

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

In re:

TRICIDA, INC.,¹

Debtor.

Chapter 11

Case No. 23-10024 (JTD)

Re: Docket Nos. 100, 104, 240, 248, 251

**SUPPLEMENTAL OBJECTION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS TO AMENDED DISCLOSURE STATEMENT IN
RESPECT OF SECOND AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

The Official Committee of Unsecured Creditors (the “Committee”) of Tricida, Inc. (the “Debtor” or “Tricida”), the above-captioned debtor and debtor-in-possession, by and through its undersigned proposed counsel, hereby files this Supplemental Objection (the “Objection”) to *Amended Disclosure Statement For Chapter 11 Plan Of Liquidation For Tricida, Inc.* (Docket Nos., 251) (as modified and amended, the “Disclosure Statement”), and to the Debtor’s Solicitation Motion (Docket No. 74) (the “Solicitation Motion”). In support of the Objection, the Committee states as follows:

OBJECTION

Despite concerns raised by the Court at the initial hearing of the Debtor’s proposed Disclosure Statement, as well as the continuing objections raised by the Committee and the shareholder class plaintiffs to the nature and extent of the releases proposed in the Debtor’s

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.



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proposed plan of liquidation, the Debtor continues to move forward apace with a fatally flawed plan of liquidation (now the “Second Amended Plan of Liquidation”) that includes, among other objectionable provisions: (i) impermissible releases of valuable estate claims and causes of action; (ii) insistence on soliciting questionable “opt-out releases” that, if not properly returned by creditors and shareholders, impose deemed consent to the releases proposed in the Plan; and (iii) improper classification of unsecured claims designed to gerrymander the vote toward obtaining at least one accepting class for confirmation purposes. Adding perhaps confusion to the process, the Second Amended Plan also contains an entirely new post-effective date construct built around a new “Reorganized Debtor” and “Plan Administrator.” While the new construct may be necessary and appropriate, the Committee continues to work with the Debtor and *Ad Hoc* Noteholders Committee (the “Noteholders”) to not only understand the construct, but to ensure the most efficient means to effectuate a plan of liquidation that allows the Debtor’s remaining assets to be monetized and distributed to Allowed Claims without excessive administrative cost, burn or waste.

To this end, while the Committee continues to work with the Debtor and Noteholders on the construct of the Second Amended Plan, the Committee believes the Debtor should provide additional disclosure in the Amended Disclosure Statement to provide creditors and holders of equity interests adequate information in two (2) areas:

- a. The Amended Disclosure Statement should disclose the basis for the potential Releases being sought by the Debtor in the Second Amended Plan, including identifying the “consideration,” if any, being paid by the Released Parties, as well as, the specific benefits such Releases will provide to the Debtor’s estate and its creditors; and
- b. The Amended Disclosure Statement should disclose: (i) why the Debtor believes the new plan construct (the addition of a “Plan Administrator” and “Reorganized Debtor”) is appropriate and necessary; (ii) what estate assets are being transferred to what entity under the proposed Second Amended Plan (Reorganized Debtor or Liquidating Trust) and why; (iii) the potential tax implications of such construct; and (iv) the potential costs and expenses of such construct. (To this end, the Debtor should also revise its “Liquidation Analysis,” to identify and account for such costs and expenses.)

The Committee also respectfully submits that if the Court authorizes and approves the Debtor’s solicitation of the Second Amended Plan, the Court should extend the time period to solicit the Second Amended Plan so as to allow creditors and shareholders sufficient time to review and analyze the solicitation materials. Creditors and equity interests need sufficient time to review and understand what they are receiving and the consequences of them not responding, especially given the potential imposition of deemed consent to a release for failing to return the proposed “opt-out release” *Moreover, additional time is appropriate to allow the Committee and any other party-in-interest sufficient time to complete any discovery into the confirmability of the Second Amended Plan.*

Finally, and more broadly, the Committee respectfully submits the time appears ripe for all major stakeholders, including the Debtor, the Debtor’s insurers, the Noteholders, the

Committee, and the representatives of the shareholder plaintiffs, to mediate the remaining issues and disputes in this case, in lieu of litigation and its concomitant costs and expenses. The Committee welcomes the Court's input on potentially compelling a mandatory mediation in the case.

RESERVATION OF RIGHTS

The Committee expressly reserves all objection to the Disclosure Statement and proposed Second Amended Plan of Liquidation and expressly reserves the right to supplement and amend this Objection prior to the continued Disclosure Statement Hearing.

Dated: March 2, 2023
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Donald J. Detweiler

Donald J. Detweiler (DE Bar No. 3087)

Todd A. Atkinson (DE Bar No. 4825)

Elazar A. Kosman (DE Bar No. 7077)

1313 North Market Street, Suite 1200

Wilmington, Delaware 19801

Telephone: (302) 252-4320

Facsimile: (302) 252-4330

Email: don.detweiler@wbd-us.com

Email: todd.atkinson@wbd-us.com

Email: elazar.kosman@wbd-us.com

*Proposed Counsel to the Official Committee
of Unsecured Creditors*

CERTIFICATE OF SERVICE

I, Donald J. Detweiler, do hereby certify that on March 2, 2023, I caused a copy of the foregoing **Supplemental Objection of the Official Committee of Unsecured Creditors Disclosure Statement in Respect of Chapter 11 Plan of Liquidation** to be served on the parties listed on the attached service list via email.

/s/ Donald J. Detweiler

Donald J. Detweiler (DE Bar No. 3087)

SERVICE PARTIES

Counsel to the Debtor

SIDLEY AUSTIN LLP

Attn.: Samuel A. Newman

Jeri Leigh Miller

Julia Philips Roth

Charles Persons

Geoffrey Levin

555 West Fifth Street

Los Angeles, CA 90013

Email: sam.newman@sidley.com

jeri.miller@sidley.com

julia.roth@sidley.com

cpersons@sidley.com

glevin@sidley.com

Counsel to the Debtor

YOUNG CONAWAY STARGATT

& TAYLOR, LLP

Attn: Sean M. Beach

Allison S. Mielke

Carol Cox

1000 N. King Street

Rodney Square

Wilmington, DE 19801

Email: sbeach@ycst.com

amielke@ycst.com

ccox@ycst.com

**Office of the United States Trustee
for the District of Delaware**

J. Caleb Boggs Federal Building

Attn: Timothy J. Fox

844 King Street, Suite 2207

Wilmington, DE 19801

Email: timothy.fox@usdoj.gov

Counsel to Joint Noteholders

GREENBERG TRAUIG, LLP

Dennis A. Meloro

222 Delaware Avenue, Suite 1600

Wilmington, Delaware 19801

Email: dennis.meloro@gtlaw.com

Counsel to Joint Noteholders

DAVIS POLK & WARDWELL LLP

Darren S. Klein

Abraham Bane

450 Lexington Avenue

New York, New York 10017

Email: darren.klein@davispolk.com

abraham.bane@davispolk.com