settlement Negotiations**

24. In light of the verbal objections that the Committee and the Joint Noteholders raised on the record at the Auction, on February 16, 2023 Renibus made an offer to provide certain

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<sup>5</sup> The Patheon bid did not agree to acquire certain inventory, which the Debtor would be required to dispose of at a cost of \$130,000. The Patheon bid also sought to acquire certain affirmative causes of action against Patheon (the "Patheon Causes of Action") which the Debtor valued at \$500,000. As a result, Patheon's cash bid of \$500,000 was reduced to negative -\$130,000 [ $\$500,000 - \$500,000 - \$130,000 = -\$130,000$ ]. The Consultation Parties, after consultation with the Debtor, disagreed with the Debtor's valuation of the Patheon Causes of Action.

<sup>6</sup> The Debtor informed the Consultation Parties of the proposed adjustments to the Patheon bid and the reasons for those adjustments prior to the reopening of the Auction.

contingent future milestone payments as additional consideration (the “Renibus Settlement Offer”) in the hopes of consensually resolving those disputes. The Debtor offered the Committee and the Joint Noteholders certain extensions to their objection deadline for the Sale Motion to allow the parties to negotiate a consensual resolution with Renibus in the interim.

25. I understand, on information and belief, that between February 16, 2023 and February 20, 2023, the Debtor, the Consultation Parties, and Renibus worked around the clock to reach a negotiated settlement of the creditors’ concerns, including through further improvement in the terms of the acquisition reflected by the Renibus Settlement Offer. I further understand, on information and belief, that the Renibus management team made itself available to the Consultation Parties to answer questions regarding its intellectual property development intentions, and the parties worked on acceptable documentation of the settlement offer, with the Consultation Parties providing comments on each exchanged draft of the Renibus Settlement Offer and Renibus’ Purchase Agreement. Notwithstanding the extensions and ongoing negotiations, the Committee filed the Objection and the Joint Noteholders filed the Joinder on February 17, 2023 and February 20, 2023, respectively.

26. On February 20, 2023 at approximately 10:00 a.m. (prevailing Eastern Time) the Auction re-commenced. The Debtor announced on the record that, following consultation with the Consultation Parties, in addition to its bid, Renibus had proposed substantial additional consideration in the form of the Renibus Settlement Offer in an effort to consensually resolve the outstanding creditor objections. The Debtor adjourned the Auction for several hours to facilitate the ongoing negotiations, and closed the Auction shortly after 6:00 p.m. (prevailing Eastern Time).

**F. The Sale of the Debtor’s Assets**

27. I believe that the Debtor, with the assistance of its advisors, conducted the marketing and sale process for the Assets in a manner that was thorough, fair, designed to

maximize value, and in compliance with the Bidding Procedures Order and the Bidding Procedures in all material respects. Any parties suggested by the advisors to the Joint Noteholders and Committee were contacted and invited to participate in the process.

28. All parties that expressed a potential interest in the Assets were afforded a full, fair, and reasonable opportunity to conduct diligence and submit offers for the Assets and to object or otherwise be heard with respect to the sale process. I believe that at all times, the Debtor's negotiations and discussions with the potential bidders for the Assets were conducted in good faith and at arm's length, and by parties who were (or had the opportunity to be) represented by their own counsel and advisors.

29. I believe that HGP, Liquidity Services, Renibus and Patheon have acted in good faith throughout the sale process, and I am not aware of any evidence of collusion in the sale process of the Assets. Pursuant to the Bidding Procedures, each of these parties affirmed that it had not engaged in any collusion with respect to the submission of any bid or the Auction.

30. Additionally, I believe that the sales of the Assets to Liquidity Services and Renibus, pursuant to the terms of the Purchase Agreements and their respective ancillary documents, are in the best of interest of the Debtor, its estate, and its creditors because the Successful Bids are the highest or otherwise best offers available for the Assets and will maximize recoveries for the Debtor's creditors. In light of the Debtor's comprehensive sale and marketing process, I do not believe that further marketing of the Assets would have resulted in higher or otherwise better offers for the Assets, and I believe that the Assets were properly exposed to the market. In sum, I believe that the Debtor has a sound business justification for entering into the Purchase Agreements and consummating the Sale of the Assets to the Successful Bidders.

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

Date: February 21, 2023  
New York, New York

/s/ Alexander V. Rohan

Alexander V. Rohan  
*Managing Director of Miller Buckfire LLC*

**Exhibit 1**

**February 15, 2023 Auction Transcript**

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IN RE: . Chapter 11  
TRICIDA, INC., . Case No. 23-10024 (JTD)  
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Debtor. .  
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TRANSCRIPT OF AUCTION OF ASSETS  
Wednesday, February 15, 2023

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Proceedings recorded by electronic sound recording,  
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18 James Sklar, Executive Vice  
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22  
23  
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25

1 (Proceedings commenced)

2 MR. NEWMAN: Okay. So, if we could just -- this  
3 is Sam Newman. This is the auction of assets in the Tricida,  
4 Inc. case, as authorized by the bid procedures order.

5 We have presented two lots for auction. One is a  
6 liquidation of the company's equipment and we have two  
7 bidders here, who I understand are interested in those  
8 assets, and then a separate lot excluding equipment for all  
9 other assets, which is substantially all other assets of the  
10 company. As reflected in the bids that we've received, we  
11 have two bidders for those lots.

12 This auction is on the record and everything that  
13 is said will be recorded using our Zoom technology and will  
14 not be subject to any confidentiality, so we wanted to just  
15 make clear and would like to have everyone who is here  
16 participating in the auction, either in person or remotely,  
17 introduce themselves so that we have a record.

18 I'll start over here to my left and we'll go to  
19 the right.

20 MR. FATHEAZAM: Alistair Fatheazam from Latham, on  
21 behalf of Renibus.

22 UNIDENTIFIED SPEAKER: John (indiscernible) with  
23 FTI (indiscernible).

24 MS. HEALY: Monica Healy, with FTI.

25 MR. NEWMAN: Hold on one second.

1 Can the people on Zoom hear as people are  
2 announcing themselves?

3 MR. DOVE: Yes.

4 UNIDENTIFIED SPEAKER: It's very quiet.

5 MR. NEWMAN: Go ahead.

6 MR. KLEIN: Darren Klein from Davis Polk &  
7 Wardwell, on behalf of the Noteholders.

8 MR. JIMENEZ: Nick Jimenez with Liquidity  
9 Services.

10 MR. BANE: Abe Bane from Davis Polk.

11 MS. PHILIPS ROTH: Julia Philips Roth, Sidley  
12 Austin, on behalf of the debtor.

13 MS. MILLER: Jeri Leigh Miller, Sidley Austin, on  
14 behalf of the debtor.

15 UNIDENTIFIED SPEAKER: (Indiscernible) from Sidley  
16 Austin, on behalf of the debtor.

17 UNIDENTIFIED SPEAKER: Jeff (indiscernible) from  
18 Sidley Austin, on behalf of the debtor.

19 MR. ROHAN: Alex Rohan from Miller Buckfire, on  
20 behalf of the debtor.

21 MR. CORWEN: Sean Corwen from SierraConstellation  
22 Partners, on behalf of the debtor.

23 MR. KARNOVSKY: Neal Karnovsky, Stifel, on behalf  
24 of the debtor.

25 MR. NEWMAN: Sam Newman, Sidley Austin, for the

1 debtors.

2 MR. PERSONS: Charles Persons, Sidley Austin, for  
3 the debtor.

4 MR. HODGES: William Hodges, Thompson Hine, for  
5 Patheon.

6 MR. ATKINSON: Todd Atkinson of Womble Bond  
7 Dickinson, on behalf of the Official Committee of Unsecured  
8 Creditors.

9 MR. GANSMAN: Jim Gansman from Rock Creek  
10 Advisors, on behalf of the UCC.

11 MR. AYERS: Brian Ayers, Rock Creek Advisors, FA  
12 to the Committee.

13 MR. NEWMAN: And if the people on Zoom could  
14 introduce themselves, starting with Lou.

15 MR. SOLIMINE: Louis Solimine, on behalf of  
16 Patheon.

17 MR. NEWMAN: Ted?

18 MR. DILLMAN: Yeah, Ted Dillman from Latham &  
19 Watkins, on behalf of Renibus.

20 Sam, would it be helpful for me to just introduce  
21 the other Renibus people while I'm at it or do you just want  
22 to go through the whole list?

23 MR. NEWMAN: So there's only a couple more people  
24 on screen. If you have additional people who are appearing  
25 on screen, feel free.

1 MR. DILLMAN: Sure. So, Jamie just joined, but  
2 Jamie Donadio is with Renibus.

3 I don't know if we have anybody else from Renibus  
4 currently on the line, though, we may have some others  
5 dialing in.

6 MR. NEWMAN: Okay. And then there's one more  
7 person on the screen who I don't recognize. I apologize.

8 MR. DOVE: It's probably me, Nick Dove at Heritage  
9 Global.

10 MR. NEWMAN: Great. Thank you, Nick.

11 Anyone else who's listening in by Zoom or  
12 otherwise that has not announced themselves?

13 MR. BARKOFF: Yeah, David Barkoff from Heritage  
14 Global Partners, as well.

15 MR. SKLAR: And James Sklar, I'm general counsel  
16 for Heritage Global, as well.

17 MS. DRUCKER: You have Claire Drucker here from  
18 Latham & Watkins, on behalf of Renibus.

19 MR. NEWMAN: Anyone else who has not yet announced  
20 their presence?

21 (No verbal response)

22 MR. NEWMAN: Okay. Thank you very much.

23 All right. So, we have received and qualified two  
24 bids for the liquidation of the equipment. Who has the  
25 official names of the bidders? I apologize.

1 MR. PERSONS: So, Liquidity Services, Inc. is the  
2 first and Heritage Global, I'm not sure (indiscernible).  
3 Apologies.

4 MR. NEWMAN: Does the other liquidator want to  
5 just give us their full name for the record.

6 MR. DOVE: Heritage Global Partners, Inc.

7 MR. NEWMAN: Great. Thank you.

8 So, we're prepared to proceed with that auction  
9 for that lot. We have documentation that the Board has  
10 deemed acceptable and has qualified those bidders for the  
11 lots for which they are bidding.

12 One question we want to ask for clarification  
13 purposes, it would be of value to the estate to be able to  
14 remove the equipment that is being bid on no later than  
15 February 28th, are both bidders able to accommodate that  
16 schedule?

17 MR. DOVE: Yes.

18 UNIDENTIFIED SPEAKER: Yes.

19 THE COURT: Okay. So on that basis, in a moment,  
20 we will proceed with that auction. We have decided in the  
21 exercise of the business judgment of the debtors and in an  
22 effort to kind of streamline and maximize value, to modify  
23 the bid increment for that auction to \$10,000. And so, we  
24 will announce the highest and lowest best bid that has been  
25 received and then proceed in open bidding rounds of 10,000 or

1 more.

2           With respect to the lots that have been received  
3 from Patheon and Renibus for the rest of the assets, we do  
4 not presently have definitive documentation reflecting those  
5 bids. We have agreed to extend the deadline for submission  
6 of documentation to 12:00 Eastern, and we would ask that both  
7 of those parties adjourn to the breakout rooms available to  
8 work with our corporate teams to finalize the documentation  
9 to make sure that we have all open (indiscernible).

10           Those bids received, we appreciate the work that  
11 the parties have done to try to work with our accelerated  
12 schedule and we believe that both parties have made -- have  
13 agreed to modifications of their bid terms that would be  
14 acceptable to the debtors and the Board, but we need to  
15 receive definitive documentation reflecting those bids before  
16 we proceed with that auction.

17           I'll also just announce that based on the bids  
18 that have been received, which we have disclosed to the  
19 consultation parties, both of the consultation parties and  
20 the Noteholders have expressed reservation as to whether they  
21 would (indiscernible) the acceptance of either bid. We do,  
22 however, intend to proceed with the auction and allow those  
23 parties to reserve their rights to object to any sale that is  
24 the product of the auction.

25           So, assuming that we are able to get those

1 documents, late documents resolved, we expect to reconvene to  
2 conduct this auction at about 12:00 p.m. If either bidder is  
3 not able to complete their documentation by then, we will  
4 assess whether we proceed further.

5           So, with that, I would excuse everyone who does  
6 not have an interest in Lot One to hopefully start getting  
7 the work done, finalizing their bid documents, and getting  
8 whatever information the Committee and Noteholders need in  
9 order to address their objections to the conduct of the  
10 auction as to the all-assets bid, and we would plan to  
11 reconvene that group at noon.

12           Any questions before we break?

13           UNIDENTIFIED SPEAKER: Yes. Sam, I missed the  
14 beginning part. Is the court transcriber going to be  
15 present?

16           MR. NEWMAN: No. Just to save money, given the  
17 indicative bids, we have opted to use the recorded Zoom  
18 feature. So we can have that just transcribed if people  
19 believe it's necessary, so we'll have a record of the  
20 auction.

21           And I did announce at the beginning that this  
22 auction itself is on the record and not subject to any  
23 confidentiality obligations on behalf of the debtor or other  
24 parties and they should expect that any statements made in  
25 this room will be public knowledge.



1 MR. KLEIN: Know for the record, Darren Klein for  
2 the Noteholders. We're happy to (indiscernible). We do  
3 object to the debtor selling the IP (indiscernible). We  
4 think it's much better to (indiscernible).

5 MR. NEWMAN: And we note that objection, and what  
6 I'd like to see happen next is finalizing the bids in their  
7 current form and, hopefully, you know, engaging between you  
8 and the bidders to determine whether we proceed and resolve  
9 your objection. At this point, the debtor intends to proceed  
10 with an auction if the bids have been finalized and --

11 MR. SOLIMINE: Sam, this is Lou Solimine.

12 So am I to understand that you're suggesting that  
13 Renibus and Patheon sign off now, and then will one of your  
14 corporate team members contact us or how do you propose to  
15 proceed?

16 MR. NEWMAN: So one of the reasons that I -- one  
17 of the reasons we wanted to conduct this in person, we have  
18 breakout rooms for each party, and so we would align our  
19 corporate people with representatives that are here in person  
20 and ask them to arrange, you know, for electronic  
21 communication with appropriate parties to finalize that  
22 documentation. So, that would be my hope.

23 MR. DILLMAN: And Sam, just so people can sort of  
24 plan their days, would we expect that the auction, assuming  
25 people get through documentation, the auction would pick up

1 at 1 o'clock or sometime in the afternoon?

2 MR. NEWMAN: That -- my expectation at this point  
3 is just given the amount of work that we have to do to try to  
4 resolve the Committee and Noteholder objections, I would  
5 expect to reconvene at noon Eastern.

6 If we have definitive bids and have resolved those  
7 objections, I would like to proceed at that time.

8 MR. DILLMAN: Okay.

9 MR. NEWMAN: If we don't have definitive bids by  
10 that time, then we'll decide whether or not to continue the  
11 auction further. And if we have definitive bids, but have  
12 not resolved the creditor objections, then the debtor will  
13 decide whether or not to proceed with the auction at that  
14 time.

15 MR. DILLMAN: Okay.

16 MR. NEWMAN: But it's worthwhile to give everybody  
17 until noon. Let's reconvene, we'll have an update, and we'll  
18 provide the debtors potentially with respect to how we'd like  
19 to proceed at that time.

20 MR. DILLMAN: Okay. Thanks.

21 MR. NEWMAN: Any other questions?

22 MR. ATKINSON: Sam, just given the Noteholders'  
23 objection, you know, we'd join in and share the same  
24 objection and we reserve all rights.

25 MR. NEWMAN: And just -- because we don't have a

1 stenographer, if you could just add your name?

2 MR. ATKINSON: Yeah, Todd Atkinson for the  
3 Committee at Womble Bond Dickinson.

4 MR. NEWMAN: And also, for the record, Don  
5 Detweiler just walked in, also with Womble, for the  
6 Committee.

7 Great. So, let's dismiss everyone who's not  
8 interested in Lot One. We will proceed to an auction of Lot  
9 One and we'll reconvene -- we'll, then, suspend the auction  
10 until noon and reconvene at that time for further  
11 (indiscernible).

12 Any questions?

13 (No verbal response)

14 MR. NEWMAN: Okay. So, we'll excuse those who are  
15 not interested in Lot One.

16 MR. DILLMAN: Cool. Thank you, all.

17 (Pause)

18 MR. BARKOFF: Hey, guys?

19 UNIDENTIFIED SPEAKER: Yes? Who's talking?

20 MR. BARKOFF: Yes, this is David Barkoff from  
21 Heritage Global Partners.

22 How long till you reconvene for that first lot or  
23 is everyone just going to do --

24 MR. NEWMAN: We are doing -- we are -- we are  
25 convening right now, I think.

1 MR. BARKOFF: Okay. Great.

2 MR. NEWMAN: So, (indiscernible) everybody else  
3 out of the room.

4 Charles -- I'm going to turn the mic over to  
5 Charles Persons who will conduct the auction for Lot One.

6 MR. BARKOFF: Great.

7 MR. NEWMAN: And thank you very much. Thanks,  
8 everyone, for your patience.

9 UNIDENTIFIED SPEAKER: Charles, Sam, it looks like  
10 there are some volume issues. I've called IT to turn up the  
11 microphones. Until they get here, if you could just make  
12 sure you're talking right into the microphone.

13 MR. PERSONS: Okay. It's probably because there's  
14 not as many microphones as there were people originally.

15 Can everyone on the -- that's currently on the  
16 phone hear me fairly clearly?

17 MR. BARKOFF: Yes.

18 MR. PERSONS: Julia, why don't you swing down  
19 here.

20 MS. PHILIPS ROTH: Yeah, no problem.

21 MR. PERSONS: Okay. For the record, Charles  
22 Persons at Sidley Austin.

23 This will be the auction for what we have deemed  
24 "Lot One" which is essentially the liquidation assets, the  
25 PP&E, if you will, of the company. We have two bids.

1 First, from Liquidity Services, I wanted to ask  
2 who will be representative speaking?

3 MR. JIMENEZ: Yeah, Nick Jimenez.

4 MR. PERSONS: Thank you.

5 And then Heritage Global, who's --

6 MR. DOVE: Me, Nick Dove.

7 MR. PERSONS: Two Nicks, okay.

8 Nick, how do you spell your last name?

9 MR. JIMENEZ: J-i-m-e-n-e-z.

10 MR. PERSONS: Okay. So, the debtors have received  
11 two bids for Lot One, the company's PP&E. We have heard on  
12 the record that both bidders are able to get the property out  
13 by February 28th. I want to affirm that one more time on the  
14 record, just one at a time.

15 Nick Jimenez?

16 MR. JIMENEZ: Yes.

17 MR. PERSONS: Yes.

18 And Nick Dove?

19 MR. DOVE: Yes.

20 MR. PERSONS: All right. Thank you both.

21 So, the two bids -- the bid that we received from  
22 Liquidity Services is the high bid right now at \$145,000. So  
23 the auction will go -- the next bid will be Heritage Global.  
24 You have an option of -- the minimum bid increment is 10,000,  
25 so a bid of 155,000 or more, Mr. Dove?

1 MR. DOVE: Heritage will be 180,000, one, eight,  
2 zero.

3 MR. PERSONS: Heritage Global bids 180,000. Thank  
4 you very much.

5 Mr. Jimenez?

6 MR. JIMENEZ: 190.

7 MR. PERSONS: And Liquidity Services has gone to  
8 190.

9 It's 200,000 to Heritage.

10 MR. DOVE: Heritage will be 205,000.

11 MR. PERSONS: So 205,000 to Heritage. So, that's  
12 two -- a bid of 215 to Liquidity Services.

13 MR. JIMENEZ: I bid 215.

14 MR. PERSONS: Liquidity Services will bid 215.  
15 Heritage?

16 MR. DOVE: Yeah, 225 for Heritage.

17 MR. PERSONS: Heritage is at 225.

18 So, 235 now to Liquidity.

19 MR. JIMENEZ: We'll bid 235.

20 MR. PERSONS: Liquidity Services bids 235.  
21 Heritage?

22 MR. DOVE: What'd you see there, Nick?

23 (Laughter)

24 MR. PERSONS: It's Storage Wars. You can't open  
25 it until you buy it.

1 (Laughter)

2 MR. DOVE: What did we miss, Nick?

3 (No verbal response)

4 MR. DOVE: The current bid is 235?

5 MR. PERSONS: The current bid is 235. So, it's to  
6 Heritage --

7 MR. DOVE: Heritage's bid would have to be 245?

8 MR. PERSONS: Yes.

9 MR. DOVE: Okay. Congrats to Liquidity Services.

10 MR. PERSONS: Very good. Thank you both for  
11 participating.

12 With that, the auction for Lot One will stand  
13 closed. Congratulations to Liquidity Services. We  
14 appreciate that.

15 We will figure out what we need in terms of  
16 documentation. Well, I know we actually have an APA with  
17 you. I appreciate that we've got the rest of the bids and a  
18 bunch of stuff to figure out, but we will sort out what we  
19 need to do.

20 Anything from the Committee or Noteholders'  
21 representatives in here?

22 (No verbal response)

23 MR. PERSONS: All right. So, Lot One, 235,000.

24 We appreciate everyone participating. Thank you  
25 very much.

1 MR. DOVE: Thanks.

2 MR. JIMENEZ: Hey, take care, Nick.

3 MR. DOVE: You got it. See ya.

4 MR. BARKOFF: Thanks, guys. Bye-bye.

5 MR. PERSONS: All right. So, with that, we'll go  
6 off the record until at least 12:00 noon. Everyone can  
7 convene to their rooms and we will keep people posted as to  
8 how things are going at that point in time. Thank you.

9 (Recess taken)

10 (Proceedings resumed)

11 MR. NEWMAN: So, going back on the record in the  
12 auction of the Tricida, Inc. case, we've had direct  
13 conversations today with both bidders. We have, I think,  
14 finalized the bid documents from both bidders.

15 Given the late hour and the somewhat material  
16 differences in non-monetary terms between the two bidders,  
17 we're going to need to spend some time with the creditors  
18 assessing the relative value of the two bids. So we have  
19 proposed, in the interests of the late hour here in New York,  
20 and also the unavailability of the Patheon client in Austria,  
21 that we adjourn the auction until tomorrow morning. We  
22 propose 10:00 a.m.

23 We expect to have continued conversations with  
24 both, the Creditors' Committee and the Noteholders over  
25 trying to overcome some of their objections to proceeding



1 with the auction given the current bids, and to commence  
2 bidding in the morning.

3 I would offer to the Committee any further  
4 statement they would like to make regarding the status of the  
5 auction and bidding process.

6 MR. ATKINSON: The auction is being adjourned  
7 until tomorrow morning?

8 MR. NEWMAN: Correct, 10:00 a.m. Eastern.

9 MR. ATKINSON: We will reserve our statements  
10 until then.

11 MR. NEWMAN: Okay. I'd offer a statement to the  
12 Noteholders, if they --

13 MR. KLEIN: Well, just a question. If you've  
14 finalized the bid docs, I haven't seen them if you have, and  
15 I thought you -- there was a bid and ask that fell between  
16 you and Patheon; is that not true anymore or do you accept  
17 it?

18 MR. NEWMAN: We asked. They said no. And we have  
19 the bid doc they're prepared to submit, so we'll circulate  
20 that to the noticed parties shortly after we adjourn so they  
21 can consider them overnight.

22 MR. KLEIN: Okay.

23 MR. NEWMAN: Any comments from the bidders?  
24 Patheon?

25 MR. SOLIMINE: I guess I'd just be interested in

1 the rationale of not -- I understand what you are proposing,  
2 but I guess I'm at a loss to understand why we wouldn't --  
3 you also would not want to understand at this juncture what  
4 each of the two bidders is prepared to pay.

5 MR. NEWMAN: So my view and the debtor's view is  
6 that the non-monetary terms on the Patheon bid require a  
7 further assessment before we can determine what, if any, next  
8 bid increment would be.

9 Ted, any questions or comments from Renibus?

10 MR. DILLMAN: No, Sam, not at this time.

11 MR. NEWMAN: So we encourage the parties -- there  
12 are obviously issues beyond just the cash consideration that  
13 have been raised today amongst the parties. We encourage the  
14 parties to continue to discuss them.

15 As the debtors, we, you know, we would like to see  
16 consensus emerge among the creditor body over the next steps  
17 and we are willing to continue to progress the process and  
18 have direction from the Board, if needed, to progress the  
19 process if such consensus is (indiscernible).

20 And we look forward to seeing you all tomorrow at  
21 10:00 a.m.

22 We can go off the record. Thank you.

23 (Audio concludes)

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CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of my knowledge and ability.

/s/ William J. Garling

February 16, 2023

William J. Garling, CET-543  
Certified Court Transcriptionist  
For Reliable

**Exhibit 2**

**February 16, 2023 Auction Transcript**

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IN RE: . Chapter 11  
. Case No. 23-10024 (JTD)  
TRICIDA, INC., .  
Debtor. .  
. . . . .

TRANSCRIPT OF CONTINUED AUCTION OF ASSETS  
Thursday, February 16, 2023

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1 (Proceedings commenced)

2 MR. NEWMAN: All right. I think we're ready to  
3 get underway.

4 All the mics in the room are live now. We're on  
5 the record and this proceeding is being recorded. We're back  
6 on the record in the auction of Tricida, Inc., Lot Two.

7 Pursuant to the order of the United States  
8 Bankruptcy Court for the District of Delaware approving  
9 certain bidding procedures in the former manner of notice  
10 thereof, scheduling and auction and hearing on the approval  
11 of the sale of all, or substantially all of the assets,  
12 establishing certain assumption and assignment procedures,  
13 and approving the manner and notice thereof and granting  
14 related relief. And we are prepared to proceed with the  
15 auction, pursuant to the Rules.

16 As an initial manner, as required by the bidding  
17 procedures, I'll ask each qualified bidder present to confirm  
18 that incorporated in their bid, they agree to proceed,  
19 pursuant to the bid procedures and, specifically, pursuant to  
20 paragraph 31. Each qualifying bidder who will participate in  
21 the auction will be required to confirm on the record that it  
22 is not engaged in any collusion with respect to the bidding  
23 process and that its bid is a good faith, *bona fide* offer  
24 that it intends to consummate, pursuant to the bid procedure  
25 rules, if selected as the successful back-up bidder.



1 Renibus, will you so confirm?

2 MR. DILLMAN: Yes.

3 MR. NEWMAN: All right. We, then, determine that  
4 you are a qualified bidder to participate in this auction.

5 Will Patheon so confirm?

6 MR. SOLIMINE: Yes.

7 MR. NEWMAN: And we determine that Patheon is a  
8 qualified bidder and can proceed at this auction.

9 MR. DETWEILER: For the record --

10 MR. NEWMAN: I don't need to be interpreted, but I  
11 will call on creditor parties so they can make statements.

12 Thank you.

13 Before we proceed, I want to afford the creditor  
14 parties an opportunity to make any statement.

15 MR. DETWEILER: For the record, Don Detweiler,  
16 proposed counsel to the Official Committee of Unsecured  
17 Creditors.

18 We contest whether or not they have been qualified  
19 bidders. We believe the consideration that's being proposed  
20 in both of the bidders' asset purchase agreement is  
21 insufficient and adequate. It's not in the best interests of  
22 the estate. It's not in compliance with the bid procedures.  
23 The Committee does not agree to any releases or sale of the  
24 claims or causes of action.

25 MR. NEWMAN: Darren, on behalf of the Noteholders,

1 do you have any preliminary statement you'd like to make or  
2 reservation of rights?

3 MR. KLEIN: Yeah, thanks, Sam.

4 This is Darren Klein at Davis Polk for the  
5 Noteholders and I am on Zoom today.

6 I echo and join in the objections that Don just  
7 made; in addition, I would just say that for the level of  
8 consideration and the question of the debtor's business  
9 judgment on moving ahead on these levels, I question, fully,  
10 the inclusion of Patheon being allowed to buy claims against  
11 itself because it's an appropriate end, runaround Bankruptcy  
12 Rule 9019.

13 And, Sam, I feel the need to put you on notice  
14 that we think moving forward with that violates the  
15 restructuring support agreement you entered into us, where  
16 you agreed not to compromise or settle claims against  
17 Patheon, except pursuant to the RSA and the support of the  
18 consenting Noteholders.

19 MR. NEWMAN: And we appreciate that reservation of  
20 rights. We, also, as the debtor, reserve all rights under  
21 the bidding procedures, with respect to evaluation of the  
22 presentation of the bids after the auction.

23 So, we hope that we will continue an open dialogue  
24 with all creditor constituencies in an effort to try to move  
25 this process forward. But I think it is our determination

1 that proceeding with the auction at this time will allow us  
2 to determine the highest and, otherwise, best bid and we  
3 would like to proceed on that basis, but thank you both for  
4 attending.

5 Before we move forward, just for the record, since  
6 we're being recorded, I would like to go through and just  
7 have a quick roll call so we're aware of who's present at the  
8 auction. We'll start to my immediate left.

9 MR. HODGES: William Hodges from Thompson Hine for  
10 Patheon.

11 MR. JANDORA: Chris Jandora, Miller Buckfire, for  
12 the debtor.

13 MR. ROHAN: Alex Rohan from Miller Buckfire, for  
14 the debtor.

15 MR. ATKINSON: Todd Atkinson, Womble Bond  
16 Dickinson, for the Committee.

17 MR. DETWEILER: Don Detweiler for the Committee.

18 MR. CORWEN: Sean Corwen, SierraConstellation  
19 Partners, for the debtor.

20 MS. LAN: Lanna Lan from Sidley Austin for the  
21 debtor.

22 UNIDENTIFIED: Jeff (indiscernible), Sidley Austin  
23 for the debtor.

24 MR. FORD: Jerry Ford, Sidley Austin, for the  
25 debtor.

1 MR. BANE: Abe Bane from Davis Polk for the  
2 Noteholders.

3 MS. MILLER: Jerri Leigh Miller, Sidley Austin,  
4 for the debtor.

5 MR. PERSONS: Charles Persons, Sidley Austin, for  
6 the debtor.

7 MR. NEWMAN: Sam Newman, Sidley Austin, for the  
8 debtor.

9 And on Zoom, I would start with Jamie Donadio.

10 MR. DONADIO: Yes, Jamie Donadio with Renibus.

11 MR. STONEBANKS: Frank Stonebanks with Renibus.

12 MR. SOLIMINE: Louis Solimine, Thompson Hine, for  
13 Patheon.

14 MR. NEWMAN: I'm sorry. Before we go on, anybody  
15 else from Renibus (indiscernible)?

16 MR. STONEBANKS: No.

17 MR. NEWMAN: Okay. Ted, sorry?

18 UNIDENTIFIED SPEAKER: We do have counsel.

19 MR. DILLMAN: Yeah, just so it's clear for the  
20 record, Ted Dillman of Latham for Renibus.

21 And it's Frank Stonebanks, who's also with  
22 Renibus, he's on the line, as well as Jamie Donadio. And  
23 then I have a couple of my colleagues on the call who can  
24 introduce themselves if you'd like them to.

25 MR. NEWMAN: Anyone else who would like to

1 introduce themselves from Renibus or from Latham?

2 (No verbal response)

3 THE COURT: Okay.

4 MR. NEWMAN: Brian, I see you (indiscernible).

5 MR. AYERS: Brian Ayers, on behalf of the  
6 Committee, Rock Creek Advisors.

7 MR. NEWMAN: Great. Anyone else who has not so  
8 far introduced themselves who wants to enter their -- who we  
9 would ask them to enter their appearance.

10 MS. MIELKE: Allison Mielke with Young Conaway, on  
11 behalf of the debtors.

12 MR. NEWMAN: Great. All right.

13 So, we will proceed. We have received two bids.  
14 We've determined at this moment that the highest-and-best bid  
15 is from Renibus for \$250,000 in cash. We are in receipt of  
16 documentation regarding that bid, which the debtors have  
17 found to be acceptable. We've shared with the consultation  
18 parties who have reserved their rights, with respect to that  
19 agreement.

20 We have also received a bid from Patheon  
21 Corporation for \$500,000 in cash. That bid includes two  
22 items that are non-conforming to the Renibus bid, which we  
23 believe are burdens to the estate. One is they have not  
24 agreed to acquire certain inventory, which the estate will be  
25 required to dispose of. The debtor's estimated cost of that

1 disposition to be \$130,000, and that will serve as a deduct  
2 to the Patheon claim, as compared to the Renibus claim.

3           And, second, as foreshadowed by the comments of  
4 creditors, Patheon has acquired -- is asked to acquire the  
5 assets identified in Section 1.1(f) and (h), which are  
6 certain claims, rights, causes of action that were not  
7 proposed to be acquired by Renibus, including, specifically,  
8 the rights, claims, causes of action in the right of or  
9 otherwise available to seller under the Patheon contracts,  
10 which we understand -- there's more language there, but  
11 that's the language to which I think the creditors are  
12 focused -- we understand that those rights and causes of  
13 action exclude, pursuant to 1.2(1), avoidance actions,  
14 including avoidance actions against Patheon.

15           And based on that understanding, the debtors have  
16 evaluated the detriment to the estate, as compared to the  
17 Renibus bid, which would be those assets with the estate at a  
18 negative \$500,000. We, therefore, have calculated the  
19 required minimum overbid for Patheon to be the Renibus bid of  
20 \$250,000, the reduction for the inventory disposal of  
21 \$130,000, the reduction for the value of the claims,  
22 transferred or assigned, under the Patheon bid of \$500,000,  
23 and the minimum overbid increment of \$100,000. Therefore, to  
24 continue the auction, the minimum bid was \$980,000.

25           I think the creditors may like to comment on that

1 proposal and calculation.

2 MR. DETWEILER: Yes, for the record, Don  
3 Detweiler.

4 The Committee was not consulted with regard to  
5 what was a qualified bid for purposes of opening the auction  
6 today and we reserve all rights.

7 MR. NEWMAN: I appreciate the reservation.

8 I do believe, in good faith, that we have  
9 consulted with the Committee regarding our approach to this.  
10 If you'd like to take a brief adjournment so that we could  
11 consult further, we're happy to do that, but we do believe  
12 that we have been in consultation with all consultation  
13 parties about our (indiscernible).

14 MR. DETWEILER: Well, the Committee disagrees with  
15 the debtor's business judgment.

16 MR. NEWMAN: Fair enough.

17 Anyone else?

18 MR. KLEIN: Yeah. Hey, Sam, it's Darren, again.

19 I'll just say, in bouncing off what Don just said,  
20 that in addition to that, we vehemently disagree with  
21 (indiscernible) on top of including claims against Patheon,  
22 selling them for the -- and valuing them at the trivial sum  
23 of \$500,000. So, we'd reserve rights there.

24 MR. NEWMAN: Great. Thank you, I appreciate it.

25 With that reservation of rights, we would turn

1 over to Patheon, the opportunity to further bid, if it so  
2 chooses.

3 MR. SOLIMINE: Let me begin by saying that we did  
4 not know of any of these so-called valuations until this  
5 moment. Number two, we don't agree with those valuations.  
6 Number three, just so, again, everyone on the call, including  
7 the Committee knows, we are prepared to increase our cash bid  
8 from \$500,000, but not to \$980,000 which you have arbitrarily  
9 decided is the minimum overbid, and that, Patheon is not  
10 prepared to do.

11 MR. NEWMAN: Well, the debtor disagrees with the  
12 characterization that that determination is arbitrary; that's  
13 Patheon's right. You're welcome to bid further or not.  
14 That's your choice.

15 Okay. We're just going to go off the record for  
16 one minute.

17 (Pause)

18 MR. NEWMAN: One question for Patheon before we  
19 proceed. The debtors would be prepared to accept a further  
20 bid without judgment if Patheon were to agree that it was not  
21 acquiring any claims against Patheon in the purchase  
22 agreement.

23 MR. SOLIMINE: No, we're not prepared to do that.

24 MR. NEWMAN: Okay. So, with that, the debtors  
25 have determined in their business judgment that the highest



1 and, otherwise, best bid we've received at the auction is the  
2 Renibus bid and we would determine them to be, at this time,  
3 the successful bid and the Patheon bid the backup bid.

4           With that, we would like to -- we've received  
5 indications before from the creditors that they have further  
6 consideration that they would like to give to the bid and the  
7 backup bid and we will, therefore, continue this auction to  
8 Monday morning at 10:00 a.m. Eastern.

9           Any other questions or comments before we wrap up?

10           MR. SOLIMINE: I'm sorry, would you -- I'm sorry,  
11 I didn't understand the purpose of reconvening the auction to  
12 Monday.

13           MR. KLEIN: Yeah, it's Darren, Sam.

14           I just want to be clear. The Noteholders are not,  
15 as you could probably tell from my prior comments, happy to  
16 have the company sell this at the price that was just  
17 determined to be the highest bidder. We would ask that the  
18 auction be continued because we would like to work with the  
19 debtor on an alternative proposal, where the debtor keeps  
20 this, because we think it's worth more than \$250,000.

21           MR. DETWEILER: And Don Detweiler, I would just  
22 echo what the Noteholders' counsel has said. We don't  
23 believe that you can declare them the successful and highest  
24 bid.

25           What we believe the appropriate action of the

1 debtor to be is to continue the auction, but not declare  
2 today. But they may be right now is the highest bid on the  
3 table, but the auction is open, so it's not appropriate to  
4 declare the highest and successful bid. Right now, they're  
5 the highest bid and that's it.

6 The auction is going to be continued. There may  
7 be other bidders who come forward.

8 MR. DILLMAN: Sam, this is Ted.

9 Before your adjourn the auction, I think I'd just  
10 like to (indiscernible) because that's been a curve ball. I  
11 think I would like to have a break with my client to just  
12 discuss it, if that's okay?

13 MR. NEWMAN: So, I honestly don't think there's  
14 any further discussion to be had. I think the record is  
15 clear and we're continuing the auction. We've received two  
16 bids and we're going to continue the auction until Monday  
17 morning at 10:00 a.m. I'm happy to have further  
18 conversations with the bidders in that interim time, but at  
19 the request of the creditors, following the debtor's  
20 determination, we will continue the auction until 10:00 a.m.

21 MR. SOLIMINE: And, Sam, may I ask just one  
22 question, because I -- again, perhaps you've said that and I  
23 just missed it -- what is the purpose of the adjournment? I  
24 understand it's going to be adjourned, but what is the  
25 purpose of the adjournment?

1 MR. NEWMAN: I think as you heard the creditors  
2 say, they believe they may have an alternative proposal that  
3 they would like the debtor to continue -- consider, which  
4 they will have until that time to present.

5 MR. SOLIMINE: Thank you.

6 MR. NEWMAN: Thank you.

7 MR. DETWEILER: So, Don Detweiler, on behalf of  
8 the Committee.

9 I think sale objections are due tomorrow, as well  
10 as objections to the plan. We would respectfully request a  
11 continuance of its deadline to object to any proposed sale or  
12 the plan.

13 MR. NEWMAN: I appreciate that request. I think  
14 we should talk about that offline in terms of scheduling for  
15 the sale hearing. At this point, I think you understand the  
16 debtor's intention, given where this is, and we do want to  
17 have time to brief it. But why don't we talk about it  
18 offline, and we're happy to come to some reasonable briefing  
19 schedule.

20 MR. DETWEILER: Thank you.

21 MR. KLEIN: Yeah, I would join in that. I'm happy  
22 to talk about it offline, Sam.

23 MR. NEWMAN: Yeah. We can have a meet-and-confer  
24 immediately after this auction. Thank you.

25 Any other questions?

1 (No verbal response)

2 MR. NEWMAN: All right. We are -- we stand in  
3 recess.

4 (Proceedings concluded)

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CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of my knowledge and ability.

/s/ William J. Garling

February 17, 2023

William J. Garling, CET-543  
Certified Court Transcriptionist  
For Reliable

**Exhibit 3**

**February 20, 2023 Auction Transcript**

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IN RE: . Chapter 11  
. Case No. 23-10024 (JTD)  
TRICIDA, INC., .  
Debtor. .  
. . . . .

TRANSCRIPT OF CONTINUED AUCTION OF ASSETS

Monday, February 20, 2023

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1 (Proceedings commenced)

2 MR. NEWMAN: Good morning, Sam Newman for  
3 Tricida, Inc., debtors. We have come back on the record in  
4 the auction of Tricida, Inc. I wanted to take roll. Sam  
5 Newman and Mike Sabino appear in person.

6 MR. DILLMAN: You have Ted Dillman from Latham for  
7 Renibus, along with I think a number of Renibus people.

8 MR. NEWMAN: Do you want to give us just a quick  
9 list of who's there. Do you have that?

10 MR. DILLMAN: You know, actually, I'm not seeing  
11 their names. I think they weren't included on the invite, so  
12 let me forward it to them and see if they can join.

13 MR. NEWMAN: Okay. It's not necessary. I just  
14 want to note who's on the record. I think we're going to be  
15 somewhat brief here, so --

16 MR. DILLMAN: Okay.

17 MR. NEWMAN: Lou?

18 MR. KLEIN: You have Darren Klein from Davis Polk  
19 on behalf of the Noteholders Group. I see Abe Bane on, as  
20 well, from Davis Polk, and I see Mike Katzenstein from FTI  
21 and Sean Gumbs.

22 MR. NEWMAN: Thank you.

23 I see Lou on the screen.

24 MR. SOLIMINE: Yes, Lou Solimine, Thompson Hine,  
25 for Patheon. Thank you, Sam.

1 MR. NEWMAN: No problem.

2 Was anybody else from Patheon on the line?

3 (Indiscernible).

4 (No verbal response)

5 MR. NEWMAN: Anyone else who -- I saw Geoff Levin  
6 from Sidley.

7 Any other Sidley folks on the line?

8 MS. LAN: Yes. You've got Lanna Lan from Sidley  
9 for debtor.

10 MR. NEWMAN: Thank you.

11 Anyone else who hasn't announced themselves yet?

12 MR. DETWEILER: Yes, this is Donald Detweiler,  
13 proposed counsel to the Committee, along with Todd Atkinson.

14 MR. NEWMAN: Great. And good morning --

15 MR. GANSMAN: Jim Gansman from Rock Creek is also  
16 on for the Committee.

17 MR. NEWMAN: I'm sorry, I didn't see you, Jim.

18 MR. AYERS: And Brian Ayers, also, from Rock  
19 Creek, on behalf of the Committee.

20 MR. NEWMAN: Okay. Thank you, gentlemen.

21 MR. ROHAN: Good morning, Sam. You have Alex  
22 Rohan and Neal Karnovsky from Miller Buckfire and Stifel for  
23 the debtor.

24 MS. MIELKE: Allison Mielke with Young Conaway, on  
25 for the debtor.

1 MR. NEWMAN: So --

2 MR. LEVIN: And Sam, it looks like we just had  
3 Frank Stonebanks chime in from Renibus.

4 MR. NEWMAN: Thanks, Frank.

5 Great. So, just as an update as to where we are,  
6 we have announced the successful backup bidder at the auction  
7 last week. We have since received a written objection from  
8 the Committee to the proposed sale and a written proposed  
9 objection from the Noteholders, and I provided them an  
10 extension of time to file until 1 o'clock today, and the  
11 debtors expect to file an omnibus reply, close of business  
12 today Eastern time.

13 We have not received any other or further  
14 proposals from any party. We have, however, received since  
15 that time, a proposal from Renibus geared at resolving the  
16 Committee's and the Noteholders' objections. We have found,  
17 I think, a constructive dialogue. Renibus has been actively  
18 engaged in negotiations with the Noteholders and the  
19 Committee, and the Committee and the Noteholders have  
20 conducted additional diligence. And we received late last  
21 night, a draft purchase agreement reflecting that proposed  
22 settlement and also have had some comments and an opportunity  
23 to comment from the Noteholders and the Committee on that.

24 We believe we need probably two to three more  
25 hours to finalize that draft and hopefully resolve the

1 Committee and the Noteholder objections and would intend to  
2 continue this proceeding until 1 o'clock eastern to confirm  
3 that that resolution has occurred.

4 We remind everyone that the debtors will continue  
5 to proceed to exercise their fiduciary duty to maximize the  
6 benefits of the estate, including, without limitations, as  
7 provided in the bid procedures, reserving our rights to  
8 modify or withdraw lots from auction to the extent necessary  
9 if, indeed necessary, in exercise of our fiduciary duties.

10 However, we intend, at this point, to finalize  
11 with the Committee and the Noteholders, the settlement  
12 proposal Renibus has made and proceed with the hearing on  
13 tomorrow at 2:00 p.m. in Wilmington.

14 Any questions before we continue?

15 MR. DILLMAN: No questions, Sam, just a comment.  
16 Due to schedules, we may or may not be able to get the  
17 Renibus team, you know, at 1:00, later in the day, but  
18 somebody from Latham, you know, can at least be on as needed.

19 MR. NEWMAN: Understood. We also reserve the  
20 right to, given that there is no further interests in further  
21 bidding at this time, we reserve the right to cancel that  
22 continued auction at any time if we believe the Committee and  
23 the Noteholders' objections are resolved.

24 MR. DILLMAN: Great. Thanks, Sam.

25 MR. NEWMAN: And we will continue to provide

1 notice of the schedule to the parties who have been notified  
2 today.

3 Any other questions before we go off the record?

4 (No verbal response)

5 MR. NEWMAN: Thank you. We're off the record.

6 (Recess taken)

7 (Proceedings resumed)

8 MR. NEWMAN: Sam Newman for Tricida, Inc. debtors.

9 We have representatives of the Committee. We don't have Don  
10 just yet. We can give him a minute.

11 Brian and others, do you want to introduce  
12 yourselves?

13 MR. AYERS: Sure. It's Brian Ayers, on behalf of  
14 the Committee.

15 Sam, I'll text Don now.

16 MR. NEWMAN: Okay.

17 MR. DETWEILER: Don Detweiler.

18 MR. NEWMAN: Hey, Don.

19 MR. DETWEILER: Hey, how are you?

20 MR. NEWMAN: We were just going back on the  
21 record. It's being recorded. We have representatives of the  
22 Committee.

23 Don, do you want to state your appearance for the  
24 record?

25 MR. DETWEILER: Yes, Donald Detweiler, Womble Bond

1 Dickinson for the Committee. I believe Todd Atkinson is on,  
2 as well, from Womble Bond, for the Committee.

3 MR. ATKINSON: Yes.

4 MR. NEWMAN: I see Jim Gansman and Brian Ayers  
5 from the Committee.

6 MR. GANSMAN: That's right, from Rock Creek.

7 MR. NEWMAN: From Rock Creek, representing the  
8 Committee. Sorry.

9 Abe, anyone on representing the Noteholders?

10 MR. BANE: Yeah, it's Abraham Bane from Davis Polk  
11 representing the Noteholders. I see the FTI team, as well.

12 MR. NEWMAN: Also, is Mike Katzenstein from FTI or  
13 others from FTI representing the Noteholders?

14 MR. GUMBS: Sean Gumbs is on, as well, Sam.

15 MR. NEWMAN: Oh, sorry, Sean. You're at the  
16 bottom of my screen. I apologize.

17 I'm just going through my tiles here. We also  
18 have from Gibson -- I'm sorry -- from Sidley, Charles  
19 Persons, Geoff Levin and Jerri Leigh Miller and Lanna Lan.

20 Alex Rohan from Miller Buckfire?

21 MR. ROHAN: Yes, I'm here. Thank you, Sam.

22 MR. NEWMAN: Jim Nirappel?

23 MR. NIRAPPEL: Yes, James Nirappel for Davis Polk  
24 for the Noteholders.

25 MR. NEWMAN: Great, thank you.



1 Lou Solimine is on.

2 MR. SOLIMINE: Yes, I'm here, Sam. Thank you.

3 MR. NEWMAN: Thank you.

4 I noticed Mike Sabino, also from Sidley. Claire  
5 Drucker from Davis Polk, right?

6 MS. DRUCKER: From Latham (indiscernible).

7 MR. NEWMAN: I'm sorry, I'm getting people  
8 confused. I apologize, Claire.

9 MS. DRUCKER: No worries.

10 MR. NEWMAN: That's all I see on my screen.

11 And is anyone else who hasn't been announced?

12 (No verbal response)

13 MR. NEWMAN: Okay. So, I didn't have a chance to  
14 consult with all the consultation parties, but here's where I  
15 think we are. We've received no further bids from any  
16 qualified bidder and as confirmed, just prior to the auction  
17 with Ted Dillman from Latham, that at this time, having  
18 received no overbids to the Renibus bid, Renibus does not  
19 intend to bid at this time any further.

20 They have indicated that they are in the process  
21 of seeking to negotiate with the Noteholders and the  
22 Committee, improvements to their proposal, denied to resolve  
23 Committee and Noteholder objections to their bid, but their  
24 bid remains the cash bid that was made and identified as the  
25 successful bidder on Friday.

1 Lou Solimine is on. I have been told before,  
2 although, I'll just, while we're on the record, that Patheon  
3 does not intend to increase its bid at this time?

4 MR. SOLIMINE: That's correct, Sam.

5 MR. NEWMAN: And so we would continue to identify  
6 Patheon as the backup bid under the bid procedures rules.

7 We have received objections from both, the  
8 Committee and the Noteholders, to the Renibus bid. And as I  
9 indicated, Renibus is actively engaged in negotiations with  
10 both the creditor constituencies to seek to resolve those  
11 objections.

12 We have also received from the Noteholders, a  
13 proposal to implement an alternative transaction through a  
14 plan, which we have transmitted to the company and are  
15 continuing to evaluate. We believe that under certain  
16 circumstances, that proposal could afford equal or better  
17 value to the estate than the Renibus bid; however, it has  
18 not, at this time, made a firm proposal and is still the  
19 subject of ongoing conversation. And therefore, while the  
20 debtor reserves its right to deem proceeding with the auction  
21 not in the best interests of the estate and, therefore, not  
22 proceed to seek approval of the bids identified to the  
23 auction, we've not made that determination at this time. We  
24 reserve our right to make that determination at any time  
25 before the entry of the sale order and we will continue to

1 work with the Noteholders to understand that proposal and to  
2 evaluate it. But at this time, we have not received any  
3 higher or better bids than the Renibus bid.

4 We believe we've afforded all parties an  
5 opportunity for free and fair bidding and we intend,  
6 therefore, following any remarks that parties wish to make on  
7 the record, to conclude the auction at this time. I welcome  
8 any comments that parties wish to place on the record.

9 Don, I'll defer to you, initially, as the  
10 Committee representative.

11 MR. DETWEILER: So, thank you, Sam. Thank you for  
12 the information.

13 The Committee continues to reserve its rights and  
14 it's objection to the sale.

15 MR. NEWMAN: Thank you.

16 We intend to file a written reply to the  
17 Committee's written objection and to continue to work with  
18 the Committee and with Renibus to try to resolve those  
19 objections, if possible, before the sale hearing tomorrow.

20 With respect to the Noteholders, Abe, do you want  
21 to make any comments or statements?

22 MR. BANE: Yes, we similarly object and reserve  
23 all rights if the debtor continues with the Renibus bid, as  
24 currently bid, and we believe that our bid is superior and  
25 provides greater value to their estates and we'd encourage

1 the bidder to move forward with our proposal, but to the  
2 extent the debtor moves forward with the existing Renibus  
3 bid, we reserve all rights.

4 MR. NEWMAN: Fair enough. And we will continue to  
5 engage with the Noteholders to understand and evaluate that  
6 proposal, as well as to work with the Noteholders and Renibus  
7 to try to resolve any objections to the Renibus bid.

8 Do any of the bidders have any further comment or  
9 anything that'd like to say before we conclude the auction?

10 MR. SOLIMINE: Sam, on behalf of Patheon, I'll  
11 just say that Patheon would like to reserve its rights and  
12 its position that its bid is, in fact, the highest-and-best  
13 bid, not the Renibus bid.

14 MR. NEWMAN: Thank you, and we will put that on  
15 the record, and we are happy, Lou, to talk to you offline  
16 about any concerns you about. You are an important creditor  
17 and constituent in this process, so thank you for your  
18 participation.

19 Anyone else?

20 (No verbal response)

21 MR. NEWMAN: Okay. With that, I am going to  
22 conclude the auction for assets of Tricida, Inc., so we can  
23 get on file, a report to the Court with respect to the  
24 auction. We intend to proceed tomorrow at 2:00 p.m. Eastern  
25 in Wilmington to seek approval of Lot One and we intend at

1 this time, to proceed, also, to seek approval of the Renibus  
2 bid as Lot Two, however, we do understand there are  
3 objections and we do intend to address those before the  
4 Court.

5           We remain available to further conversations and  
6 discussions. We think all parties have engaged productively  
7 and we appreciate that. We look forward to moving this  
8 forward to the next phase, so thanks, everyone, for your  
9 participation.

10           With that, we are off the record.

11           (Proceedings concluded)

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CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of my knowledge and ability.

/s/ William J. Garling

February 20, 2023

William J. Garling, CET-543  
Certified Court Transcriptionist  
For Reliable