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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

CYXTERA TECHNOLOGIES, INC., *et al.*,

Debtors. ¹

Chapter 11

Case No. 23-14853 (JKS)

(Joint Administration Requested)

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.kccllc.net/cyxtera>. The location of Debtor Cyxtera Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is: 2333 Ponce de Leon Boulevard, Ste. 900, Coral Gables, Florida 33134.



**DECLARATION OF RAYMOND LI,
DEPUTY CHIEF RESTRUCTURING OFFICER OF CYXTERA
TECHNOLOGIES, INC., IN SUPPORT OF DEBTORS’ MOTIONS SEEKING
ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO
PAY PREPETITION CLAIMS OF CERTAIN CRITICAL VENDORS, FOREIGN
VENDORS, 503(B)(9) CLAIMANTS, AND LIEN CLAIMANTS, (II) GRANTING
ADMINISTRATIVE EXPENSE PRIORITY TO ALL UNDISPUTED OBLIGATIONS ON
ACCOUNT OF OUTSTANDING ORDERS, AND (III) GRANTING RELATED RELIEF**

I, Raymond Li, hereby declare under penalty of perjury:

1. I am the Deputy Chief Restructuring Officer (the “DCRO”) of Cyxtera Technologies, Inc. I have served as the Debtors’ DCRO since May 5, 2023. I am also a Director in the Turnaround & Restructuring Services Practice at AlixPartners LLP (“AlixPartners”).² I specialize in advising management teams, boards of directors, and creditors in distressed situations. I have nearly 15 years of experience as a financial advisor to public and private companies, serving in a variety of capacities, including positions within senior management. I have served as a Director at AlixPartners since 2018, when AlixPartners acquired my previous financial advisory firm, Zolfo Cooper. I held several roles at Zolfo Cooper from 2009 until its acquisition in 2018, including Senior Director from 2017 to 2018. Prior to Zolfo Cooper, I was a Senior Manager at KPMG. I hold a B.S. from Carnegie Mellon University and an M.B.A from the Stern School of Business at New York University.

2. In my capacity as DCRO, I am generally familiar with the Debtors’ day-to-day operations, business and financial affairs, and books and records. I have assisted the Debtors in a variety of tasks, including identifying vendors that are critical to the success of these chapter 11 cases. I provide this declaration (the “Declaration”) in support of the *Debtors’ Motions Seeking Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Prepetition Claims of Certain*

² AlixPartners has advised the Debtors in connection with a potential restructuring since March 2023.

*Critical Vendors, Foreign Vendors, 503(B)(9) Claimants, and Lien Claimants, (II) Granting Administrative Expense Priority to All Undisputed Obligations on Account of Outstanding Orders, and (III) Granting Related Relief (the “Critical Vendors Motion”).*³

3. Except where specifically noted, the statements set forth in this Declaration are based upon my personal knowledge, my discussions with other members of the Debtors’ management team and the Debtors’ advisors, my review of relevant documents and information concerning the Debtors’ operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. I am authorized to submit this Declaration on behalf of the Debtors and, if called upon to testify, I could and would testify competently to the facts set forth herein.

4. Pursuant to the Critical Vendors Motion, as a global data center provider, the Debtors rely on various entities to provide goods and services related to their business operations that are essential to maintaining business continuity, delivering products and services to customers in a timely manner, and, ultimately, maintaining customer satisfaction. Specifically, in the ordinary course of business, the Debtors rely on, among other things, (a)(i) goods and services that support the core of the Debtors’ business—maintaining properties that house data centers (the “Facilities”), (ii) third-party colocation service providers from whom the Debtors rent or license space and obtain interconnection services for resale, and (iii) business and administrative vendors that play a critical role in providing services that allow the Debtors to continue their day-to-day operations (collectively, the “Critical Vendors”), (b) goods and services provided by foreign vendors (the “Foreign Vendors”), (c) goods from various vendors delivered within the

³ Capitalized terms used but not defined herein have the meanings ascribed to them in the Critical Vendors Motion, filed contemporaneously herewith.

twenty-day period immediately preceding the Petition Date (collectively, the “503(b)(9) Claimants”), and (d) shippers, warehousemen, and other lien claimants (the “Lien Claimants,” which together with the Critical Vendors, Foreign Vendors, and 503(b)(9) Claimants are collectively referred to as the “Vendors,” and the claims owed to the Vendors, the “Trade Claims”).

5. As of the Petition Date, the Debtors estimate that they owe Critical Vendors in an aggregate amount of up to \$2.9 million on an interim basis and \$6.4 million on a final basis, Foreign Vendors in an aggregate amount up to \$1.0 million on an interim basis and \$1.5 million on a final basis, (iii) 503(b)(9) Claimants in an aggregate amount up to \$0.8 million on an interim basis and \$2.8 million on a final basis, and (iv) Lien Claimants in an aggregate amount up to \$7.4 million on an interim basis and \$21 million on a final basis.

6. The Debtors’ data center and colocation business depends on uninterrupted interconnection services and access to information technology equipment and other goods and services provided by the Debtors’ network of Vendors including, most importantly, the Vendors who ensure the maintenance of the Facilities. Moreover, given the nature of the Debtors’ business, where customers rely on uninterrupted power and infrastructure availability to host their information technology systems, the Debtors rely on timely delivery of goods and services from the Vendors to satisfy their obligations to customers.

7. As of the Petition Date, the Debtors owe approximately \$42.5 million on account of all accounts payable to the Debtors’ trade creditors. By the Critical Vendors Motion, the Debtors are only seeking to pay an amount necessary to the Vendors to preserve the value of their estates, which shall not exceed \$12.1 million on an interim basis. The Debtors intend to apply their business judgment and pay only those Trade Claims that are critical to maintain the supply chain and continuity of service to their customers.

8. As explained in the Critical Vendors Motion, in connection with the filing of these chapter 11 cases, I, along with other members of AlixPartners, worked with the Debtors' senior management to conduct a thorough analysis of the Debtors' vendors and services providers to determine how best to ameliorate the impact of the chapter 11 cases on the Debtors' business operations. Specifically, the Debtors and AlixPartners sought to identify those vendors who were most essential to the successful administration of these chapter 11 cases. The Debtors and AlixPartners identified a limited number of vendors. The Debtors and AlixPartners determined that, given the type of goods and services these Vendors provide, the cessation of deliveries or services from these Vendors would have an immediate adverse impact on the Debtors' operations and cause irreparable harm.

9. I believe that payment of some or all Trade Claims will be necessary to preserve the integrity of the Debtors' business and allow the Debtors to efficiently administer these chapter 11 cases. Despite the vendor relief contained in the Critical Vendors Motion, the Debtors' other creditors will fare far better if the Debtors are empowered to negotiate such payments to achieve a smooth transition into bankruptcy with minimal disruption to their operations. Upon Court approval, the Debtors will, in their discretion, condition the payment of Trade Claims upon such claimant's agreement to continue—or recommencement of—supplying such products and services to the Debtors in accordance with trade terms (including credit limits, discounts, pricing, timing of payments, availability, and other terms) consistent with the parties' ordinary course practice or as otherwise agreed by the Debtors in their reasonable business judgment (the "Customary Trade Terms"). During this period, it is imperative that the Debtors remain focused and avoid distractions from vendors attempting to assert leverage or deny provision of goods and services going forward, suddenly and without notice, which could destroy value that

would otherwise inure to the benefit of the Debtors' estates or otherwise jeopardize the Debtors' restructuring efforts.

10. For the foregoing reasons, the Debtors seek authority to pay up to \$31.7 million of Trade Claims during the course of these chapter 11 cases, including up to \$12.1 million on an interim basis.

11. Based on the facts and analysis above, it is clear that (i) the payment to the Vendors is necessary to preserve the value of the Debtors' business; (ii) the total amount being requested is modest compared to the outstanding potential prepetition claims that are expected to be asserted ensuring that the Debtors will only use these funds to make payments to the necessary Vendors; and (iii) the Debtors and the Debtors' stakeholders will be best served by the continuation, in the Debtors' discretion, of the Customary Trade Terms. As such, I believe the relief sought in the Critical Vendors Motion will help maximize the value of the Debtors' estates.

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

Dated: June 5, 2023

By: /s/ Raymond Li

Name: Raymond Li

Title: Deputy Chief Restructuring Officer