IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
AKORN, INC., *et al.*,[1]	)	Case No. 20-11177 (KBO)
Debtors.	)	(Jointly Administered)

DEBTORS' REPLY IN SUPPORT OF THE SALE

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of the Sale[2] and in response to the objections filed with respect thereto:

Preliminary Statement

1. The Debtors stand on the precipice of achieving a truly impressive result for the overwhelming majority of their stakeholders, particularly in light of the challenging global economic environment: a value-maximizing Sale that preserves their business as a going-concern, saving thousands of jobs and business partnerships. The Sale is the culmination of over a year's worth of efforts by the Debtors and their advisors to identify a transaction that would allow the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, if any, are: Akorn, Inc. (7400); 10 Edison Street LLC (7890); 13 Edison Street LLC; Advanced Vision Research, Inc. (9046); Akorn (New Jersey), Inc. (1474); Akorn Animal Health, Inc. (6645); Akorn Ophthalmics, Inc. (6266); Akorn Sales, Inc. (7866); Clover Pharmaceuticals Corp. (3735); Covenant Pharma, Inc. (0115); Hi-Tech Pharmacal Co., Inc. (8720); Inspire Pharmaceuticals, Inc. (9022); Oak Pharmaceuticals, Inc. (6647); Olta Pharmaceuticals Corp. (3621); VersaPharm Incorporated (6739); VPI Holdings Corp. (6716); and VPI Holdings Sub, LLC. The location of the Debtors' service address is: 1925 W. Field Court, Suite 300, Lake Forest, Illinois 60045.

[2] A detailed description of the Debtors and their business, and the facts and circumstances supporting the Debtors' chapter 11 cases, are set forth in greater detail in the *Declaration of Duane Portwood in Support of Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 15], filed contemporaneously with the Debtors' voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), on May 20, 2020 (the "Petition Date"). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the *Debtors' Motion Seeking Entry of an Order (A) Authorizing and Approving Bidding Procedures, (B) Scheduling an Auction and a Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, (D) Establishing Notice and Procedures for the Assumption and Assignment of Certain Executory Contracts and Leases, and (E) Granting Related Relief* [Docket No. 18].

Debtors to pay their secured term loan lenders in full and continue as an operating entity. Notwithstanding the diligent and tireless efforts of the Debtors' management and their advisors, and against the backdrop of hard-fought negotiations from all corners, two separate sale processes—one prepetition and another postpetition—failed to generate any actionable, competing bids. In fact, the Debtors, with the support of their term loan and DIP lenders, further extended the postpetition sale milestones contemplated by their debtor-in-possession financing ("DIP Financing") and prepetition restructuring support agreement ("RSA") to allow a potential competing proposal funded by new-money investors to materialize. Unfortunately, that bid fell through at the last hour due to an inability to obtain the requisite debt and equity financing.

2. The Debtors now stand ready to proceed with the only actionable bid available—the Stalking Horse Bid provided by the term loan lenders (the "Purchaser"), which not only assumes substantially all undisputed, unsecured claims as a demonstration of their commitment to preserving the valuable business relationships the Debtors have built over the years, but also includes funding for a substantial wind-down budget to ensure the payment of all remaining administrative and priority claims and the orderly wind-down of the Debtors' Estates. Not only is this meaningful consideration, it is the ***only*** consideration currently proposed for the Debtors' assets. No party has asserted otherwise. The alternative is, unfortunately, a value-destructive liquidation to the detriment of all stakeholders.

3. Notably, other than certain objections by contract counterparties to the assumption of their contracts and to cure amounts (which the Debtors are seeking to and expect to resolve), the only parties objecting are certain plaintiffs in the MDL litigation (the "MDL Plaintiffs") who have made no secret about their intent to derail the Debtors' sale and confirmation process to serve their own parochial interests. Yet, the objectors present no viable alternative to the Sale and fail to provide any support for their broad allegations of misconduct and collusion.

4. ***First***, the MDL Plaintiffs allege, without any basis in fact or reality, that the Sale was proposed in bad faith. *See* Objection.[3] Contrary to the allegations of the MDL Plaintiffs, the Sale is the best—and ***only***—alternative after the Debtors and their advisors worked for over a year to develop a value-maximizing solution for the Debtors' business and capital structure. The MDL Plaintiffs advance multiple unsupported and irresponsible accusations regarding the Debtors' motivations or intentions regarding the Sale that are belied by the facts and circumstances, as will be demonstrated at the Sale Hearing.

5. ***Second***, the MDL Plaintiffs allege that the Sale transfers valuable unencumbered assets to the Purchaser "without making an out-of-pocket distribution of money." Far from the truth, the Purchaser is providing substantial consideration totaling in excess of ***$150 million*** in the aggregate in connection with the Sale, including by assuming certain liabilities and funding a substantial Wind-Down Budget for the orderly wind down of the Debtors' Estates. And this assumes there is significant unencumbered value remaining after taking into account the DIP Financing liens and adequate protection liens (which there is not).

6. Accordingly, for the reasons set forth below, the Sale represents the highest, best, and only transaction to not only preserve the Debtors' business as a going concern, but also to maximize the value of their Estates. The only alternative presented by the MDL Plaintiffs is the liquidation of a viable operating company, the loss of thousands of jobs, and the unpaid claims of countless unsecured creditors who may then face financial difficulties of their own. The Debtors therefore respectfully request that the Court approve the Sale.

[3] As used herein, "Objection" means the *Objection of 1199SEIU Benefit Fund, DC47 Fund and SBA Fund to the Debtors' Motion to Sell (DI#18) and Confirmation of the Debtors' Plan (DI#2580)* [Docket No. 553].

Background

I. The Initial Marketing Process.

7. The Debtors commenced these chapter 11 cases to implement a value-maximizing transaction through a sale of substantially all of their assets. The Court-approved Bidding Procedures[4] set forth procedures and a timeline for the Debtors and their advisors to market test the Stalking Horse Bid. To capitalize on the Stalking Horse Bid and avoid the value-destructive consequences of a protracted stay in chapter 11, the Debtors determined that it was necessary to consummate the sale process on a timeline that allowed for an expedited but thorough marketing process. Moreover, the sale timeline was specifically designed to balance the goals of running a robust marketing process and minimizing any potential business disruption in order to continue as a going concern and maximize prospects for growth.

8. To further their goal of continuing their business as a going concern, the Debtors entered these chapter 11 cases with an asset purchase agreement in hand (as amended, supplemented, or otherwise modified from time to time, the "Asset Purchase Agreement") with the Purchaser that contemplated, among other things, a credit bid for the Debtors' assets and the assumption of certain liabilities.

9. The Asset Purchase Agreement (combined with the DIP Financing) sent a clear, strong message to customers, vendors, employees, and contract counterparties that the Debtors were appropriately funded and positioned for continued success as a going concern and undeniably quieted any concerns of the Debtors' trade creditors with the potential impact of the bankruptcy process on the Debtors' operations.

[4] Docket No. 181.

10. Leading up to and since the Petition Date, the Debtors and their advisors engaged with interested parties to market-test the Stalking Horse Bid to ensure the Debtors obtained the highest or otherwise best offer or combination of offers for their businesses or a portion of their assets. More specifically, the Debtors and their advisors embarked on a comprehensive, months'-long marketing and sale process under Court supervision to maximize value for all stakeholders. Once again, at the conclusion of this process, the Debtors did not receive any actionable, competing bids for their assets.

11. At the same time, starting in early July, the Debtors and their advisors engaged with a group of new-money investors on the terms of a potential topping bid or alternative transaction for the Debtors' assets. This group of investors was represented by sophisticated advisors that performed countless hours of diligence, gaining access to a data room and conducting multiple telephone conferences with the Debtors' advisors and management team. As this alternative transaction began to develop, the Debtors and their advisors engaged with the ad hoc group of their term loan lenders (the "Ad Hoc Group"), which agreed to extend the milestones under the DIP Financing and RSA to allow this investor group to conduct its diligence, obtain the necessary financing commitments to support this bid, and negotiate resolutions with the Debtors' litigation counterparties to facilitate a global resolution of these chapter 11 cases. The Confirmation Hearing was adjourned from August 20 to September 1 to allow all parties, including the Debtors and the Ad Hoc Group, to work collaboratively toward a value-maximizing transaction. Unfortunately, and despite the monumental efforts of the parties, this alternative transaction failed to materialize. As a result, the Debtors and the Ad Hoc Group determined to proceed with the Stalking Horse Bid—the ***only*** actionable transaction available for the Debtors.

12. Despite the extensive marketing efforts undertaken by the Debtors and their advisors described above, including contacting 72 potential bidders, executing approximately

37 non-disclosure agreements, hosting various meetings with the Debtors' advisors, the Debtors' key constituents, and bidders, responding to extensive due diligence requests through hundreds of emails and telephone conferences, the Debtors did not receive one single qualified bid.[5] The market has spoken: the Stalking Horse Bid represents the highest, best, and indeed the ***only*** offer for the Debtors' assets and is the only actionable alternative to a liquidation of the Debtors' business operations.

Reply

I. The Proposed Sale Represents the Highest Value for the Debtors' Assets and was Proposed in Good Faith and Without Collusion.

13. For purposes of valuations conducted in chapter 11 bankruptcy, it is well accepted that behavior in the marketplace is the best indicator of enterprise value. *In re Bos. Generating, LLC*, 440 B.R. 302, 325 (Bankr. S.D.N.Y. 2010) (citing *Bank of America Nat. Tr. and Sav. Ass'n v. 203 N. La Salle P'ship*, 526 U.S. 434, 457 (1999) (acknowledging that "the best way to determine value is exposure to a market" rather than a determination by a bankruptcy judge)); *see also In re Waterford Wedgwood USA, Inc.*, 500 B.R. 371, 381–82, 58 Bankr. Ct. Dec. (CRR) 194 (Bankr. S.D. N.Y. 2013) ("Courts give significant deference to marketplace values" and to values reached in the context of "an arm's length transaction between a willing buyer and a willing seller") (internal citations and quotations omitted); Bret Rappaport & Joni Green, Calvinball Cannot Be Played on This Court: The Sanctity of Auction Procedures in Bankruptcy, 11 J. Bankr. L. & Prac. 189, 193 (2002).

14. Further, section 363(m) of the Bankruptcy Code protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in

[5] The numbers in this paragraph only relate to the prepetition marketing efforts. The postpetition marketing efforts did not result in a topping bid either.

the purchased assets if the order allowing the transaction is reversed on appeal, as long as such purchaser leased or purchased the assets in "good faith." 11 U.S.C. § 363(m). Although the Bankruptcy Code does not define "good faith," courts have held that a purchaser shows its good faith through the integrity of its conduct during the course of the sale proceedings, finding that where there is a lack of such integrity, a good-faith finding may not be made. *See, e.g.*, *In re Abbotts Dairies*, 788 F.2d at 147 ("Typically, the misconduct that would destroy a [buyer's] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders."); *In the Matter of Andy Frain Servs., Inc.*, 798 F.2d 1113, 1125 (7th Cir. 1986) (same); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (same). The MDL Plaintiffs attempt to shoehorn the Debtors' and Purchaser's conduct into the standard set forth in section 1129(a)(3) of the Bankruptcy Code—the incorrect standard in this context. In any event, the MDL Plaintiffs are wrong because the Sale (and the Plan) was proposed in good faith.

15. The MDL Plaintiffs do not necessarily dispute that the Sale is the highest valued transaction (and offer no other plausible alternative themselves). Rather, the MDL Plaintiffs take aim at the Debtors' and Purchasers' motivations and intentions behind the Sale and concoct a narrative that the Debtors and their term loan lenders somehow colluded to provide a "friendly, unbeatable credit bidder." This irresponsible assertion defies reality.

16. At all times, the Debtors negotiated in good faith to resolve the disputes with their lenders. On or around November 27, 2018, the Debtors received a letter from certain of their lenders alleging that they were in default under the Term Loan Credit Agreement. A subsequent email to that effect was sent to the Debtors on December 11, 2018. The MDL Plaintiffs, in their own objection, emphasize the Debtors' CFO's statement that the Debtors did not "technically" believe they were in default, but ignore their very own words in the next two sentences that the

Debtors feared a default and "felt that rather than kind of to litigate that ***and to have a chance of losing***, it would be much better to enter into the standstill agreement such that [the Debtors] could have more constructive talks with [their] creditors." *See* Objection at 27 (emphasis added). In other words, despite the Debtors' belief they were not "technically" in default, they understood there was a possibility of protracted litigation over the matter, the ultimate outcome of which could have been an adverse judgment. Instead, the Debtors negotiated and entered into the Standstill Agreement to provide some breathing room to negotiate a comprehensive solution. Far from "manufacturing a default" or engaging in collusion, these actions demonstrate careful, calculated business decisions that weighed the risks of litigation against the benefits of time and constructive dialogue with their lenders. Moreover, while the Debtors circulated the first draft of the Standstill Agreement, it was ***in response to*** a term sheet from the lenders' advisors—the purpose of the Standstill Agreement was to gain the lenders' agreement "not to assert a default during the standstill period as a result of any conduct disclosed by the [Debtors] in its public filing or to the term lenders (*sic*) advisors." The MDL Plaintiffs torture logic to present these negotiations as something they are not.

17. Further, in response to the November 27 letter, the Debtors engaged PJT to prepare to meaningfully negotiate with their lenders. A revised Standstill Agreement was sent to PJT on March 11, 2019 and was executed by the parties in May 2019. In the same month, the Debtors and AlixPartners prepared a business plan and drafted strategic alternatives for the Debtors on an expedited basis. In October 2019, PJT requested an extension of the standstill period to June 2020. At this point, however, the lenders were not willing to submit a proposal that would be acceptable for a comprehensive amendment. The Debtors provided a proposal in January 2020 that was subject to extensive and detailed negotiation. Moreover, each of the Standstill Agreements and amendments were publicly disclosed by the Debtors via SEC filings.

18. At the same time, PJT conducted a refinancing process to either (a) fully refinance the existing Term Loans or (b) pay down the Debtors' existing Term Loans to effectuate a refinancing. Ultimately, after contacting numerous parties, many of whom executed confidentiality agreements, no parties were willing to refinance the Debtors' capital structure in its entirety despite the Debtors having significantly less net debt in Q3 2019 than today. Further, given feedback from the remaining junior capital investors regarding the importance of resolving outstanding litigation as part of consummating a transaction, it became clear these investors would not be able to provide binding junior financing proposals on an out-of-court basis. As a result, the Debtors pivoted to pursuing an in-court sale of their business, but always retained the optionality to pursue an out-of-court transaction had one presented itself, and any assertion to the contrary simply ignores that the Debtors did not make these decisions in a vacuum: they were made in light of the facts and circumstances at the time and with the benefit of a thorough, deliberative decision-making process that has included ***68*** meetings of the Debtors' full board of directors between November 2018 and August 2020.

19. Moreover, the MDL Plaintiffs' assertion that the Debtors and Ad Hoc Group somehow inflated the value of the credit bid is flat wrong. ***First***, the MDL Plaintiffs blatantly mischaracterize an email from the Debtors' counsel to the Ad Hoc Group's counsel: Debtors' counsel stated that break-up fees were not "typical" in credit bid transactions. This is true, and this is why the Stalking Horse APA does not include one. The "exit fee" the MDL Plaintiffs apparently mistake for a break-up fee was not a last hour addition to the credit bid, but rather a negotiated provision of the Debtors' term loan credit facility. Thus, the exit fee is a proper component of the term loan claims. ***Second***, the Committee conducted a thorough investigation into potential claims against, among others, the prepetition term loan lenders (including in connection with the Standstill Agreement and amendments and the amounts paid to the Ad Hoc

Group thereunder) and ultimately decided that the likelihood of success on the merits of any potential claims were greatly outweighed by the risk, delay, and expenses of pursuing such claims.

20. Further, in direct contrast to the MDL Plaintiffs' assertion that the $107 million the Purchaser is providing as consideration for Assumed Liabilities would not "actually make its way to [those] parties," the Debtors and their advisors have been diligently working with ***any*** party that has a disagreement over cure costs or any other liability. The MDL Plaintiffs ignore that ***all*** non-litigation trade claims are being assumed by the Stalking Horse Bidder and paid in full, which are valuable to the Debtors' go-forward business. There is nothing improper about a purchaser deciding to assume only those liabilities that will support its go-forward business plan. *See e.g.*, *In Re Trans World Airlines, Inc.*, No. 01-00056(PJW), 2001 WL 1820326, at *11 (Bankr. D. Del. Apr. 2, 2001) ("A purchaser cannot be told to assume liabilities that do not benefit its purchase objective."); *In re Gen. Motors Corp.*, 407 BR 463, 496 (Bankr. S.D.N.Y. 2009) ("Caselaw also makes clear that a Section 363(b) sale transaction is not objectionable as a *sub rosa* plan based on the fact that the purchaser is to assume *some*, but not all of the debtors' liabilities"); *In re Chrysler LLC,* 405 BR 84, 99 (Bankr. S.D.N.Y. 2009) ("In every bankruptcy case involving the sale of substantially all of a debtor's assets, a purchaser may decide to assume certain contracts but not others."); *In re Gulf Coast Oil Corp.*, 404 B.R. 407, 420 (Bankr. S.D. Tex 2009) ("Also a 363 sale can often yield the highest price for the assets because of the buyer's ability to select liabilities it will assume and to purchase a going concern business.").

II. The Purchaser is Providing Adequate Consideration for the Debtors' Assets.

21. The MDL Plaintiffs also fail when arguing that the Purchaser is credit bidding more than the face value of its debt and therefore acquiring assets not encumbered by its prepetition lien. *See* Objection at 12. Section 363(k) of the Bankruptcy Code allows a secured lender to bid on property to the extent of the lender's secured claim, and the MDL Plaintiffs do not dispute this

basic tenet of bankruptcy law. While the amount necessary to submit a topping bid is greater than the face value of the term loan, such an amount is the cash bid necessary to top the Stalking Horse Bid and includes consideration provided by the Stalking Horse Bid ***in addition to*** the amount of the term loan debt. That consideration includes assuming certain liabilities and cure costs, funding the Wind-Down Budget, working capital needs, and incremental taxes. Thus, despite the MDL Plaintiffs' assertion that the Stalking Horse Purchaser is acquiring unencumbered assets "not encumbered by its prepetition lien," *see* Objection at 12, they conveniently ignore the substantial additional consideration, valued at no less than $150 million in the form of Assumed Liabilities and the Wind-Down Budget, among other things, that the Purchaser is providing. Such consideration is more than sufficient to account for the value of any unencumbered property.

22. In addition, the MDL Plaintiffs miss the mark when arguing that the Debtors are transferring valuable causes of action for no consideration. ***First***, as a practical matter, the Debtors are permitted to sell avoidance actions. *See In re Moore*, 608 F.3d 253, 262 (5th Cir. 2010). With respect to what the MDL Plaintiffs characterize as "valuable causes of action," the Purchaser is providing consideration for those assets, as such causes of action fall into two categories: ***first***, Acquired Avoidance Actions, defined in the Stalking Horse APA as "all Avoidance Actions relating to the Acquired Assets and/or Assumed Liabilities, includes those actions relating to vendors and service providers that are counterparties to Assigned Contracts or relating to Assumed Liabilities." These Acquired Avoidance Actions are part and parcel of assuming substantially all trade claims, preventing third-parties from bringing speculative actions against the Debtors' go-forward trade partners that could potentially damage the value of the Debtors' business. Further, as part of its settlement with the Committee in advance of the Disclosure Statement Hearing, the Purchaser has agreed not to pursue any Acquired Avoidance Actions. Moreover, no party has asserted that any cause of action exists against the Debtors' trade

counterparties, let alone any ***valuable*** action. And, as part of the Committee's comprehensive plan settlement, following a thorough investigation, it acknowledged that the cost, expense, and delay associated with pursuing these types of claims far outweighed the likely recovery. *See The Official Committee of Unsecured Creditors' Statement in Support of Akorn's Plan and Sale Motion* [Docket No. 560]. The MDL Plaintiffs, however, have no apparent regard for the continued viability of the business or any qualms about spending years pursuing speculative claims of uncertain value against the Debtors' employees and ordinary course trade creditors. ***Second***, the Stalking Horse APA defines Excluded Assets as those actions ***other than*** Acquired Avoidance Actions. In other words, any claims not being assumed are being left behind, some of which are being released pursuant to the Plan and are not properly addressed as part of the Sale.

23. To the extent that the value of the credit bid is less than the face amount of the term loan debt, the lenders are waiving any deficiency claim, which, given the marketing process has not produced a bid greater than the Stalking Horse Bid, would likely swamp the general unsecured claim class and significantly dilute recoveries under any alternative transaction. *See, e.g.*, *In re Philadelphia Newspapers, LLC*, 599 F.3d 298, 320–21 (3d Cir. 2010), *as amended* (May 7, 2010) (discussing the rationale behind credit bidding).

24. Finally, to the extent the Objection can be construed as a challenge to any of the liens of the term loan lenders, they do not have standing to do so. Accordingly, any attempt by the MDL Plaintiffs to argue that any liens of the term loan lenders should be avoided should not be countenanced by this Court.

25. Thus, for the reasons set forth herein, and as will be further shown at the Sale Hearing, the proposed Sale represents the highest or otherwise best offer for the applicable assets, and provides greater recovery for these estates than the only other alternative—liquidation. Accordingly, the Debtors submit that they have carried their burden and demonstrated that the Sale

should be approved as an exercise of their reasonable business judgment and the Court should overrule the Objection.

III. The Remaining Objections Should Be Overruled.

26. Certain other parties objected to, among other things, the assumption and assignment of their executory contracts through the Sale. A summary chart identifying these formal and informal objections, and the Debtors' response thereto, is attached as **Exhibit A**. The Debtors have been working, and will continue to work, to resolve these objections on a consensual basis in advance of the Hearing. To the extent such objections cannot be resolved, the Debtors reserve the right to supplement this response.

Conclusion

27. The Debtors have conducted a robust marketing process and made every effort to sell these assets for the highest and best bid, culminating in the proposed Sale. The Stalking Horse Bid is the only binding bid available under the circumstances and will save thousands of jobs and allow the enterprise to continue as a going concern, which are primary goals of the chapter 11 process. For the foregoing reasons, the Debtors respectfully request that the Court overrule any unresolved objections and approve the proposed Sale.

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WHEREFORE for the foregoing reasons, the Debtors respectfully request that the Court overrule the objections and approve the Sale.

Wilmington, Delaware
August 28, 2020

/s/ *Paul N. Heath*

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Exhibit A

Sale and Contract Objections Summary Chart

Akorn, Inc., *et al.* - Sale and Contract Objections[6]

Dkt. No.	Objection	Objection Summary	Status / Debtors' Response
Sale Objections			
485	*Limited Objection of Catalent Pharma Solutions, LLC and Catalent Micron Technologies, Inc. to Debtors' (I) Sale Motion and (II) Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*	Catalent objected on a limited basis to the extent that (a) relief in the Sale Motion contemplates retaining benefits of Catalent's contracts without retaining all obligations, including certain indemnification obligations, (b) there are unidentified critical agreements missing from cure notices, and (c) that the Debtors have not provided adequate assurance.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(v).
519	*IRP Claimants' Limited Objection to Sale of Debtors' Assets*	The IRP Claimants objected to the scope and reach of the Sale Order in how it affected their substantive rights.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶¶ 10-11.
585	*Omnibus Objection by the United States to: (1) the Assumption and Assignment of Federal Contracts; and (2) the Debtors' Sale Motion*	The United States objected to (a) lack of adequate notice, (b) the extent that the Debtors bar or estop the United States from asserting any obligation, claim, or liability against the Debtors in accordance with applicable law, (c) language in the Sale Order that precludes the United States from pursuing environmental liabilities against the Debtors, (d) the assumption and assignment of the United States's interests.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(i).
586	*The Texas Comptroller of Public Accounts, Unclaimed Property Division's Objection to Debtors' Sale*	The Texas Comptroller of Public Accounts objected to the extent that it seeks to convey unclaimed property, which is held in trust for the benefit of the State of Texas and is not property of the Debtors' estates.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(ix).

[6] Capitalized terms used but not otherwise defined in this Exhibit shall have the meaning ascribed to them in the applicable objection.

Dkt. No.	Objection	Objection Summary	Status / Debtors' Response
Contract Objections			
437	*Objection of Douglas Pharmaceuticals America, Ltd. to Debtors' Notices to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*	Douglas Pharmaceuticals America, Ltd. objected to the proposed cure amount.	Resolved through agreed cure amount and recirculated Cure Notice.
450 470	*Objection of PrimaPharma, Inc. to the Motion of Debtors for the Assumption and Assignment of Certain Executory Contracts and Leases* • *Amended Declaration of Mark T. Livingston in Support of Objection of PrimaPharma, Inc. to the Motion of Debtors for the Assumption and Assignment of Certain Executory Contracts and Leases*	PrimaPharma, Inc. objected to the extent that the Debtors propose to pay less than the full cure amounts owed and fail to provide additional information regarding adequate assurance of future performance and clarification regarding the counterparties being added to the assumed contracts.	The argument is moot because neither the Debtors nor the Purchaser intends to assume or assume and assign any of PrimaPharma, Inc.'s contracts.
455	*Objection of Premier Group to Proposed Cure Amount*	Premier Group objected to the Debtors' proposed cure amount and to the extent that the Debtors have failed to provide adequate assurance.	The Debtors and Premier Group are working towards a resolution of outstanding issues.
457	*Objection of Cleaver Brooks Sales & Service, Inc. to Debtors' Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases and Proposed Cure Amount*	Cleaver Brooks Sales & Service, Inc. objected to the Debtors' proposed cure amount.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(xii).

Dkt. No.	Objection	Objection Summary	Status / Debtors' Response
458	*Limited Objection of Express Scripts, Inc. to Debtors' Notice of Proposed Assumption or Assumption and Assignment of Certain Executory Contracts*	Express Scripts, Inc. objected to the Debtors' proposed cure amount.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(x).
459	*Limited Objection of Express Scripts Senior Care Holdings, Inc. to Debtors' Notice of Proposed Assumption or Assumption and Assignment of Certain Executory Contracts*	Express Scripts Senior Care Holdings, Inc. objected to the Debtors' proposed cure amount.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(x).
460	*Limited Objection of Ascent Health Services, LLC to Debtors' Notice of Proposed Assumption or Assumption and Assignment of Certain Executory Contracts*	Ascent Health Services, LLC objected to the Debtors' proposed cure amount.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(x).
461	*Limited Objection of Econdisc to Debtors' Notice of Proposed Assumption or Assumption and Assignment of Certain Executory Contracts*	Econdisc objected to the Debtors' proposed cure amount.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(x).
462	*Limited Objection of Priority Healthcare Distribution, Inc. d/b/a CuraScript SD to Debtors' Notice of Proposed Assumption or Assumption and Assignment of Certain Executory Contracts*	Priority Healthcare Distribution, Inc. d/b/a CuraScript SD objected to the Debtors' proposed cure amount.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(x).

Dkt. No.	Objection	Objection Summary	Status / Debtors' Response
464	*Limited Objection of Walgreen Co. and Walgreens Boots Alliance Development GmbH to Debtors' Motion Seeking Entry of an Order (A) Authorizing and Approving Bidding Procedures, (B) Scheduling an Auction and a Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, (D) Establishing Notice and Procedures for the Assumption and Assignment of Certain Executory Contracts and Leases, and (E) Granting Related Relief*	Walgreen Co. and Walgreens Boots Alliance Development GmbH objected to (a) the Debtors' proposed cure amount, (b) to the extent that the Debtors did not assume contracts in whole without modification, and (c) to the extent that the Debtors have failed to provide adequate assurance.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(vi).
471	*Response (of Quantic Group, Ltd.) to Notice to Contract Parties to Potentially Assumed Executory Contracts*	Quantic Group, Ltd. reserved its rights with respect to any unresolved issues.	Resolved through mutual agreement.
515	*Simple Science, LLC's Objection to Assumption and Assignment Identified Contracts Between Simple Science, LLC and Various*	Simple Science, LLC objected to the extent that the Debtors seek to assume and assign its contracts without its consent.	The Debtors and Simple Science, LLC are working towards a resolution of outstanding issues.
546	*Limited Objection and Reservation of Rights of DP West Lake at Conway, LLC to Debtors' Proposed Cure Amounts*	DP West Lake at Conway, LLC objected to the Debtors' proposed cure amount and requested that the Debtors (a) comply with all obligations under its lease pursuant to 11 U.S.C. § 365(d)(3) pending the actual assumption of its lease, (b) cure any additional defaults that may occur under its lease between the date of its objection and the effective date of any assumption by the Debtors, and (c) to ensure that the Purchaser will be expressly responsible and liable for the payment of any charges that come due under its lease post-assumption and assignment, but that may relate to a pre-assumption and assignment period and that such Purchaser will execute a document in a form acceptable by the landlord in which it ratifies the lease and assumes the obligations.	The Debtors and DP West Lake at Conway, LLC are working towards a resolution of outstanding issues.

Dkt. No.	Objection	Objection Summary	Status / Debtors' Response
555	*Objection of Cenveo Worldwide Limited to Notice of Contract Parties to Potentially Assumed Executory Contracts and Proposed Cure Amounts*	Cenveo Worldwide Limited objected to (a) the Debtors' proposed cure amount, (b) the extent that the Debtors did not assume all amendments under certain of its contracts, and (c) the extent that the Debtors included incorrect counterparties in the Cure Notice.	The Debtors and Cenveo Worldwide Limited are working towards a resolution of outstanding issues.
556	*Objection and Reservation of Rights of Syneos Health, LLC and Inventiv Health Consulting, Inc. to Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*	Syneos Health, LLC and Inventiv Health Consulting, Inc. (collectively, "Syneos") objected to the Debtors' proposed cure amount and for clarification on what agreements or orders between Syneos and the Debtors would be assumed or assigned.	The Debtors and Syneos are working towards a resolution of outstanding issues.
561	*Limited Objection of Cravath, Swaine & Moore LLP ("Cravath") to the Assignment and Assumption of the Engagement Letter Between Cravath and Debtors*	Cravath, Swaine & Moore LLP objected to the potential assumption and assignment of its engagement letter.	The Objection is moot because the Debtors are not assuming and assigning the engagement letter to the Purchaser.
563	*Objection of Leadiant Biosciences Inc. to Notices to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*	Leadiant Biosciences, Inc. objected to the Debtors' proposed cure amounts and to the extent that the Debtors have not provided adequate assurance.	The Debtors and Leadiant Biosciences, Inc. are working towards a resolution of outstanding issues.
564	*Objection of Exela Pharma Sciences LLC to the Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*	Exela Pharma Sciences LLC objected to any assignment of its contracts to the extent that neither the Debtors nor any potential assignee has yet provided adequate assurance of future performance.	The Debtors and Exela Pharma Sciences LLC are working towards a resolution of outstanding issues.
591	*Objection of Mitsubishi Tanabe Pharma Corporation Notice to Contract Parties to Potentially Assumed Executor Contracts and Unexpired Leases*	Mitsubishi Tanabe Pharma Corporation ("MTPC") objected that (a) the cure amount provided in the cure notice was deficient, (b) to the extent that the Debtors did not assume contracts in whole without modification, (c) that MTPC's contract may not be assumed without consent, and (d) that MTPC has not been provided adequate assurance information.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(viii).

Dkt. No.	Objection	Objection Summary	Status / Debtors' Response
595	*Limited Objection With Reservation of Rights of Humana, Inc. and Humana Pharmacy, Inc. to Debtors' Notice to Contract Parties Potentially Assumed Executory Contracts and Unexpired Leases*	Humana, Inc. objected to the Debtors' proposed cure amounts.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(iv).
596	*Objection of the Chubb Companies With Respect to (I) The Debtors' Motion Seeking Entry of an Order (A) Authorizing and Approving Bidding Procedures, (B) Scheduling an Auction and a Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, (D) Establishing Notice and Procedures for the Assumption and Assignment of Certain Executory Contracts and Leases, and (E) Granting Related Relief and (II) Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases.*	The Chubb Companies objected to (a) the Sale Transaction, (b) the proposed assumption and the assignment of certain of the Policies, (c) the proposed Cure Amounts, and (d) the lack of adequate assurance of future performance.	Resolved through the addition of language to the Revised Proposed Sale Order. *See* Sale Order ¶ 27(ii).
598	*Oracle's Limited Objection and Reservation of Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*	Oracle America, Inc. ("Oracle") objected to (a) the assignment of its contracts without Oracle's consent, (b) to the extent that the Debtors have not adequately identified Oracle's contracts to be assumed and assigned, (c) to the proposed Cure Amounts, and (d) the lack of adequate assurance of future performance.	The Debtors and Oracle are working towards a resolution of outstanding issues.