

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

IN RE: . Case No. 24-11362 (MBK)
. .
INVITAE CORPORATION, .
. .
. 402 East State
. Trenton, NJ 08608
Debtors. .
. February 15, 2024
. 11:34 a.m.

TRANSCRIPT OF FIRST DAY MATTERS
BEFORE HONORABLE MICHAEL B. KAPLAN
UNITED STATES BANKRUPTCY COURT CHIEF JUDGE

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Proceedings recorded by electronic sound recording, transcript
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I N D E X

EXHIBITS

ID.

D-1 Declaration of Andrew Swift

18

D-2 Declaration of Ana Schrank

18

1 THE COURT: Okay, good morning, everyone. This is
2 Judge Kaplan and we will start our hearings on the Invitae
3 matters. I'll give everybody an opportunity to adjust their
4 videos and audios as I am doing. All right. So I assume you
5 all can hear me. I see heads nodding. That's always a good
6 sign.

7 And this is the Invitae Corporation first day
8 matters. Because it is the first day, I would like to, for
9 those who have signed on as panelists, get appearances. Let me
10 start with the debtor.

11 Ms. Yudkin, good morning.

12 MS. YUDKIN: Good morning, Your Honor. Felice
13 Yudkin, Cole Schotz P.C., proposed co-counsel to the debtors.
14 And, Your Honor, I will in a moment turn over the podium after
15 we take other appearances to our co-counsel Kirkland & Ellis
16 team. It might make sense to allow them to introduce
17 themselves at that time if that's acceptable.

18 THE COURT: That works fine.

19 MS. YUDKIN: And I would note for Your Honor that we
20 did file pro hac vice applications for Kirkland & Ellis
21 yesterday which are pending.

22 THE COURT: All right. And to all those who have
23 filed pro hac for this morning's purposes, welcome virtually to
24 New Jersey. So thank you, Ms. Yudkin.

25 Let me hear other appearances on behalf of other

1 parties-in-interest.

2 MR. LAWLOR: Good morning, Your Honor. It's James
3 Lawlor and Joseph Pacelli from Wollmuth Maher & Deutsch on
4 behalf of Deerfield Partners, L.P. And with us on the line I
5 believe is James Bromley from Sullivan Cromwell who are also
6 counsel and Mr. Bromley will be the one addressing the Court as
7 necessary. So, thank you.

8 THE COURT: All right, good morning, Mr. Bromley.
9 Good morning, Mr. Pacelli.

10 UNIDENTIFIED ATTORNEY: Good morning, Your Honor.

11 UNIDENTIFIED ATTORNEY: Good morning, Your Honor.

12 THE COURT: Mr. Pacelli, shouldn't you be at home
13 waiting?

14 MR. PACELLI: Pretty soon. A week more. Thank you,
15 Your Honor.

16 THE COURT: Yes. Mr. Pacelli's family is expecting.
17 All right, for the U.S. Trustee I see familiar faces.

18 MR. SPONDER: Good morning, Your Honor. Jeff Sponder
19 and Lauren Bielskie on behalf of the United States Trustee.

20 THE COURT: Good morning, folks.

21 Anyone else wish to enter an appearance?

22 (No audible response)

23 THE COURT: All right. Then, Ms. Yudkin, should we
24 proceed to the Kirkland crew?

25 MS. YUDKIN: Yes, Your Honor. I believe they are

1 having -- I see some of the Kirkland crew is on but I believe
2 others are having some difficulty connecting to the Zoom. I
3 plan to turn over the podium to Nicole Greenblatt although I
4 don't -- oh, I see her walking into a conference room as we're
5 speaking.

6 THE COURT: All right.

7 MS. YUDKIN: So if Your Honor would just give us one
8 minute to get situated?

9 THE COURT: That's fine. We have all the time you
10 need.

11 MS. YUDKIN: Thank you very much.

12 MS. GREENBLATT: Apologies for that, Your Honor. Can
13 you hear me now?

14 THE COURT: I can. Good morning.

15 MS. GREENBLATT: Good morning. Thank you so much for
16 accommodating us. Very much appreciate being in front of Your
17 Honor today. Thank you for your chambers' efforts as well in
18 getting us organized.

19 THE COURT: Not a problem. Thank you.

20 MS. GREENBLATT: So I'm Nicole Greenblatt from
21 Kirkland & Ellis, counsel for the debtors. We'll have some
22 other folks from Kirkland presenting as well. If it makes
23 sense, Your Honor, we do have a short presentation we thought
24 would level set everyone's expectations as to kind of who we
25 are, why we're here and where we're going.

1 THE COURT: There's no such thing as a first day
2 without a PowerPoint.

3 MS. GREENBLATT: Yes. We take that cue from Mr.
4 Sussberg. Your Honor, we will share a screen. Is that working
5 for folks?

6 THE COURT: We can see it. You may want to go to
7 slide show from current slide.

8 MS. GREENBLATT: I believe we have -- we're
9 controlling it from Olivia (indiscernible) screen.

10 THE COURT: All right.

11 (Pause)

12 THE COURT: Would it help? Do you need a few
13 minutes?

14 MS. GREENBLATT: I think we got it. One more second.
15 Apologies.

16 THE COURT: No problem.

17 MS. GREENBLATT: Can everyone see that?

18 THE COURT: Yes.

19 MS. GREENBLATT: Okay, great. We'll get started.
20 So, Your Honor, we're here this morning to talk about Invitae,
21 why we're here, how we got here and where we're going. A quick
22 table of contents just to level set on what this will be, a
23 quick business overview, a series of the events leading to the
24 Chapter 11 cases over the past several years, the marketing
25 process we've gone pre-petition and the TSA to kind of set the

1 goals for the case and the overlay infrastructure and then
2 we'll get to a summary of the first day relief that we're
3 seeking here today.

4 THE COURT: All right.

5 MS. GREENBLATT: In terms of the business and who we
6 are, headquartered in San Francisco with labs in Metropark, New
7 Jersey and San Francisco, California. It's a publicly-traded
8 industry of leading genetics company. It was founded in 2010.
9 Invitae's mission is to make high quality genetic testing
10 available to the general public. Invitae applies proprietary
11 design, process automation, robotics and bioinformatic software
12 solutions to expand the use and impact of genetic information
13 and achieve efficiencies in sample processing in complex varied
14 interpretation allowing medical interpretation at scale.

15 The information provided by Invitae's tests help
16 healthcare providers assist patients in making informed
17 decisions about their health in order to help monitor and
18 prevent disease. These tests can be critically important.
19 Often physical symptoms of underlying disease take years to
20 manifest. By testing and identifying these diseases, people
21 can work with their healthcare providers to promptly begin
22 treatment and potentially save their lives.

23 Invitae has employed approximately 1,500 people.
24 Their customers are primarily biopharma companies and
25 institutions such as hospitals, clinics and third party

1 laboratories. The primary payors here are insurance companies
2 and governmental entities such as Medicare and Medicaid.

3 Invitae's business segments are comprised of four
4 main segments. There's the hereditary cancer segment which
5 you'll hear referred to as HERCAN, data products, rare diseases
6 and personalized cancer monitoring or the PCM business.
7 Through HERCAN Invitae offers market-leading genetic tests for
8 genes associated with hereditary cancers including breast,
9 ovarian, prostate, colon and pancreatic. HERCAN has a strong
10 presence of almost all of the National Cancer Institutes and
11 related cancer centers in the United States.

12 The data products and patient network services
13 business segments aggregates data from patient tests and
14 evaluates and interprets the data to advance genetic research
15 and create better health outlooks.

16 The rare diseases business line is where Invitae
17 offers tests for cardiology, immunology, neurology, metabolic
18 disorders and pediatric genetics tests and newborn screening.
19 This business segment includes the most common genetic tests
20 recommended by the American Academy for Pediatrics for children
21 showing symptoms of intellectual disorders.

22 And lastly, the PCM business is specialized testing
23 for cancer patients through the company's personalized cancer
24 monitoring platform which can detect residual or recurring
25 disease to help monitor response to treatments.

1 The next slide.

2 Your Honor, it's important to take a moment to
3 reflect on the impact of what this company does. Since Invitae
4 was founded, the company has administered over 4.4 million
5 genetic tests. Of those, over 2.2 million patients have made
6 the information garnered by their tests available for sharing.
7 By aggregating and analyzing this data, we can facilitate
8 better understanding of certain genes that improve the
9 diagnostic process allowing for faster treatment and response
10 time which can, again, help save patient lives.

11 In terms of the organizational structure, Your Honor,
12 this graph depicts the debtors' structure which is relatively
13 simple. The six entities highlighted in green are the debtor
14 entities here. Only domestic entities which are also obligated
15 on the company's debt are filers in these Chapter 11 cases.

16 The next slide sets forth the company's capital
17 structure. Invitae has about a billion five in total debt
18 obligations comprised of about 305 million in 2028 senior
19 secured notes and two tranches of unsecured notes, 27 million
20 of which due at the end of '24 and a billion one-five due in
21 April of 2028.

22 As we'll discuss in a moment, this capital structure
23 evolved from recent balance sheet transactions, notably the 305
24 million in senior secured notes are primarily held by
25 Deerfield, L.P. They own about 78 percent of that position.

1 They are represented by Sullivan and Cromwell and Perella
2 Weinberg has been their investment bankers and they're here
3 today in court as well.

4 So moving on to how did we get here, it's a story of
5 growth in the first instance. Beginning from 2019 to 2021
6 Invitae made a series of about 13 acquisitions to capitalize in
7 various opportunities that presents a great growth potential.
8 These included ArcherDX, a leading genomic (indiscernible)
9 company that was acquired to add tumor profiling and liquid
10 biopsy technologies to Invitae's service offerings. This was
11 acquired in October of 2020 for about \$325 million in cash and
12 some additional consideration.

13 Genosity provided critical support for mainstream
14 global adoption of Invitae's PCM business. This was acquired
15 in April of '21 for about \$200 million.

16 And lastly, Citizen provided patients an easy-to-use
17 centralized hub for their genomic and clinical information and
18 this was acquired in September of 2021 for 325 million.

19 While these acquisitions helped Invitae expand in
20 these new markets and round out its product portfolio and
21 improve customer experience, they also required large sums of
22 capital for investment and significant operating expenses and
23 cash burns as in many instances these products were pre-
24 commercial. To finance that, you needed to run significant
25 debt to acquire the new business lines which left them

1 vulnerable to other changes in general markets and macro
2 economic factors as well.

3 In addition to just the internal challenges of
4 incorporating the new businesses into their model and expanding
5 the footprint, the genetic testing industry also began
6 experiencing increased competition. Inflation and slowing
7 economic growth led to the rise of interest rates which made it
8 much more difficult to acquire new capital. Payor difficulties
9 and pressures from commercial insurance providers who were not
10 issuing reimbursements for the company's tests further
11 complicated the financial situation. And Invitae was facing a
12 2024 maturity wall in its convertible notes which was quickly
13 approaching while at the same time its stock price is
14 continuing to decline making it harder to access capital in the
15 capital markets.

16 Next line.

17 The company did not sit idly by. It took a series of
18 actions to address their financial challenges. Beginning in
19 '22 Invitae took a bunch of operational changes. They
20 appointed Kenneth Knight who is our current CEO and I believe
21 is on the phone today, Your Honor, in July of 2022. He
22 implemented a cost savings program by exiting certain non-core
23 business lines and streamlining international operations. They
24 implemented a reduction in force of approximately 1,200
25 employees and they reduced cost to increase process automation

1 and equipment productivity. All told, the combinations of
2 these initiatives saved the company an estimated \$326 million
3 annually.

4 Nevertheless, the company was still facing an over
5 levered balance sheet and upcoming maturity on their
6 convertible notes due in '24 so they engaged actively with
7 funded debt holders to achieve two different transactions, the
8 March '23 notes transaction which resulted in an infusion of
9 \$30 million in new capital and gave the company an extension on
10 their maturity runway for an additional four years and the
11 August '23 notes transaction by which the company equitized
12 about 17 million of notes that would have otherwise matured in
13 2024.

14 Following those efforts late last fall Invitae
15 recognized that more action was likely going to be required to
16 address the continued cash burn and business profile and they
17 actively engaged with a number of advisors who were brought in
18 and who you'll see throughout these cases. The company's
19 investment banker and financial advisor is Moelis and we've
20 submitted a declaration of Andrew Swift. He is here today at
21 the table, and is available to answer any questions. The
22 company also has FTI Consulting as their operational advisors.
23 Kirkland and Cole Schotz are serving as co-counsel. And KCC is
24 the proposed notice and claims agent.

25 But, Your Honor, getting back to the pre-petition

1 efforts, once the advisors were engaged, things really began in
2 earnest in terms of discussions among key stakeholders and
3 there are a couple of key points to highlight here. One is
4 that Invitae identified additional non-core business lines that
5 it sought to wind down or to divest as part of its ongoing
6 business planning efforts. And between November and January
7 they did successfully divest three cash intensive business
8 lines in hopes of right sizing the balance sheet and staving
9 the outflow of money from the company.

10 If we quickly flip to the next slide, you can see
11 those three divestitures included YouScript, Citizen and
12 Women's Health. All told, these transactions also improved the
13 balance sheet and they are expected to result in capitalized
14 cash savings of around 140 million.

15 If we can go back to the prior slide?

16 As part of the divestiture process, the company was
17 operating under an indenture with the senior secured
18 noteholders that required their consent to any divestitures or
19 wind down of business lines and so as this process was ongoing,
20 there were active conversations with the 2028 noteholders to
21 obtain that consent. That obviously ended up involving a lot
22 of back and forth, extensive diligence and conversations to
23 explore all strategic alternatives in terms of what the company
24 would look like post these divestitures and what kinds of
25 strategic alternatives we could engage in in terms of a broader

1 restructuring option. This involved, again, conversations both
2 with the senior secured noteholders and the junior noteholders
3 of unsecured creditors who had organized and retained advisors
4 to work with them in the pre-petition period.

5 We explored everything from a plan-sponsored
6 recapitalization to a sale process and ultimately I think it
7 became clear to all stakeholders involved that we were going to
8 have to see if a market test would result in a valued
9 maximizing transaction for the company. And so that is where
10 we got to the pre-petition marketing effort that is described
11 in our first day materials.

12 And so, Your Honor, for the past three months Invitae
13 has elicited interest in potential bids to consummate a sale
14 transaction. Moelis began through strategic outreach to
15 potential buyers on December 14th and over the following weeks
16 held calls with numerous interested buyers. This marketing
17 process followed with several interested parties executing
18 NDAs. These parties were provided with voluminous diligence
19 including the company's books and records and financial models.
20 Invitae has already received several initial bids as well as
21 multiple indications of interest. This included in the process
22 of analyzing.

23 The company is notably also in discussions with
24 prospective stalking horse bidders and the bidding procedures
25 that we're proposing today provide the flexibility to allow us

1 to enter into a stalking horse bid on or before the auction
2 time frame, and we'll get to that a little bit later in the
3 agenda. The company has every intention of continuing its
4 marketing efforts during these Chapter 11 cases and trying to
5 get to the highest and best bid available for the company.

6 And, again, on a parallel track overlaying all of
7 this as part of the consent procedure that we needed to get for
8 the initial divestitures and working towards developing the
9 marketing process with our lender's engagement we've been
10 actively negotiating a transaction support agreement that was
11 ultimately executed on February 13th earlier this week with our
12 senior secured noteholders.

13 A couple of key features of the transaction support
14 agreement because as noted earlier, they do provide the
15 infrastructure for this case, first, the Chapter 11 cases are
16 going to be financed through consensual use of cash collateral.
17 The debtors' cash position is strong. They have enough cash to
18 continue to support ordinary course operations and the cost of
19 these cases negotiated in connection with the cash collateral
20 order and the transaction support agreement.

21 Secondly, the TSA includes certain sale and plan-
22 related milestones that provide that we move reasonably,
23 appropriately but yet swiftly through these Chapter 11 cases
24 including an approximate 75-day sale process and an approximate
25 60-day plan process that would follow that.

1 Third, the TSA contemplates that a Chapter 11 plan
2 will allocate sale proceeds to cover both administrative claims
3 as well as certain unsecured claims including convenience claim
4 holders and general unsecured claims held with the company's
5 subsidiaries, all before the senior secured noteholders would
6 take over recovery. These are important concessions that
7 provide for an appropriate process in Chapter 11 and will
8 ensure that most of our trade partners are paid in full by the
9 end of these cases.

10 Your Honor, this slide just reflects an overview of
11 the case timeline contemplated by the TSA. Consistent with
12 what I mentioned earlier, we, again, are targeting an
13 approximate 75-day post-petition sale process ideally targeting
14 an auction the week of April 17th. I think our deadline is
15 April 19th with a subsequent 60-day plan process that would
16 have us out of Chapter 11 by mid-July.

17 Your Honor, that covers why we're here, where we see
18 this case going. And what we presented today is a suite of
19 what we believe is very standard first day relief, a series of
20 administrative motions, our financing and operational motions
21 and then, of course, the bidding procedures motion which I'll
22 turn over to my colleagues to get through.

23 And then I would just also note that we have Ana
24 Schrank who filed our first day motion in support of the
25 Chapter 11 cases. She's sitting to my right. She is the

1 company's chief financial officer and has been instrumental in
2 getting us here today.

3 And we also have the declaration of Andrew Swift in
4 support of the bid procedures and who's sitting to Ana's
5 right. He is from Moelis, also here and available. And so if
6 it would please the Court, I would move those declarations into
7 evidence at the outset so that we can continue with the first
8 day relief.

9 THE COURT: All right. Well, let me first open to
10 others. Are there any objections to the Court accepting into
11 evidence the declarations of Andrew Swift and Ana Schrank?

12 (No audible response)

13 THE COURT: Without objection, the declaration of Mr.
14 Swift is marked D-1 and the declaration of Ana Schrank is
15 marked D-2.

16 MS. GREENBLATT: Thank you, Your Honor. And with
17 that, I'll cede the podium to my partner, Mr. Winters, to
18 address cash collateral and ideally joint administration as
19 well. Thank you, Your Honor.

20 THE COURT: All right, thank you.

21 MR. WINTERS: Good morning, Your Honor. Spencer
22 Winters of Kirkland & Ellis LLP on behalf of the debtors. Can
23 you hear me all right?

24 THE COURT: Yes, I can. Thank you. Good morning.

25 MR. WINTERS: Thank you, Your Honor. I'd like to

1 echo Ms. Greenblatt's thanks to the Court and its staff for
2 hearing us today on short notice. I'll plan to cover the joint
3 administration motion, the cash collateral motion and then the
4 cash management motion before yielding the podium to my
5 colleagues, Ms. Gavey and Mr. Petrie to take us through the
6 balance of the agenda.

7 Last week we started sharing drafts of the pleadings
8 with the Office of the United States Trustee on a rolling
9 basis. We appreciate their constructive efforts to work with
10 us on the pleadings since then and I'm pleased to say that I
11 believe we are fully resolved with the U.S. Trustee for the
12 purposes of today's hearing and the interim order -- the
13 interim orders today. All rights are, of course, reserved on a
14 final basis.

15 With that, I will turn to Agenda Item 1 which is the
16 joint administration motion. It was filed in Docket Number 3,
17 the motion to request joint administration of the Chapter 11
18 cases of the six affiliated debtors. The relief is customary
19 and consistent with applicable court rules. Unless the Court
20 has any questions, we would respectfully request that the Court
21 enter the proposed order.

22 THE COURT: All right. With respect to all of the
23 matters going forward this morning, while it's still morning,
24 for those who wish to raise an issue or to be heard, obviously
25 please use the raised hand function.

1 Mr. Sponder, I'm going to assume that you and Ms.
2 Bielskie will weigh in as appropriate either to confirm or
3 raise issues that your office may have?

4 MR. SPONDER: Thank you, Your Honor. Jeff Sponder
5 from the Office of the United States Trustee. As Mr. Winters
6 advised, we've resolved all of our issues. We do want to
7 comment on two of the motions when we get to them and that is
8 the critical vendor order and the creditor matrix order and Ms.
9 Bielskie will handle those. But with all of the other motions
10 and orders, we are resolved, Your Honor. Thank you.

11 THE COURT: All right, thank you. And needless to
12 say, I appreciate your office's efforts obviously on a
13 shortened time frame and with a few of the other cases you have
14 on your plates, being able to address these issues in a short
15 term.

16 All right then, with respect to the motion for an
17 entry of an order directing joint administration, the motion
18 will be granted.

19 Mr. Winters, with all the matters going forward
20 today, it's always easier if we just say there will be orders
21 submitted and then your office can send down final versions of
22 any orders directly to chambers for entry.

23 MR. WINTERS: Makes sense, Your Honor. Will do.

24 THE COURT: All right, thank you.

25 MR. WINTERS: Next up, Your Honor, is the cash

1 collateral motion. This was filed at Docket Number 18, Agenda
2 Item Number 2. We did submit a revised proposed order to
3 chambers with a redline that reflects a couple of final
4 comments from the U.S. Trustee. The debtors filed these
5 Chapter 11 cases with around 140 million in cash all of which
6 is collateral for \$305 million of secured notes outstanding.

7 The debtors have reached an agreement with the
8 secured noteholders on the consensual use of that cash to fund
9 these Chapter 11 cases for 159 days. The agreed budget is
10 sufficient to maintain operations and fund the cost of the
11 cases through the sale and the plan confirmation process
12 proposed by the debtors. The proposed interim order contains
13 typical protections for the secured noteholders consistent with
14 the practice in this district and others. That includes
15 adequate protection liens and claims, that includes budget
16 testing with a 12-and-a-half percent variance and a \$56.7
17 million minimum liquidity covenant. It includes payment of
18 interest at the non-default rate and payment of reasonable and
19 documented professional fees subject to recharacterization.
20 That includes stipulations and/or lease subject to a customary
21 challenge period.

22 Finally, there are customary termination events, an
23 automatic stay waivers subject to five business day remedies
24 notice period. All the provisions that are typically subject
25 to entry of the final order are so qualified here. That

1 includes the release to credit bidding rights, the liens on
2 proceeds of avoidance actions and the surcharge marshaling and
3 equities of the case waivers.

4 As set forth in Ms. Schrank's declaration, use of the
5 cash collateral is critical to fund the debtors' business and
6 administrative costs and to prevent immediate and irreparable
7 harm to the business. The adequate protection package is
8 necessary and appropriate to protect against diminution of
9 value and to adduce the consent of the secured noteholders to
10 use that cash.

11 Unless the Court has any questions, we would
12 respectfully request entry of the proposed cash collateral
13 order.

14 THE COURT: All right.

15 MR. WINTERS: And we can submit that final to
16 chambers, Judge.

17 THE COURT: Thank you.

18 Anyone wish to be heard?

19 (No audible response)

20 THE COURT: The Court reviewed the redline, all the
21 redline versions of the proposed orders that were submitted
22 this morning. For the most part I think the changes are
23 reflective language to reserve rights for appropriate
24 committees that may be appointed, relative to challenge
25 periods, et cetera. I have no issues with the language or the

1 proposed changes. I don't see or hear from anyone. I'll mark
2 it granted, order to be submitted.

3 All right, next.

4 MR. WINTERS: Next up, Your Honor, is the cash
5 management motion. This was filed at Docket Number 10, Agenda
6 Item 3. The debtors have 16 bank accounts at four banks.
7 They're all authorized depositories. The debtors have a master
8 operating account that they use to conduct most of the day-to-
9 day collections and disbursement activities. There's two other
10 disbursement accounts that are used for payroll and benefits.
11 There's an account that was historically used as an investment
12 account. It's now a simple deposit account and will remain as
13 such through the Chapter 11 cases. And there are several other
14 accounts that are used for specialized purposes including for
15 specific lines like Archer.

16 The motion requests authority to continue to operate
17 these bank accounts in the ordinary course, pay about 50,000 in
18 bank fees, continue -- there's corporate credit card program,
19 continued inter-company transfers in the ordinary course.

20 Unless the Court has any questions, we would
21 respectfully request approval of the motion. The order is the
22 same as the one that is attached to the motion.

23 THE COURT: All right. First, I see a raise hand.
24 Mr. Spender?

25 MR. SPONDER: Thank you, Your Honor. Jeff Spender

1 from the Office of the United States Trustee. Your Honor, we
2 don't object to the relief requested, but we are not 100
3 percent certain that all 16 banks are approved depositories.
4 One of the banks, SVB I believe it is, that's still an open
5 question. But I just wanted to set that on the record. But we
6 are looking into that and we're going to find out whether or
7 not they are, we actually have an agreement with them. Thank
8 you, Your Honor.

9 THE COURT: All right, thank you, Mr. Sponder.

10 With those comments, then the Court will grant the
11 motion, again, mark it OTBS.

12 MR. WINTERS: Thank you, Your Honor. I will turn the
13 podium over to my colleague, Ms. Gavey, appreciate it.

14 THE COURT: All right, thank you, Mr. Winters.
15 Ms. Gavey?

16 MS. GAVEY: Good afternoon, Your Honor. For the
17 record, Nikki Gavey with Kirkland & Ellis, proposed co-counsel
18 to the debtors.

19 THE COURT: All right.

20 MS. GAVEY: I will be walking you through the next
21 four items on the agenda. First up is the debtors' wages
22 motion, which is Agenda Item Number 4 and filed at Docket
23 Number 6. Your Honor, pursuant to this motion the debtors are
24 seeking to continue their employee compensation and benefits
25 programs in the ordinary course of business in honoring certain

1 pre-petition obligations related to those programs.

2 The employees are the DNA of the debtors' business.
3 the over 1,500 employees have the unique skills, scientific
4 expertise and experience that are critical for the obligation
5 for the obligation of the debtors' business during these
6 Chapter 11 cases. The United States Trustee and our majority
7 senior secure note holders have reviewed the proposed form of
8 order and we understand that all comments have either been
9 incorporated or resolved.

10 So with that, Your Honor, unless you have any
11 questions we would respectfully request entry of the order
12 which we will submit to your chambers.

13 THE COURT: Okay, then with respect to the pre-
14 petition wages. Any concerns by any party on the call? Mr.
15 Sponder?

16 (No audible response)

17 THE COURT: Then once again the Court will grant the
18 motion and mark it OTBS. Thank you.

19 MS. GAVEY: Thank you, Your Honor. The next item on
20 the agenda is Item Number 5, which is the debtors' critical
21 vendors motion filed at Docket Number 7. By this motion the
22 debtors are seeking to pay certain pre-petition obligations on
23 account of vendors they deem critical, 503(B)(9) claimants,
24 lien claimants and foreign vendors.

25 Your Honor, a large part of the debtors' trade

1 relationships surround manufacturing, shipping and processing
2 of genetic tests. Many of the debtors' critical vendors are
3 sole source suppliers that are highly specific to different
4 steps in the genetic testing process and are controlled by
5 regulatory certifications.

6 There is a significant overlap between the critical
7 vendors and the 503(B)(9) claimants who ship the same types of
8 critical supplies within the 20 days they need to the filing.
9 The debtors' lien claimants primarily consist of shipping
10 vendors and third party warehouse men.

11 And lastly, we have a very small population of
12 foreign vendors. Any disruptions to these relationships would
13 have a material negative impact on the vendors ability to
14 operate their business. We shared a list of the proposed trade
15 claimants with the United States Trustee and I have
16 incorporated comments into the order from both the United
17 States Trustee and our majority senior secure note holders.

18 And, Your Honor, by -- to hearing we agreed to one
19 further provision in Paragraph 9 of the interim order with Ms.
20 Bielskie and Mr. Sponder, which we will submit to your chambers
21 after the hearing.

22 THE COURT: All right.

23 MS. GAVEY: Unless Your Honor has any questions I
24 would respectfully request entering the order although I know
25 Ms. Bielskie would like to speak.

1 THE COURT: Let me turn to Ms. Bielskie. Ms.
2 Bielskie -- and I do have the order in front of me. I don't
3 know if you want to review the change in Paragraph 9 as well at
4 some point.

5 MS. BIELSKIE: I will, Your Honor, and it's very
6 minor. Lauren Bielskie with the Office of the United States
7 Trustee for the record. Your Honor, the motion seeks the
8 authority to pay up to \$9.13 million during the interim period
9 and as we are here on Thursdays, there is clearly no committee
10 in place to weigh in on this.

11 The debtors have made all of our requests to
12 revisions to the order and in light of the agreed revision in
13 Paragraph 9 in particular, that the debtor shall not pay any
14 obligation under this interim order unless they are due and
15 deemed to be necessarily. So we changed the word or to and,
16 deemed necessary to be paid in the debtors' reasonable business
17 judgment to ensure the ongoing provision of goods or services
18 or otherwise avoid an adverse effect on operations.

19 With that change we do not object to the inter-relief
20 requested and anticipate that the debtors' will only make those
21 necessary payments until the final hearing when a committee can
22 weigh in. Thank you, Your Honor.

23 THE COURT: All right. Thank you. That makes sense.
24 Any other party wish to be heard?

25 (No audible response)

1 THE COURT: All right. The Court will grant the
2 motion as amended. Mark it order to be submitted.

3 MS. GAVEY: Thank you, Your Honor. The next item on
4 the agenda is Number 6, which is the debtors' customer programs
5 motion filed at Docket Number 8. This motion seeks to maintain
6 and administer the debtors' customer programs in the ordinary
7 course of business and on our pre-petition obligations related
8 to those programs.

9 The debtors customers generally comprise of bio
10 pharma companies, hospitals, clinics and third party
11 laboratories. Historically the debtors have offered certain
12 partnerships, discounts, refunds and accommodations to enhance
13 their customer relationships and incentivize customers to order
14 more Invitae tests.

15 The United States Trustee and our majority senior
16 secured note holders have reviewed the proposed form of order
17 and we understand that all comments have been incorporated or
18 otherwise resolved. So unless Your Honor has any questions
19 we'd request entry of that order, which we will also submit to
20 your chambers.

21 THE COURT: All right. Does anyone wish to be heard
22 on this motion?

23 (No audible response)

24 THE COURT: Hearing and seeing no one, motion will
25 granted, marked OTBS. Thank you.

1 MS. GAVEY: Thank you, Your Honor. Last up for me is
2 Agenda Item Number 7, which is the debtors' insurance motion
3 filed at Docket Number 9. This motion seeks the standard
4 relief to continue the debtors' insurance policies and Surety
5 Bond Program in the ordinary course of business and including
6 honoring any pre-petition obligations.

7 The debtors have 29 insurance policies and two surety
8 bonds related to Medicaid reimbursement and workers
9 compensation all of which are essential to preserving the value
10 of the debtors' business as required under the bankruptcy code
11 and the United States Trustee guidelines. So unless Your Honor
12 has any questions we respectfully request entry of that order,
13 which we will also submit to your chambers.

14 THE COURT: Seems pretty forward, thank you. Any
15 questions or concerns?

16 (No audible response)

17 THE COURT: We'll mark the motion granted, OTBS.
18 Thank you, Ms. Gavey.

19 MS. GAVEY: Thank you, Your Honor. With that I will
20 pass it down to the agenda off to colleague Mr. Petrie.

21 THE COURT: Thank you very much.

22 MR. PETRIE: Good morning, Your Honor. For the
23 record, Francis Petrie of Kirkland, proposed counsel for the
24 debtors. The next item on the agenda is Docket Number 5, the
25 debtors' application for the retention of KCC as claims and

1 notice in the agent in these cases effective as of the petition
2 date.

3 The debtor described in this motion how KCC's rates
4 are competitive and reasonable given their quality of
5 expertise. I will not that I submitted a revised proposed form
6 of order to chambers last night after discussion with the
7 United States Trustee. The primary changes from the docketed
8 order are that there are certain notice provisions that we'll
9 flag for the UST and any statutory committee before certain
10 prepayments are incurred over a certain threshold.

11 So with that amendment, the debtors know of no other
12 objections or issues that have been raised with regard to this
13 order beyond our formal or informal basis and respectfully
14 request that the Court enter the -- this order -- enter this
15 order as revised.

16 THE COURT: All right, thank you. Ms. Bielskie or
17 Mr. Sponder, I see the language requiring specific notice once
18 the noticing agent exceeds a certain threshold. I think
19 \$10,000 in a single month. Is this language acceptable?

20 MR. SPONDER: Yes, Your Honor, that language is
21 acceptable and that order also contains many other revisions
22 that we requested that had already previously been agreed to.
23 This was late last night we were able to reach resolution on
24 the last issue. Thank you, Your Honor.

25 THE COURT: Great. Thank you, Mr. Sponder. Thank

1 you, Counsel. Motion will be marked granted, order to be
2 submitted.

3 MR. PETRIE: Thank you, Your Honor. Next up is the
4 taxes motion at Docket Number 11. In the ordinary course of
5 the debtors collect withhold any per various forms of taxes
6 including income taxes, regulatory taxes and other in various
7 jurisdictions. Accordingly the debtors seek entry of an
8 interim order authorizing them to negotiate, remit and pay
9 these taxes and fees on both the pre-petition and a post-
10 petition basis.

11 This motion has been circulated to the United States
12 Trustee all formal and informal comments have been incorporated
13 and no party has raised an objection. Therefore unless Your
14 Honor has any questions, we respectfully ask for entry of this
15 order on an interim basis.

16 THE COURT: All right. Again, anyone wish to be
17 heard?

18 (No audible response)

19 THE COURT: Motion granted. Order to be submitted.

20 MR. PETRIE: Thank you, Your Honor. Next up at
21 Docket Number 12 is what we call the NOL motion. As of
22 December 31st at the end of last year the debtors estimate that
23 they have approximately \$2.6 billion of federal NOLs and \$136
24 million of tax carry forwards. The debtors may generate
25 additional tax attributes this year. These tax attributes are

1 potentially of significant value to the debtors and their
2 estates because the debtors may be able to carry forward
3 certain of those to offset future taxable income.

4 Thus preserving the value of the tax attributes will
5 be to the benefit to all of the debtors' stakeholders. So
6 through this motion, the debtor seeks authority to institute
7 certain procedures by which we would be provided notice of a
8 potential ownership change in the events certain individuals
9 seek to effect transfers of common stock or declare
10 declarations of worthlessness that may trigger a change and
11 control transaction that would put the tax attributes at risk.

12 I would not for Your Honor that this motion simply
13 institutes procedures that commonly approved in this district
14 and does not effect any parties' substantive rights. Moreover,
15 we worked with the United States Trustee to ensure the notice
16 of provisions in this order addressed any issues and knowing of
17 no formal or informal objections to this relief we seek entry
18 of this order on an interim basis.

19 THE COURT: All right. I have to admit, I'm always
20 curious as to the next step. This -- these provisions always
21 -- these orders always allow for notice. I'm always interested
22 to see what would happen once the notice is trigger and what
23 would be the steps the -- would take.

24 MR. PETRIE: Probably would -- I wonder that as well,
25 Your Honor. But we'll deal with that if it comes.

1 THE COURT: Well, an academic exercise I guess. All
2 right, I have no objections. Anyone wish to be heard?

3 (No audible response)

4 THE COURT: We'll grant the motion and mark it OTBS.
5 Thank you.

6 MR. PETRIE: Great. Thank you, Your Honor. Next at
7 Docket Number 13 is a similar motion that is also designed to
8 preserve the debtors' tax attributes. We call this the record
9 date motion. And this motion seeks to establish the record
10 date for certain notice procedures to ensure the debtors -- to
11 ensure that the debtors have time to institute a sell down
12 motion and sell down order in the event they need to, to
13 preserve the debtors' tax attributes.

14 At some point in these cases, it's possible that the
15 debtors may need to seek such order to require those people who
16 have acquired debt claims over a certain threshold to sell down
17 their claim to preserve the value of the debtors' NLO and tax
18 attributes. The only purpose of this motion before us is to
19 establish the record date. The debtors will provide all know
20 claim holders with notice of the record date within five days
21 of entry of the order or as soon as practical thereafter and
22 will also publish the notice in the New York Times and the Wall
23 Street Journal and to the KCC website.

24 Again here, the order that we will submit addresses
25 any issues that the United States Trustee had and knowing of no

1 objections to this relief, we respectfully ask for entry of
2 this order on a final basis.

3 THE COURT: All right, thank you. Motion is granted.

4 MR. PETRIE: Thank you, Your Honor. Next at Docket
5 Number 14 is the utilities motion. The purpose of the
6 utilities motion is to ensure that the debtors can maintain
7 their business and operated their laboratory facilities and
8 corporate offices, which require electricity, water and other
9 utility services in order to operate. Although Section 366
10 prohibits against the immediate termination of utility services
11 after the petition date, the debtors are also required to
12 provide adequate assurance of payment for post-petition
13 services and through this motion we seek to institute the
14 associated adequate insurance procedures through the order
15 here.

16 On average the debtors pay approximately \$100,000
17 each month for utility services and here we seek to set aside
18 one half of our monthly spending in a bank account held by J.P.
19 Morgan. There have been no objections to the relief sought and
20 again we worked with the United States Trustee on an acceptable
21 form of order. Unless Your Honor has any questions, again we
22 respectfully ask for entry of this order.

23 THE COURT: All right. Absent objections, motion
24 granted. OTBS.

25 MR. PETRIE: Thank you, Your Honor. At Docket Number

1 15 is the SOFA extension motion. Preparing the schedules and
2 statements will require compiling information from many
3 documents relating from claims from thousands of creditors. As
4 well as the debtors many assets, contracts and leases. This
5 information is extensive and located numerous place throughout
6 this organization. Collecting this information requires an
7 enormous expenditure of time and effort by the advisor and
8 management teams.

9 Thus the standard 14 day period is not only
10 insufficient time for the debtor to compile all of this
11 information. And absent an extension, the debtors' focus would
12 be diverted from business operations at a critical time in
13 these Chapter 11 cases to the detriment of all stakeholders.
14 Accordingly cause exists to extend a deadline to file schedules
15 and SOFAs and all parties and interests will benefit from such
16 a proposed extension.

17 The debtors request entry of an order extending the
18 time in which to file schedules and SOFAs by 20 days for a
19 total of 34 days from the petition date through March 18th.
20 Again we have worked with the United States Trustee on an
21 acceptable form of order and a tailored extension. So unless
22 Your Honor has any questions we respectfully ask for entry of
23 this order as well.

24 THE COURT: Mr. Sponder, does the March 18th deadline
25 work in light of anticipated creditor meetings and IDIs?

1 MR. SPONDER: Yes, Your Honor, we agreed to the 20
2 days. They -- the debtors were asking for more and they
3 reduced it down to 20 extra days. We wanted it to be 30 days.
4 Four days, we agree.

5 THE COURT: Good.

6 MR. SPONDER: Thank you, Your Honor.

7 THE COURT: Thank you. Thank your office. Motion
8 will be granted.

9 MR. PETRIE: Thank you, Your Honor. Docket Number 16
10 is the case management motion. The establishment of case
11 management procedures will promote the efficient and orderly
12 administration of these Chapter 11 cases. The procedures would
13 institute among other things, requirements for filing and
14 serving court papers, fixed omnibus hearing dates and provide
15 guidelines for scheduling hearings and objection and reply
16 deadlines.

17 These case management procedures are standard in this
18 Court and believe them -- believe them to be appropriate. So
19 unless Your Honor has any questions we respectfully ask for
20 entry of this order. As part of this order we are also
21 expected to set the next three omnibus hearings so we'd like to
22 discuss that with you as well.

23 THE COURT: All right. We can do that now. Mr.
24 Sponder, weigh in as you deem appropriate or Ms. Bielskie.
25 Let's start -- the form of the -- the proposed order and the

1 form is consistent with prior practice. I don't have an issue.
2 My issue is trying to squeeze out days for you all in the
3 coming month of March and April. And let me -- if I could get
4 my --

5 MR. PETRIE: Your Honor, if convenient, we're happy
6 to do this with your chambers separately form in court.

7 THE COURT: All right, well let's talk about it today
8 if you don't mind.

9 MR. PETRIE: Okay.

10 THE COURT: I'm just looking for my dates. So I was
11 looking at March 15th and this could be subject to confirmation
12 if parties need time to look at these dates. We have two dates
13 in mid March that are available. March 11th and March 15th.
14 March 11th is a Monday. March 15th is a Friday. I was
15 considering having second day hearing March 15th at 10 a.m. If
16 you want and need, because I know there were motions filed last
17 night I believe with respect to rejecting certain leases.

18 If we want to have an initial omnibus day, apart from
19 the second day hearing, we could have that on March 11th. Do
20 you have a preference and then we can go over other dates.

21 MR. PETRIE: March 11th works for the debtors.

22 THE COURT: So why don't we do this so far and then
23 we can adjust. March 11th at 10 a.m will be an omnibus motion
24 day. But as far as the second day hearings, as required in
25 many of the motions on for today, we'll have that on Friday,

1 March 15th?

2 MR. PETRIE: That works, Your Honor.

3 THE COURT: Again at 10 a.m.

4 MR. PETRIE: Yes, Your Honor.

5 THE COURT: The second omnibus day will be 10 a.m,
6 April 8th. That's a Monday. Mr. Sponder, I see your hand
7 raised.

8 MR. SPONDER: Thanks, Your Honor. Jeff Sponder from
9 the Office of the United States Trustee. Just -- I'm sure -- I
10 haven't heard from them, but he milestones provide 30 days for
11 the entry of a final cash collateral order and the bar date
12 order and that's 30 days from the petition date. I think March
13 15th is 31 days so I think that the debtors need to get
14 approval for that.

15 We are fine with March 15th and actually prefer that
16 date. Also think that there shouldn't -- I don't know why we
17 would need two hearings in the same week. Why all of them
18 can't be on for the 15th if the one day is granted, because
19 it's only the bar date motion that might be an issue. Thank
20 you, Your Honor.

21 THE COURT: Thank you. I thought I would at least
22 carve out the two days as we -- as I have seen in the past in
23 other cases we tend to move from one to another and it's better
24 to have them reserved as needed. I agree with you. It could
25 all be done on one day. The debtor can check with other

1 consulting parties. I'm assuming 31 days and 30 days shouldn't
2 matter. But if it becomes problematic you'll let me know. We
3 have another omnibus day then on April 8th at 10 a.m.

4 MR. PETRIE: No objection to that, Your Honor.

5 THE COURT: And I can give you a third date. Monday,
6 April 29th at 10 a.m.

7 MR. PETRIE: Thank you, Your Honor. All of those
8 work on our side.

9 THE COURT: All right. If it becomes problematic
10 after others weigh in or when committees get appointed, we'll
11 address it as we can. I just -- it's always better to at least
12 carve out the dates now. And with that the motion with respect
13 to case management is -- will be approved. You'll submit those
14 dates and we'll mark it order to be submitted.

15 MR. PETRIE: Thank you, Your Honor. So next we'll
16 turn to Docket Number 17, the creditors matrix motion. Through
17 this motion the debtors seek authority to file a consolidated
18 list of creditors for administrative ease, but also as posed
19 controversially through the perspective of the Office of the
20 United States Trustee seek authority to redact personally
21 identifiable information such as the names, home addresses and
22 e-mail addresses of natural persons from court filings.
23 Including some that may be the debtors employees, contract
24 workers, individual equity holders or other information that
25 may constitute patient information.

1 Under Section 107(C) (1) of the bankruptcy code for
2 cause that the Court may protect an individual from undue risk
3 of identity theft or any other unlawful injury by preventing
4 disclosure of any means of identification. And as the debtors
5 have access to information that may constitute patient data,
6 statutes such as HIA create a duty to maintain the
7 confidentiality of certain information.

8 The potential overlap between former and current
9 employees, individual creditors, individual equity holder and
10 patients, creates a significant risk of accidentally disclosing
11 confidential patient information in the event that we do not
12 have authority for this redactions. We can't tell at this time
13 which individual creditors are also patients. We run a
14 substantial risk of violating HIA and State law equivalents as
15 a result because we would be filing a lot of public papers in
16 the next several weeks.

17 We're also sensitive to the fact that many individual
18 may file claims containing medical or other sensitive
19 information without realizing that the debtors in KCC are
20 obligated to publish such information in whole no matter the
21 content. This is on top of the fact that risks in Chapter 11
22 generally are real and not merely speculative. In our cases
23 we've seen un-redacted information used to perpetrate identity
24 theft and phishing scams or to locate survivors of domestic
25 violence, harassment or stalking.

1 Either way, I do understand that the United States
2 Trustee does not approve of the relief sought through this
3 motion. I will allow Ms. Bielskie to speak on behalf of that
4 office, but I -- and I understand she would like to reserve
5 their rights on a final basis, but I do think we are resolved
6 entry of an interim order, which is all that we seek today.
7 Does, Your Honor, have any questions for me before I turn it
8 over to Ms. Bielskie?

9 THE COURT: No let me hear from Ms. Bielskie. Good
10 morning again.

11 MS. BIELSKIE: Thanks, Your Honor. Lauren Bielskie
12 with the Office of the United States Trustee.

13 THE COURT: Good afternoon.

14 MS. BIELSKI: Your Honor is familiar with the
15 position of the U.S. Trustee on requests to redact schedules.
16 The bankruptcy code and rules and particular reading Section
17 521 and Rule 1007 together tell us that debtors are required to
18 file schedules listing the name and address of their creditors.
19 We recognized our exceptions and we've been amendable in other
20 cases to redacting home and e-mail addresses of individuals.
21 We also recognize that this is an interim order as counsel said
22 and that the debtors assert among other things that the
23 requirements of HIA necessitate the redactions. Especially in
24 light of this assertion, it's a practical matter. We
25 understand the redactions will be allowed until there can be a

1 more fulsome hearing.

2 But I do want to be clear even at this interim stage
3 that our concern is a slippery slope you start going down when
4 debtors ask for a wholesale redaction of information from all
5 individuals because it may implicate HIA for some of them.
6 Here the motion seeks to redact names, home address and e-mail
7 addresses of all natural persons because -- and this is -- and
8 I quote from the motion, "given the breath of the debtors
9 customer base is difficult to ascertain which of the debtors
10 customers, individual creditors, employees and individual
11 equity holder are also patients. Some of who may be minors
12 subject to HIA. Suppressing the names and addresses of all
13 natural persons who prevent the inadvertent disclosure of
14 protected health information," end quote.

15 Standing here today, especially without schedules and
16 putting aside the applicability of HIA, we don't know how
17 difficult it would be to separate out customers from other
18 creditors. As a general matter we don't agree with premise
19 that wholesale redaction is necessarily warranted and we will
20 address this at a filing hearing. Thank you, Your Honor.

21 THE COURT: Thank you, Ms. Bielskie. For purposes of
22 today's hearing, I agree in allowing to go forward on an
23 interim basis. I too am suspect that HIA should have a bearing
24 or that it's a wholesale blanket basis for redaction of
25 information as to creditors names and addresses. I agree. It

1 tends to suggest that it could be applicable in virtually any
2 case. And I've been very liberal with permitting redactions
3 based on the nature of the cases and crypto currency cases, et
4 cetera, where I thought there was a greater threat. I'm not
5 sure that threat of harm is truly present. But I certainly
6 don't have the factual records to make a determination one way
7 or the other.

8 So again for interim -- on an interim basis, we'll --
9 I'll grant the motion and we can address it at the second day
10 hearings or further down the road.

11 MR. PETRIE: Thank you, Your Honor.

12 THE COURT: Thank you.

13 MS. BIELSKIE: Thank you.

14 MR. PETRIE: And we'll be prepared to meet our burden
15 at the final hearing on this motion.

16 THE COURT: Thank you.

17 MR. PETRIE: So that brings us to Docket Number 19,
18 the final item on the debtors' agenda, which is the motion to
19 approve the bidding procedures, which relate to procedures to
20 help drive forward the debtors' marketing and sale process.
21 The procedures clearly communicate the requirement to
22 participate in the bidding process. The circumstances and
23 consideration that will lead to approve a stalking horse bidder
24 and the timing of an auction among other things. Given the
25 competitive market in which the debtors operate we need to act

1 quickly to preserve the value of the estate's assets and as
2 noted the debtors have already engaged in a substantial pre-
3 petition marketing process and have received substantial
4 interest and expect to receive even more going forward.

5 So entry of this order now will help build a process
6 around the receipt of bids and communication with outside
7 parties. The bidding procedures are designed to promote a
8 competitive bidding environment, while driving towards and
9 actionable value maximizing sale. The bidding procedures laid
10 out here including the bid protections we seek approval of are
11 in line with the expectation of buyer on the market and similar
12 procedures have been approved by courts in this circuit in
13 front of Your Honor and by others.

14 We worked closely with the Office of the United
15 States Trustee and our secured stake holders to land on the
16 dates and a sale calendar that aligns with the goals of all
17 parties and ensures that the debtors can move quickly and
18 efficiently, which accords with the pre-petition efforts that
19 have already lead to the interest we have received to date. So
20 through this order, we're looking at final bid deadline of
21 April 10th, an auction on April 17th and a sale hearing on or
22 around May 2nd depending on Your Honor's availability.

23 In addition the debtor has also filed the declaration
24 of Mr. Andrew Swift from Mollis and Support at Docket Number 20
25 which has already been entered into evidence. And I'm pleased

1 to say that as of this morning we have resolved all outstanding
2 issues with the United States Trustee. I believe we are going
3 forward on a consensual basis.

4 We submitted a further revised form of order to
5 chambers noting the agreement reached with both the U.S.
6 Trustee and the secured lender group. As you'll note material
7 changes addressed customary consultation rights for a committee
8 once they are appointed. Certain provisions surrounding credit
9 bidding and ensuring that notice is adequate for significant
10 deadlines, including objection deadlines. Unless Your Honor
11 has questions, we respectfully ask that you recruit the bidding
12 procedures order.

13 THE COURT: All right. Thank you. I did have the
14 opportunity to review the redline version, including all the
15 changes. Let me open the floor up. Does anybody wish to be
16 heard on the proposed bidding procedures orders? On the
17 language?

18 (No audible response)

19 THE COURT: The one change I will have to make for
20 you all is the date of the hearing on a sale. You've asked for
21 May 2nd, which is a Thursday. Our district has our bench bar
22 conference that following day. I am likely unavailable on the
23 Thursday and also preparing for the bench bar on Friday. The
24 best I can do for you all is Monday, May 6th. My sense is you
25 all will want the weekend anyway. It never fails. But in any

1 event the date would have to be May 6th at 10 a.m. We can go
2 forward, include that date, and needless to say if it becomes
3 problematic after the debtor and other parties have a chance to
4 review it we can have a call -- a chambers telephone call.

5 MR. PETRIE: Great. Understood, Your Honor. We'll
6 submit a revised proposed order to chambers that shows that
7 change.

8 THE COURT: All right, thank you. Anything else on
9 our collective plates?

10 MR. PETRIE: Not on the debtors' side, Your Honor,
11 but I would just like to take this moment to thank, Your Honor,
12 and your chambers staff for being so accommodating with this
13 hearing, which I understand you're receiving papers on very
14 short notice including as early -- earlier today and we'd just
15 like to express our appreciation to you.

16 THE COURT: Your welcome. Anyone else on the call
17 wish to be heard or bring to the Court's attention any matters?

18 (No audible response)

19 THE COURT: All right, then we will adjourn. I thank
20 you all and my chamber will look forward to incoming e-mails
21 with the final versions of the proposed orders. Thank you.
22 Take care.

23 MR. SPONDER: Thank you, Your Honor.

24 THE COURT: You're welcome.

25 MR. PETRIE: Thank you, Your Honor.

1

* * * * *

C E R T I F I C A T I O N

We, MARY POLITO and SUE DiPIERRO, court approved transcribers, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, and to the best of our ability.

/s/ Mary Polito
MARY POLITO

/s/ Sue DiPierro
SUE DiPIERRO
J&J COURT TRANSCRIBERS, INC.

DATE: January 16, 2024

Form tsntc

UNITED STATES BANKRUPTCY COURT

District of New Jersey
402 East State Street
Trenton, NJ 08608

Case No.: 24-11362-MBK
Chapter: 11
Judge: Michael B. Kaplan

In Re: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Invitae Corporation
1400 16th Street
San Francisco, CA 94103

Social Security No.:

Employer's Tax I.D. No.:
27-1701898

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You are Noticed that a Transcript has been filed on 2/16/24. Pursuant to the Judicial Conference Policy on Privacy, access to this transcript is restricted for a period of ninety days from the date of filing. The transcript may be viewed at the Bankruptcy Court Clerk's Office. [For information about how to contact the transcriber, please call the Clerk's Office] All parties have seven business days to file a Request for Redaction of any social security numbers, financial account data, names of minor-age children, dates of birth, and home addresses. If redaction is requested, the filing party has twenty-one calendar days from the date the transcript was filed to file a list of items to be redacted indicating the location of the identifiers within the transcript with the court and to provide the list to the transcriber. The transcriber has thirty-one days from the date the list of items to be redacted was filed to file the redacted version of the transcript with the court. If no request is filed, the transcript will be made electronically available to the general public after the ninety days.

Dated: February 20, 2024

JAN:

Jeanne Naughton
Clerk