IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SC HEALTHCARE HOLDING, LLC *et al.*,	Case No. 24-10443 (TMH)
Debtors.[1]	Jointly Administered
	Ref. Dkt. No. 1410

DECLARATION OF DAVID R. CAMPBELL AS CHIEF RESTRUCTURING OFFICER OF THE DEBTORS IN SUPPORT OF CONFIRMATION OF THE DEBTORS' COMBINED DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF LIQUIDATION

I, David R. Campbell, pursuant to 28 U.S.C. § 1746, under penalty of perjury, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I submit this declaration (this "Declaration") in support of confirmation of the *Debtors' Combined Disclosure Statement and Chapter 11 Plan of Liquidation* (as may be amended, modified and/or supplemented from time to time, the "Plan", the "Disclosure Statement" or the "Combined Plan and Disclosure Statement" as applicable).[2]

2. The statements in this Declaration are, except where specifically noted, based on (a) my personal knowledge of the Debtors' operations and finances based on information provided by the Debtors, (b) my review of relevant documents, including information provided by other parties, (c) information provided to me by employees of Getzler Henrich & Associates LLC

[1] The last four digits of SC Healthcare Holding, LLC's tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC, P.O. Box 620, Delavan, IL 61734. Due to the large number of Debtors in the Chapter 11 Cases, whose cases are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information is available on a website of the Debtors' Claims and Noticing Agent at www.kccllc.net/Petersen.

[2] Capitalized terms used but not defined in this Declaration have the meanings assigned in the Combined Plan and Disclosure Statement.

("Getzler Henrich") working under my supervision, (d) information provided to me by or discussions with the members of the Debtors' management team or their other advisors, and/or (e) my opinion based upon my experience. If called to testify, I could and would testify competently as to the facts set forth herein. I am authorized to submit this Declaration.

3. I am the Chief Restructuring Officer of each of the above-captioned debtors (collectively, the "Debtors"). I have served as the Debtors' Chief Restructuring Officer since February 27, 2024, and am familiar with the Debtors' business, financial affairs, and day-to-day operations.

4. I am a Senior Managing Director of Getzler Henrich and Associates, LLC ("Getzler Henrich"), a restructuring advisory services firm that specializes in providing operational and financial services to middle-market businesses and their stakeholders. Getzler Henrich provides its clients with an array of consulting, turnaround, workout, crisis, and interim management services, focused on underperforming and distressed middle-market companies (with revenues up to $2 billion) facing complex financial and operational challenges. In addition, Getzler Henrich has extensive experience in providing restructuring consulting services in reorganization proceedings and has an excellent reputation for the services it has rendered in chapter 11 cases on behalf of debtors and creditors throughout the United States. Getzler Henrich has been retained as interim executives, crisis managers and management consultants to debtors, creditors, creditors' committees, investors and others in numerous bankruptcy cases, including: *Community Intervention Services, PNW Healthcare, SRG Holdings, KIKO USA, Inc.*, *NSC Wholesale Holdings LLC*, *Firestar Diamonds Inc.*, *A Jaffe Inc.*, *Coyne International Enterprises Corp.*, *Flat Out Crazy LLC*, *National Envelope Corp.*, *United Road Towing*, *Mammoet-Starneth, LLC*, *Wire Rope Corporation*, *O-Cedar Brands*, *Cross Media*, *MarketXT, Inc.*, *U.S. Gen New England*, *The*

Colad Group, Inc., *GT Brands Holdings*, *The Love Sac Corp.*, *Marcal Paper Mills, Inc.*, *Diamond Glass, Inc.*, *Fabrikant, Inc.*, *Innovative Stone Corp.*, *TanaSeybert, Moonlight Basin*, *Mountain Creek*, and *American Apparel* (chairman of auditors' committee).

5. I have over 20 years' experience with in- and out-of-court restructurings and recapitalizations, mergers and acquisitions and divestiture initiatives. I have worked with companies, private equity firms, commercial banks, direct lenders, and family offices and have provided leadership, operational and strategic advice in a wide range of corporate finance transactions, including restructurings and reorganizations, mergers and acquisitions, and debt and equity financings. I also have extensive experience acting as a senior officer and advisor for troubled companies, specifically in the healthcare industry.

THE PLAN

6. I have reviewed and am generally familiar with the terms and provisions of the Plan. With the Debtors' bankruptcy counsel, I was personally involved in the development and negotiation of the Plan. The Plan is the result of good faith, arm's-length negotiations among the Debtors and key stakeholders, including the Committee and the United States Trustee.

7. On April 21, 2025, the Court entered an order [Docket No. 1413] (the "Interim Approval and Procedures Order"), which, *inter alia*, (a) approved the Disclosure Statement on an interim basis for solicitation purposes, (b) scheduled a combined hearing to approve the Disclosure Statement on a final basis and to confirm the Plan, and (c) established procedures for solicitation of the Plan and tabulation of votes to accept or reject the Plan. To the best of my knowledge, with the assistance of Kurtzman Carson Consultants, LLC dba Verita Global ("Verita"), the Debtors' claims, noticing and voting agent (the "Voting Agent"), consistent with the solicitation and noticing procedures approved through the Interim Approval and Procedures Order, the applicable

provisions of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") and the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Debtors commenced solicitation of the Plan on April 25, 2025. *See* Docket No. 1582.

I. THE PLAN COMPLIES WITH THE FOLLOWING CONFIRMATION STANDARDS SET FORTH IN THE BANKRUPTCY CODE

8. I have been advised of the applicable standards under which a plan of reorganization may be confirmed under chapter 11 of the Bankruptcy Code. For the reasons detailed below, and based on my understanding of the Bankruptcy Code, I believe that the Plan complies with all applicable requirements for confirmation, including the following provisions of the Bankruptcy Code:

The Plan Complies with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(1)).

9. I believe that the Plan satisfies section 1129(a)(1) of the Bankruptcy Code (as that provision has been described to me by the Debtors' professionals).

10. Section 1122 of the Bankruptcy Code: I understand that section 1122 of the Bankruptcy Code provides that "a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class." It is also my understanding that plan proponents enjoy broad discretion and "significant flexibility" in classifying claims and interests under section 1122(a), so long as the classification scheme is reasonable and that all claims or interests in a given class are substantially similar. Except for Administrative Claims and Priority Tax Claims, which I am advised need not be designated as Classes under the Plan, the Plan designates Claims against and Interests in the Debtors as follows:

Class	Claim/Interest	Status	Voting Rights
1a	Column Claim	Impaired	Entitled to Vote
1b	GMF Claim	Impaired	Entitled to Vote
1c	X-Caliber Claim	Impaired	Entitled to Vote

Class	Claim/Interest	Status	Voting Rights
1d	Rantoul Claim	Impaired	Entitled to Vote
1e	CSB Claim	Impaired	Entitled to Vote
1f	Solutions Bank Claim	Impaired	Entitled to Vote
1g	Berkadia Claim	Impaired	Entitled to Vote
1h	Grandbridge Claim	Impaired	Entitled to Vote
1i	Lument Claims	Impaired	Entitled to Vote
1j	Wells Fargo Claim	Impaired	Entitled to Vote
2	Other Secured Claims	Unimpaired	Not Entitled to Vote *(Presumed to Accept)*
3	Priority Claims	Unimpaired	Not Entitled to Vote *(Presumed to Accept)*
4	General Unsecured Claims	Impaired	Entitled to Vote
5	Intercompany Claims	Impaired	Not Entitled to Vote *(Deemed to Reject)*
6	Equity Interests	Impaired	Not Entitled to Vote *(Deemed to Reject)*

11. Based on my familiarity with the Debtors' businesses and my review of the Plan and related documents, I believe that all Claims and Interests within each class have the same or similar rights against the Debtors. I also believe that the Plan provides for separate classification of Claims against and Interests in the Debtors based upon differences in such Claims' and Interests' nature and legal rights to the Debtors' property and their priority. Indeed, the classification structure generally tracks the Debtors' prepetition corporate and capital structure, including the relative priority between secured and unsecured claims, and divides Claims and Interests into Classes based upon the instruments giving rise to such Claims and Interests. Other aspects of the classification scheme are grounded in valid business, legal, and factual distinctions that justify the given classification structure. As a result, I believe that the Plan complies with section 1122 of the Bankruptcy Code.

The Plan's Mandatory Content Is Appropriate—Section 1123(a)

12. I have been advised that the Plan fully complies with each of the requirements of section 1123(a) of the Bankruptcy Code, based on the following:

- Section 1123(a)(1) (Designation of Classes of Claims and Interests): Article V of the Plan designates Classes of Claims and Interests.
- Section 1123(a)(2) (Specification of Unimpaired Classes): Article V of the Plan specifies the treatment of Unimpaired Classes of Claims and Interests.
- Section 1123(a)(3) (Specification of Impaired Classes): Article V of the Plan specifies the treatment of Impaired Classes of Claims and Interests.
- Section 1123(a)(4) (Equal Treatment Within Classes): Article V of the Plan provides the same treatment for each Claim or Interest of a particular Class, unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of such Claim or Interest. This applies to Holders within each Class.
- Section 1123(a)(5) (Adequate Means of Implementation): Article VIII, in conjunction with various other Plan provisions, provides adequate means for implementing the Plan. In addition, the Plan contemplates the substantive consolidation of the Debtors' Estates and Chapter 11 Cases for all purposes, including voting, Distribution, and Confirmation.
- Section 1123(a)(6) (Issuance of Non-Voting Securities): Section 1123(a)(6) of the Bankruptcy Code is not applicable because no new equity securities are being issued under the Plan.
- Section 1123(a)(7) (Selection of Directors, Officers, or Trustees): Article VI.B of the Plan provides that upon the later of (a) the Effective Date and (b) the appointment of the Plan Administrator, the Debtors will have no officers, directors or managers other than the Plan Administrator.

13. Substantive Consolidation. I believe that substantive consolidation is appropriate under the circumstances. It is my understanding that both prepetition and postpetition, many of the Debtors' creditors, especially their trade creditors, vendors, and employees, have treated the Debtors as a single enterprise, including in the case of trade creditors and vendors by providing goods and services pursuant to agreements with. Moreover, as described in the *Declaration of David R. Campbell in Support of Debtors' Motion for Entry of an Order (I) Approving Debtors'*

Key Employee Incentive Plan and (II) Approving Debtors' Key Employee Retention Plan [Docket No.782], the Debtors' employees, including the key employees who were subject to the Debtors' Key Employee Incentive Plan and Key Employee Retention Plan, were staffed across the Debtors' facilities based on the enterprise's needs, rather than being treated as the employees of specific Debtor Entities. Likewise, as noted in the Debtors' Cash Management Motion [Docket No. 41], the Petersen enterprise operated as a single complex organization, including with respect to its cash management systems. This complexity required the Debtors to obtain the services of RubinBrown LLC, to assist the Debtors in completing the complex books of the enterprise, which were intertwined. Accordingly, I believe that the substantive consolidation of the Debtors is consistent with the Debtors' having operated as a single enterprise, and having been treated by prepetition trade creditors, vendors, and the like as a single enterprise, and is not merely a means of obtaining administrative benefits.

14. Postpetition, the Debtors have continued to operate largely as a single enterprise, and especially after the consummation of the Sales of substantially all the Debtors' assets, the Debtors' unencumbered assets and liabilities are largely commingled. Specifically, Administrative Expense Claims (such as vendor claims) are not allocated on a strictly Debtor-by-Debtor basis. Moreover, the Retained Causes of Action included causes of action against former of current managers, officers, directors, and other fiduciaries of the Debtors constitute a substantial asset of the Debtors. Because many such parties served in a managerial capacity for nearly all the Debtors, it would be prohibitive to attempt to apportion such defendants' liability and damages on a Debtor-by-Debtor basis.

15. It is my understanding that substantive consolidation would not disadvantage a group of creditors; I believe that substantive consolidation benefits all creditors by reducing the

costs associated with reconciling and administering vast numbers of claims across each of the Debtor Entities. Secured Creditors' rights arising from their collateral (including Prepetition Lenders' rights to the proceeds of accounts receivable) are unaffected by substantive consolidation, because the rights to such proceeds are based on their interest in the collateral, not the individual obligations of the Debtors. And, based on the realization of additional assets gained by the substantive consolidation of the Debtors, there will be more funds available for Distributions to General Unsecured Creditors (including the Secured Creditors' Deficiency Claims).

16. In addition, I have been advised that substantive consolidation may be approved on a consensual basis. My understanding is that the objections to substantive consolidation have been withdrawn or resolved, that other economic objections to confirmation have likewise been withdrawn or substantially resolved, and that the Plan otherwise has received substantial support from Creditors, as reflected in the Voting Tabulation Affidavit and the stipulations appended to the Confirmation Order.

17. Accordingly, I believe that that substantive consolidation is warranted and provides the maximum recovery for all Creditors.

18. Based on the foregoing, I believe the requirements of section 1123(a) of the Bankruptcy Code have been satisfied.

The Plan's Discretionary Content Is Permitted—Section 1123(b)

19. I have been advised that section 1123(b) of the Bankruptcy Code allows a plan to include a variety of different permissive provisions. I believe that each of the Plan's permissive provisions comports with section 1123(b):

- Section 1123(b)(1) (Impairment of Classes): Article V of the Plan classifies and describes the treatment for Claims and Interests under the Plan and identifies which Claims and Interests are impaired or unimpaired.

- Section 1123(b)(2) (Executory Contracts and Unexpired Leases): I understand that all the Debtors' unexpired leases were rejected by operation of law or by agreement before the filing of the Combined Plan and Disclosure Statement. Regarding the Debtors' Executory Contracts, Article IX of the Plan provides that except as otherwise provided in the Combined Plan and Disclosure Statement or in any contract, instrument, release, or other agreement or document entered into in connection with the Combined Plan and Disclosure Statement, each of the Executory Contracts to which any Debtor is a party shall be deemed automatically rejected by the Debtors as of the Effective Date, unless such contract or lease (a) previously has been assumed or rejected by the Debtors; (b) expired or terminated pursuant to its own terms; (c) is the subject of a motion to assume or reject pending before the Bankruptcy Court as of the Confirmation Date; (d) is identified in the Plan Supplement as an Executory Contract to be assumed; or (e) is an insurance policy providing coverage to any of the Debtors; *provided*, *however*, that nothing contained in the Combined Plan and Disclosure Statement shall constitute an admission by any Debtor that any such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor or its successors and assigns has any liability thereunder; and, *provided further*, that the Debtors reserve their right, at any time before the Confirmation Date, to assume any Executory Contract that was not already rejected prior to the Confirmation Date. The Debtors are winding down their businesses and have no need for the vast majority of their contracts and leases, which will continue to incur unnecessary expenses, if not rejected. Furthermore, I believe that the assumption of the Assumed Contracts is a reasonable exercise of the Debtors' business judgment and should be approved pursuant to the Confirmation Order. The proposed cure amounts set forth for each Assumed Contract are based on the Debtors' review of their books and records. Regarding adequate assurance of future performance, I believe that the Debtors and/or the Debtors' Estates have sufficient liquidity from, among other sources, the Plan Administrator Reserve, to address the obligations under the agreements in the ordinary course of business.

- Section 1123(b)(3) (Settlement or Adjustment of Claims): Article V of the Plan modifies or leaves unaffected, as the case may be, the rights of holders of Claims in each Class. In addition, (a) Article XI provides for a release of certain of the Debtors' Claims and Causes of Action, (b) Article V of the Plan incorporates the settlement of a variety of issues, Claims, Interests, and controversies, and (c) Article XI.F provides that, except as otherwise provided in the Plan, all of the Debtors' Retained Causes of Action will vest in the Liquidating Trust and that the Liquidating Trustee will retain, and may compromise or settle, all such Retained Causes of Action. The settlements resolve complex, fact-intensive matters that may otherwise have required costly and protracted litigation to determine, with an uncertain outcome. It is undeniable that litigating chapter 11 disputes with the applicable settlement parties would have been complex and time-consuming and could unnecessarily extend these Chapter 11 Cases while administrative costs continue to be incurred, thereby eroding the value of the Estates to the detriment of all stakeholders. Therefore, the Plan's settlement provisions are reasonable, and the

Debtors have satisfied the requirements of section 1123 of the Bankruptcy Code and the *Martin* factors.

- Section 1123(b)(5) (Modification of Rights of Holders of Claims): Article V of the Plan modifies the rights of Holders of Claims as set forth therein.

20. I have been advised that section 1123(b) of the Bankruptcy Code allows a plan to include a variety of different permissive provisions. I believe that each of the Plan's permissive provisions comports with section 1123(b):

The Discretionary Contents of the Plan Are Permitted by Section 1123(b)(6) of the Bankruptcy Code

21. I have been advised that section 1123(b)(6) of the Bankruptcy Code also authorizes the inclusion of other appropriate provisions that are not inconsistent with the applicable provisions of the Bankruptcy Code. The Plan includes several such discretionary provisions, including (a) various terms discharging, releasing, and enjoining the pursuit of Causes of Action, and (b) a consensual third-party release of certain potential Causes of Action. The release and exculpation provisions result from extensive good faith and arm's-length negotiations by and among the Debtors and certain Released Parties and Exculpated Parties, respectively. I have been advised that such provisions are consistent with applicable case law and precedent in this district and comply with the Bankruptcy Code in all respects, and I believe they are integral components of the Plan.

a. The Debtor Release Is Appropriate

22. I understand that Article XI.A.1 of the Plan provides for a release of certain Claims and Causes of Action of the Debtors and their Estates (the "Debtor Release"). I understand that when negotiating the Debtor Release, the Debtors, with the assistance of their advisors, determined that pursuing claims and causes of action against the Released Parties would not be in the best interests of the Debtors, their Estates, or their stakeholders because such claims and causes of action were unlikely to be sufficiently material to warrant the litigation costs associated with their

prosecution. In addition, except as otherwise provided in the Plan, the Debtors excluded Retained Causes of Actions, including Avoidance Actions, from the Debtor Release. These Retained Causes of Action will be transferred to the Liquidating Trust established for the benefit of Holders of Allowed General Unsecured Claims. Based on the foregoing, I understand that the Debtors, in their business judgment regarding the risk and expense of pursuing claims and causes of action, on the one hand, and the benefits of retaining those same claims and causes of action on the other, determined that the Debtor Release is appropriate and in the best interests of the Debtors' Estates and stakeholders. In addition, the Debtor Release does not extend to claims arising out of or relating to any act or omission of a Released Party that constitute willful misconduct, actual fraud, or gross negligence. Finally, the scope of the Debtor Release is consistent with those regularly approved in this district.

23. I believe that the Debtor Release reflects an appropriate and reasonable exercise of the Debtors' business judgment regarding the risk and expense of pursuing claims and causes of action, on the one hand, and the benefits of retaining those same claims and causes of action on the other. Specifically, when negotiating the Debtor Release, the Debtors, with the assistance of their advisors, determined that pursuing claims and causes of action against the Released Parties would not be in the best interests of the Debtors, their Estates, or their stakeholders because such claims and causes of action were unlikely to be sufficiently material to warrant the litigation costs associated with their prosecution. In addition, except as otherwise provided in the Plan, the Debtors excluded Retained Causes of Actions, including Avoidance Action, from the Debtor Release.

24. In addition, I believe that the Debtor Releases are fair, reasonable, and in the best interests of the Debtors' Estates. Each of the categories of the Released Parties has contributed significantly to the Debtors' chapter 11 efforts, including negotiating and formulating the Plan and

related settlements, and facilitating the progress made during these Chapter 11 Cases. I believe that without the contributions of the Released Parties, it is highly unlikely that the Debtors could have achieved the result that is contemplated through confirmation of the Combined Plan and Disclosure Statement.

25. For example, certain Released Parties (including the Debtors) contributed to the Debtors' chapter 11 efforts in the following ways:

- prepetition, by preparing the Debtors to transition into chapter 11 (including by preparing the Debtors' bankruptcy schedules, negotiating with stakeholders, overseeing the Debtors' communications strategy, and meeting with customers); and

- postpetition, by (1) negotiating, facilitating, and coordinating the marketing process that culminated in the Sales (including responding to significant diligence requests, meeting with potential purchasers, (2) preparing for, assisting with, and advising on various issues related to the Sales), (3) assisting with management of liquidity issues, and/or (4) coordination between the Debtors' advisors.

26. In addition, the Debtor Release constitutes an integral aspect of the extensive arm's-length negotiations that culminated in the Plan and represents valid and appropriate settlements of claims that the Debtors may have against the Released Parties and was critical to obtaining support for the Plan. I believe that without the Debtors Release, key stakeholders not only would have been unwilling to participate in the formulation of the Plan, but would continue to litigate over the Debtors' Estates, further extending the wind-down process, increasing expenses, and likely decreasing the availability of funds for distribution. The Debtor Release provides finality, facilitates the consummation of the Plan, and allows for an orderly wind-down of the Debtors' Estates. I believe that the Debtor Release has been tailored to ensure that the Debtors have received sufficient consideration therefor, including mutual releases for the Debtors and their Estates from potential Claims and Causes of Action of each of the Releasing Parties. It is my understanding that Debtors do not have material Causes of Action against any of the Released Parties that would

justify the risk, expense, and delay of pursuing any such Causes of Action as compared to the results and benefits achieved under the Plan. In addition, I believe that to the extent that the a Released Parties are or could be engaged in complex, multi-party litigation in which a claim against a Released Party could implicate the Debtors, the Debtors and Released Parties share a common interest in settling such litigation through the formulation and inclusion of the Debtor Release in the Plan. Moreover, it is my understanding that the General Unsecured Creditors who voted on the Plan overwhelmingly voted to accept the Plan, and no creditor has objected to the Debtor Release contained in the Plan.

27. Finally**,** with respect to the Debtor's directors, officers, and managers, certain Released Parties are entitled to indemnification from the Debtors under state law, organizational documents, and agreements.

28. For these reasons, I believe that the Debtor Releases are fair, reasonable, in the best interest of the Debtors' estates, and a valid exercise of the Debtors' business judgment, and should be approved.

b. The Third-Party Release Is Appropriate

29. Article XI.A.3 of the Plan provides for limited and fully consensual Third-Party Releases. Critically, every Holder of a Claim or Interest under the Plan must have affirmatively consented to the releases pursuant to the opt-in structure to be a Releasing Party.

30. The Third-Party Release is fully consensual. I understand that the Plan contains an opt-in structure whereby all Holders of Claims or Interests under the Plan are bound by the Third-Party Releases only upon affirmatively opting-in to the Third-Party Releases. I have been advised that all parties in interest were provided extensive notice of these Chapter 11 Cases, the Plan, and the deadline to object to confirmation of the Plan. I have been further advised that the Combined Hearing Notice, the Ballots, the Notices of Non-Voting Status, and the Opt-In Election Form

provided recipients with timely, sufficient, appropriate, and adequate notice of the Third-Party Release. The Debtors required all Holders of Claims or Interests in Classes 1-6 to affirmatively opt in to the Third-Party Release by either checking a box on the Ballot and returning the Ballot, or by completing and returning the applicable Opt-In Election Form and provided each Holder of a Claim or Interest with ample notice and instructions on how to do so. I have also been advised that the Third-Party Release is sufficiently specific to put the Releasing Parties on notice of the Claims being released. Accordingly, I believe the decision of Holders of Claims and Interests to opt-in to the Third-Party Release reflects one that is intentional, conscious, and fully consensual.

31. It is my understanding that the Third-Party Release is an integral part of the Plan, and a condition of the settlements set forth therein. The Third-Party Release brought key stakeholders to the table for negotiations around the DIP Facilities, the Sales, and the Plan, each of which contributed to the Debtors' success in chapter 11. It is my understanding that the Third-Party Release was critical in incentivizing key stakeholders to support the Plan, with many stakeholders insisting on the inclusion of the Third-Party Release as a condition of supporting the Plan and related agreements.

32. I have been advised that the Third-Party Release is given for consideration. It is my understanding that each of the Third-Party Released Parties played an extensive and integral role in the Debtors' Chapter 11 Cases and the formulation of the Plan and that the significant contributions of the Third-Party Released Parties have benefited all parties in interest. I, addition, it is my understanding that the Third-Party Release does not provide a blanket immunity to the Third-Party Released Parties and, like the Debtor Release, contains a carve-out for acts or omissions that constitute fraud, gross negligence, or willful misconduct.

33. Based on the foregoing, I believe that the Third-Party Release is appropriate and justified under the circumstances and should therefore be approved.

c. The Plan's Exculpation Provisions Are Appropriate

34. Article XI.B of the Plan contains a customary exculpation benefitting the Exculpated Parties for claims arising out of or relating to the Chapter 11 Cases and the agreements made in connection therewith (the "Exculpation"). The Exculpation carves out acts or omissions that are determined in a Final Order to have constituted actual fraud, gross negligence, or willful misconduct.

35. I have been advised that the Exculpation is authorized pursuant to the Court's authority under sections 105, 1123(b), 1125, and 1129(a)(1) of the Bankruptcy Code. I understand that the Exculpation prevents collateral attacks against estate fiduciaries and others that participated actively in the Debtors' Chapter 11 Cases. It represents an integral component of the Plan, is the product of good faith, arm's-length negotiations among various parties (including the key constituents of the Chapter 11 Cases), and is appropriately and narrowly tailored in time and scope. I believe the Exculpated Parties are narrowly tailored to include only (a) the Debtors, (b) the managers, officers, or directors of any of the Debtors serving at any time during the pendency of the Chapter 11 Cases, (c) the Professionals retained by the Debtors in the Chapter 11 Cases, (d) the Committee and its Professionals retained in the Chapter 11 Cases, and, solely in their respective capacities as members or representatives of the Committee, each member of the Committee, or (e) the PCO and its Professionals retained in these cases. Each of these parties has made a significant contribution towards the consummation of the Debtors' Chapter 11 Cases and acted in good faith throughout the process. Moreover, it is my understanding that with respect to the Debtors' directors, officers, and managers who are Exculpated Parties, such parties entitled to indemnification from the Debtor under state law, organizational documents, and agreements.

36. Based on the foregoing, I believe that the Exculpation affords reasonable and appropriate protections that parties reasonably relied and rely upon in actively engaging in the Debtors' Chapter 11 Cases, to the benefit of all the Debtors' stakeholders.

d. The Injunction Is Appropriate

37. Article XI.C of the Plan contains an injunction provision that enjoins (a) all Persons and Entities who have held, hold, or may hold Claims, Interests, or Causes of Action that have been released from commencing or maintaining certain actions against the Debtors or the Liquidating Trust, and (b) any party bound by the consensual releases contemplated in Article XI.A of the Plan from commencing or maintaining a Claim or Cause of Action of any kind against any Released Party or any Third-Party Released Party that is a Debtor Released Claim or Third-Party Released Claim (the "Injunction").

38. I believe that the Injunction is necessary to implement, preserve, and enforce the Plan's release, discharge, exculpation, and gatekeeping provisions, which are integral to the Plan. Furthermore, the Injunction is properly tailored to achieve its objective and only encompasses Claims or Causes of Action that have been voluntarily released. Accordingly, I believe that the Court should approve the Injunction in connection with approving the release and exculpation provisions included in the Plan.

e. The Plan's Cure Process Is Appropriate under Section 1123(d)

39. Article IX.A of the Plan provides that the Debtors may assume Executory Contracts if such Executory Contracts are (a) the subject of a motion to assume or reject pending before the Bankruptcy Court as of the Confirmation Date; (b) identified in the Plan Supplement as Executory Contracts to be assumed; or (c) insurance policies providing coverage to any of the Debtors. On May 9, 2025, the Debtors filed the Plan Supplement [Docket No. 1562], which listed the Executory Contracts that the Debtors intend to assume (the "Assumed Contracts") and proposed cure costs

for the Assumed Contracts. I believe that the Debtors either have, or prior to the Effective Date, will have (a) cured, or provided adequate assurance that they will promptly cure, any default; (b) compensated or provided adequate assurance that they will promptly compensate the counterparties for any actual pecuniary loss resulting from such default; and/or (c) provided adequate assurance of future performance under the agreements as required by section 365 of the Bankruptcy Code. The proposed cure amounts set forth for each Assumed Contract are based on the Debtors' review of their books and records. With respect to adequate assurance of future performance, I believe that the Debtors and/or the Debtors' Estates have sufficient liquidity from, among other sources, the Wind Down Amount provided under the Plan, to address the obligations under the agreements in the ordinary course of business. As such, I have been advised that the Plan complies with section 365(b)(1) of the Bankruptcy Code and therefore complies with section 1123(d) of the Bankruptcy Code.

40. Based upon the foregoing, I believe that each of the foregoing permissive provisions is consistent with section 1123(b) of the Bankruptcy Code. Accordingly, I believe the Plan complies fully with sections 1122 and 1123 and therefore satisfies the requirements of section 1129(a)(1) of the Bankruptcy Code.

The Debtors Have Complied with Section 1129(a)(2) of the Bankruptcy Code

41. To my understanding, based on discussions with the Debtors' legal counsel and other advisors, section 1129(a)(2) of the Bankruptcy Code requires compliance with the disclosure, solicitation, and voting requirements set forth in sections 1125 and 1126 of the Bankruptcy Code.

1. Section 1125: Postpetition Disclosure Statement and Solicitation

42. Following the Court's entry of the Disclosure Statement Order, I understand that the Voting Agent solicited votes on the Plan consistent with the Court-approved Solicitation and

Voting Procedures. I understand that the Debtors did not solicit acceptances of the Plan from any Holder of a Claim before entry of the Interim Approval and Procedures Order.

b. Section 1126: Acceptance of the Plan

43. I understand that the Debtors solicited acceptances of the Plan only from the Holders of Claims in the Voting Classes, which are the only Classes that are Impaired and entitled to vote on the Plan. In addition, it is my understanding that the Debtors did not solicit votes to accept or reject the Plan from the Holders of Claims and Interests in the Non-Voting Classes, as I have been advised by counsel that the non-Voting Classes are either (a) Unimpaired and, therefore, deemed to have accepted the Plan or (b) Impaired and presumed to have rejected the Plan.

44. I have also been advised that holders of an impaired class of claims or interests must vote in favor of a plan by at least two-thirds in amount and more than one-half in number of the allowed claims, or interests, of such class to accept the plan. Of those who timely voted, Holders of Claims in Class 4 voted in excess of these statutory thresholds voted to accept the Plan. It is also my understanding that pursuant to the stipulations between the Debtors and Berkadia and Wells Fargo, their votes to reject the Plan will be deemed votes to accept the Plan upon the Court's approval of the stipulations.

45. Based on the foregoing, I believe that the requirements of sections 1125 and 1126 of the Bankruptcy Code have been satisfied, and thus, the Debtors have satisfied the requirements of section 1129(a)(2) of the Bankruptcy Code.

The Plan Has Been Proposed in Good Faith (Section 1129(a)(3)).

46. The Plan has been proposed by the Debtors in good faith. Throughout these cases, the Debtors have focused on maximizing value for their various stakeholders. The Disclosure Statement, the Plan, Plan Supplement, and all documents necessary to effect the Plan were developed after significant analysis and negotiations between the Debtors and other key

constituents, and were proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and effectuating a successful and speedy wind-down of the Debtors' operations. Moreover, the Plan is the product of arm's-length negotiations among the Debtors and their key stakeholders.

47. I believe the Debtors have proposed the Plan in good faith and solely for the legitimate and beneficial purpose of restructuring the Debtors' balance sheet, maximizing recoveries for creditors, and positioning the Debtors' business for future success. The Plan represents the culmination of months of good faith, arm's-length negotiations among the Debtors and their key stakeholders, including the Committee, Mark Petersen, and various Prepetition Secured Lenders (including Column, GMF, and, with respect to the settlements achieved post-solicitation, Berkadia and Wells Fargo). The Debtors' management team and advisors acted in good faith and in the best interests of the Estates in evaluating and negotiating the Plan. Throughout that process, I believe that the Debtors, their officers and directors, and their advisors have sought to forge consensus among stakeholders wherever possible.

48. Based on the foregoing, I believe that the Plan is "not by any means forbidden by law" and, indeed, is in full compliance with the Bankruptcy Code and applicable non-bankruptcy law. Accordingly, I believe the Debtors have proposed the Plan in good faith in compliance with section 1129(a)(3) of the Bankruptcy Code.

The Plan Provides for the Payment of Fees and Expenses in Compliance with Section 1129(a)(4) of the Bankruptcy Code.

49. I understand that Article IV.M of the Plan provides that all Professional Fees must be approved by the Court as reasonable pursuant to final fee applications, and Article XII of the Plan provides that the Bankruptcy Court retains jurisdiction "to hear and determine all requests for compensation and reimbursement of expenses to the extent allowed by the Bankruptcy Court under

sections 330 or 503 of the Bankruptcy Code." Similarly, the Debtors' ordinary course professionals will be paid in the ordinary course as holders of Administrative Expense Claims consistent with the *Order (I) Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief* [Docket No. 234]. I believe that all of the payments to be made under the Plan are reasonable and appropriate in the Chapter 11 Cases, and I believe that the payments for the costs and expenses of the Plan Administrator and the Liquidating Trustee, as set forth in the Plan, Plan Administrator Agreement, and the Liquidating Trust Agreement (as applicable) will fairly compensate parties for providing services necessary to the effectuation and implementation of the Plan and the wind-down of the Debtors' Estates. Based on the foregoing, I believe the Plan complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

The Plan Identifies Individuals Proposed to Serve as Successor to the Debtors (Section 1129(a)(5)).

50. As part of the Plan and Plan Supplement, the Debtors have disclosed the identity of the Plan Administrator and the Liquidating Trustee. Such appointments will allow the Debtors to wind down under applicable law in an orderly fashion and make distributions to creditors and is consistent with the interests of creditors and interest holders and with public policy.

51. I believe that the manner of naming and selecting the Plan Administrator and Liquidating Trustee provided in the Plan and Plan Supplement is consistent with public policy. Accordingly, I believe that the Plan satisfies section 1129(a)(5) of the Bankruptcy Code.

The Plan Does Not Contain Any Rate Changes (Section 1129(a)(6))

52. It is my understanding that section 1129(a)(6) of the Bankruptcy Code requires applicable government approval of "any rate change provided for in the plan." I believe section

1129(a)(6) is inapplicable to these Chapter 11 Cases, as the Plan does not provide for any rate changes.

The Plan is in the "Best Interests" of Creditors and Interest Holders (Section 1129(a)(7)).

53. I understand that section 1129(a)(7) requires that, with respect to each impaired class of claims or interests, each individual holder of a claim or interest has either accepted the plan or will receive or retain, on account of their claim or interest, property having a present value, as of the effective date of the plan, of not less than what such holder would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code at that time. Accordingly, I understand that the "best interests test" is satisfied where the estimated recoveries under a proposed plan for a debtors' stakeholders that reject that plan are greater than or equal to the recoveries such stakeholders would receive in a hypothetical chapter 7 liquidation. Based on my familiarity with the businesses, operations, and assets of the Debtors, my understanding of the Plan, the events that have occurred during these Chapter 11 Cases and discussions I have had with the Debtors' management and other personnel, I believe that the Plan satisfies the "best interests test" of section 1129(a)(7) of the Bankruptcy Code.

54. The Debtors and their advisors have analyzed the value of the Plan to the Estates and have concluded that the Plan provides for a greater recovery than would be the case in a hypothetical liquidation under chapter 7 of the Bankruptcy Code. More specifically, the Debtors, with the assistance of their advisors, have prepared a hypothetical liquidation analysis, attached as Exhibit C to the Plan (the "Liquidation Analysis") and described in detail in Article IV.I of the Plan. The Liquidation Analysis demonstrates that in a chapter 7 liquidation, holders of Claims and Interests would receive less than is projected under the Plan.[3]

[3] The Debtors have prepared an updated Liquidation, to be filed in advance of the Combined Hearing.

55. The Debtors and their advisors carefully completed the Liquidation Analysis after extensive due diligence. In addition, the Liquidation Analysis was completed with the direct involvement of individuals under my direct supervision. I am familiar with the methods used and the conclusions reached in preparing the Liquidation Analysis. It is my understanding that the Liquidation Analysis represents the Debtors' best estimate of the cash proceeds, net of liquidation-related costs that would be available for distribution to the holders of Claims and Interests if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code.

56. The assumptions and estimates in the Liquidation Analysis are appropriate in the context of these Chapter 11 Cases and are based upon the knowledge and expertise of the Debtors' professionals and personnel who have extensive knowledge of the Debtors' business and financial affairs as well as relevant industry and financial experience. The Liquidation Analysis is based on a variety of assumptions, which are described in the narrative that accompanies the Liquidation Analysis and which I believe are reasonable under the circumstances. The major components of the Liquidation Analysis are as follows:

- the additional costs and expenses that would be incurred related to chapter 7, including compensation of one or more chapter 7 trustee(s) and counsel and other professionals retained by the chapter 7 trustee(s);
- the delay and erosion of value that would be caused to the Debtors' assets;
- the reduced recoveries caused by an accelerated sale or disposition of the Debtors' assets by the chapter 7 trustee(s); and
- other potential claims that may arise in a chapter 7 liquidation.

57. The Plan contemplates providing recoveries to, among others, the holders of Claims in Classes 1, 2, 3, and 4. As set forth in the Liquidation Analysis and herein, recoveries under the Plan are higher than recoveries estimated to be available if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

58. Based on the Liquidation Analysis, it is my conclusion that the recoveries to the Holders of Claims and Interests under the Plan are at least as much as (and, in many instances, exceed) the potential recoveries provided to the holders of Claims and Interests in a liquidation under chapter 7 of the Bankruptcy Code and, therefore, the Debtors have satisfied the "best interests" test under section 1129(a)(7) of the Bankruptcy Code.

59. I understand that, subject to the assumptions and qualifications contained therein, the Liquidation Analysis establishes that all Holders of Claims and Interests in Impaired Classes will receive or retain property under the Plan valued, as of the Effective Date, in an amount greater than or equal to the value of what they would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. I believe that the Debtors' Liquidation Analysis is sound, reasonable, and incorporates justified assumptions and estimates regarding the liquidation of the Debtors' assets and claims, such as the (a) additional costs and expenses that would be incurred by the Debtors as a result of a chapter 7 liquidation and (b) substantial increase in claims that may arise in a chapter 7 liquidation. I also understand that the Liquidation Analysis considers various assumptions, including that:

- In a chapter 7 case, the chapter 7 trustee and chapter 7 trustee's professionals will require time and the expenditure of limited resources to become acquainted with the facts of the case;
- The chapter 7 trustee will have lower payroll expenses but would also lack the funding to continue the collections of the Debtors account receivables and to continue to effectuate the sale of the various de minimis assets due to the smaller staff of professionals/personnel;
- There will be no liquidating trust after a chapter 7 conversion; and
- Conversion to cases under chapter 7 of the Bankruptcy Code would not provide for a timely Distribution and likely no Distribution at all.

60. I believe that the assumptions and estimates in the Liquidation Analysis are appropriate in the context of these Chapter 11 Cases and are based upon the collective knowledge

and expertise of the Debtors' management and advisors, all of whom have intimate knowledge of the Debtors' businesses and relevant industry or restructuring experience.

61. Based on the foregoing, I believe that the Plan satisfies the requirements of the "best interests" test under section 1129(a)(7) of the Bankruptcy Code.

The Plan is Confirmable Notwithstanding Section 1129(a)(8).

62. I understand that Section 1129(a)(8) of the Bankruptcy Code requires that "[w]ith respect to each class of claims or interests – (A) such class has accepted the plan; or (B) such class is not impaired under the plan." As has been explained to me by the Debtors' counsel and as set forth in the Voting Declaration, Classes 1a, 1b, and Class 4 voted to accept the Plan well in excess of two-thirds in amount and one-half in number of Holders entitled to vote in such Classes who voted on the Plan. I also understand from Debtors' counsel that Classes 5 and 6 (the "Impaired Non-Voting Classes") are deemed to reject the Plan under 1126(g) of the Bankruptcy Code and that Classes 1g and 1j have voted to reject the Plan.[4] However, as discussed below, I further believe that the Debtors have satisfied the requirements of section 1129(a)(10) of the Bankruptcy Code and thus will be able to "cram-down" the remaining Impaired Classes under section 1129(b) of the Bankruptcy Code.

Section 1129(a)(9): The Plan Provides for Payment in Full of All Allowed Priority Claims

63. It is my understanding that the Plan provides that Allowed Administrative Claims and Allowed Priority Tax Claims will be paid in full in Cash on or as soon as reasonably practicable after the Effective Date or, if not then due or Allowed, on or as soon as reasonably practicable after the date such Claim is due or becomes Allowed, or otherwise in the ordinary course of business or

[4] The votes to reject the Plan submitted by the members of Classes 1g and 1j are subject to change upon the filing of stipulations resolving the objections to confirmation of Berkadia [Docket No. 1607] and Wells Fargo [Docket No. 1608], which would also provide that Berkadia and Wells Fargo change their votes rejecting the Plan to votes to accept the Plan.

as agreed with the relevant Holder of such Claims, as required by sections 1129(a)(9)(A)-(C) of the Bankruptcy Code.

Classes of Impaired Claim Holders Have Voted to Accept the Plan (Section 1129(a)(10)).

64. I understand that the Plan complies with section 1129(a)(10) of the Bankruptcy Code as Class 4 is impaired and voted to accept the Plan, regardless of the votes of any insider(s).

The Plan Satisfies the Feasibility Requirement of the Bankruptcy Code (Section 1129(a)(11)).

65. Based on my understanding of the Plan, the advice of the Debtors' advisors, my experience with the Debtors' businesses and industry, and my knowledge of the settlements contemplated by the Plan and/or negotiated in advance of the Combined Hearing, I believe that the Debtors will be able to meet their obligations under the Plan and, thus, that the Plan is feasible. Specifically, after the commencement of solicitation of the Plan and before the adjourned Combined Hearing, the Debtors and other stakeholders engaged in extensive negotiations (which are substantially memorialized in the Confirmation Order and the stipulations appended thereto as exhibits) to ensure the availability of funding to make the Plan feasible and avoid conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code.

66. The Plan is a liquidating plan that provides for the liquidation and distribution of the Debtors' assets and the wind-down of the Debtors. No further financial reorganization of the Debtors is contemplated. I have reviewed the projected Claims to be paid under the Plan and the costs of administering the Plan and the Debtors' wind-down. Based on my knowledge of the Debtors' business, books and records, and Schedules of Assets and Liabilities, I believe the Debtors will have sufficient available cash to fund each of the following: (a) the Administrative / Priority / Adequate Protection Claims Reserve; (b) the Secured Claims Reserve; (c) the Plan Administrator Reserve; (d) Professional Fees Reserve; and (e) the Liquidating Trust. Accordingly, I believe that holders of Allowed Claims under the Plan will receive the distributions required under the Plan

and the Plan Administrator and Liquidating Trustee will have the funding necessary to carry out their obligations under the Plan.

67. I believe that the Liquidating Trust contemplated in the Plan is reasonable and appropriate. The Liquidating Trust will be established for the purpose of receipt, administration, and distribution of the Liquidating Trust Assets for the benefit of the Liquidating Trust Beneficiaries. I understand that the Debtors will transfer the Liquidating Trust Assets to the Liquidating Trust on or promptly after the Effective Date. The Liquidating Trust shall use the net proceeds of the Liquidating Trust Assets to make distributions to General Unsecured Creditors and carry out the other duties of the Liquidating Trustee that are contemplated in the Liquidating Trust Agreement and the Plan.

68. I believe that the Plan Administrator and Plan Administrator Reserve are also reasonable and appropriate. The Plan Administrator Reserve was calculated by Getzler Henrich in consultation with the Debtors' management and provides funding for the Plan Administrator to administering the Debtors' Estates and the wind-down of the Debtors. On the Effective Date, the Debtors will fund the Plan Administrator Reserve. I believe the funding of the Plan Administrator Reserve is sufficient for the Plan Administrator to carry out the activities contemplated under to the Plan and the Plan Administrator Agreement.

69. In addition, I believe that the other conditions precedent to Confirmation and/or the Effective Date that are set forth in the Combined Plan and Disclosure Statement are likely to be satisfied. For all these reasons, I believe that the Plan is feasible.

The Plan Provides for the Payments of Statutory Fees Under 28 U.S.C. § 1930 (Section 1129(a)(12)).

70. Article IV.O of the Plan provides that all statutory fees, including fees listed in 28 U.S.C. § 1930, that are due and payable prior to the Effective Date shall be paid on the Effective

Date or when due, if due after the Effective Date. I believe the Debtors have adequate means to make such payments. I believe that the Plan, therefore, complies with section 1129(a)(12) of the Bankruptcy Code.

Sections 1129(a)(13)–(16) Are Not Applicable to the Plan.

71. The Debtors (i) do not have any retiree benefits as that term is defined in section 1114(a) of the Bankruptcy Code; (ii) are not required to pay any domestic support obligations; (iii) are not individuals; and (iv) are not nonprofit corporations or trusts. Accordingly, sections 1129(13)–(16) are inapplicable to the Plan.

The Plan Satisfies the Cramdown Requirements (Section 1129(b)).

72. Classes 1a (Column Claim), 1b (GMF Claim), and 4 (General Unsecured Creditors) voted to accept the Plan (the "Accepting Classes"). Accordingly, "cram down" is only relevant to Classes 1g (Berkadia Claim) and 1j (Wells Fargo Claim), which voted to reject the Plan,[5] and the Impaired Non-Voting Classes, which have been deemed to reject the Plan (together with Class 1, the "Rejecting Classes"). Based on my understanding, the Plan may be confirmed as to each of these Classes pursuant to the "cram down" provisions of section 1129(b) of the Bankruptcy Code.

a. The Plan Does Not Discriminate Unfairly

73. I have been advised that the Plan does not discriminate unfairly with respect to any Class. Class 2 (Other Secured Claims) and Class 3 (Priority Claims) are unimpaired, non-voting, and deemed to accept the Plan. It is my understanding that there are no other Classes containing creditors with Claims or Interests similar to those in these Classes, and that each of these Classes contains Claims or Interests that are similarly situated.

[5] Subject to the filing of stipulations resolving the objections of Berkadia and Wells Fargo, which would also provide that Berkadia and Wells Fargo change their votes rejecting the Plan to votes to accept the Plan.

74. In addition, it is my understanding that there is no unfair discrimination among the Accepting Classes (Classes 1a, 1b, and 4) and the Rejecting Classes (Classes 1g, 1j, 5, and 6):

a. Class 1a (Column Claim) consists of the Prepetition Secured Claim of Column Financial, Inc., as governed by the applicable Prepetition Loan Facilities and secured by its own collateral.

b. Class 1b (GMF Claim) consists of the Prepetition Secured Claim of GMF Petersen Note, LLC, in its Capacity as Administrative Agent, for the Benefit of Itself and the Other Lenders, as governed by the applicable Prepetition Loan Facilities and secured by its own collateral.

c. Class 1g (Berkadia Claim) consists of the Prepetition Secured Claim of Berkadia Commercial Mortgage LLC, as governed by the applicable Prepetition Loan Facilities and secured by its own collateral.

d. Class 1j (Wells Fargo Claim) consists of the Prepetition Secured Claim of Wells Fargo Bank, N.A, as governed by the applicable Prepetition Loan Facilities and secured by its own collateral.

e. Class 4 (General Unsecured Claims) consists of a broad array of Creditors, which generally have different rights and obligations governing their Claims but whose Claims share a common general unsecured priority.

f. Class 5 (Intercompany Claims) is legally distinct from both of these Classes, as the Intercompany Claims consist of Claims held by and among the Debtors against other Debtors. All Intercompany Claims are classified together and are afforded the same treatment under the Plan.

g. Class 6 (Equity Interests) consists of all Interests in the Debtors. Class 6 is legally distinct in nature from all other Classes. All Equity Interests in the Debtors are classified together and afforded the same treatment under the Plan.

75. With respect to Classes 1a, 1b, 1g, and 1j, I do not believe there is any unfair discrimination under the Plan. The members of this class are similarly situated to the extent that each member has a Prepetition Secured Claim against the Debtors but are divided into subclasses because each Claim is subject to distinct Prepetition Loan Facilities and secured by its own collateral. Unless a member of a subclass of Class 1 has consensually agreed to less favorable treatment, each member of this Class will receive the same treatment under the Plan. The Plan further provides (unless the subclass member has agreed to less favorable treatment) that any

Deficiency Claim held by a member of Class 1 shall receive the same treatment as General Unsecured Claims in Class 4.

76. With respect to Class 4, the Debtors designed the Plan in consultation with the Committee. Holders of General Unsecured Claims in this Accepting Class will each receive the same treatment under the Plan. Moreover, there are no other Classes containing creditors with Claims or Interests similar to those in the Accepting Class, and each Class contains Claims and Interests that are similarly situated. Therefore, I do not believe there is any unfair discrimination under the Plan.

77. Holders of Class 5 Claims and Class 6 Interests are impaired, non-voting, and deemed to reject the Plan. With respect to these Impaired Non-Voting Classes, I do not believe there is any unfair discrimination under the Plan because there are no other Classes containing creditors with Claims or Interests similar to those in such Classes, and each Class contains Claims and Interests that are similarly situated. Further, none of the holders or Claims or Interests in Classes 5 and 6 are receiving any distributions under the Plan. Accordingly, I believe the Plan does not discriminate unfairly with respect to the Impaired Non-Voting Classes.

78. More broadly, based on the foregoing, I believe that there is no unfair discrimination among the Rejecting Classes and the Accepting Classes, and that there is a reasonable basis for the disparate treatment among those Classes. Accordingly, I believe that the Plan does not "discriminate unfairly" with respect to any Impaired Classes of Claims or Interests.

b. The Plan Is Fair and Equitable

79. I have been advised that that a plan is fair and equitable with respect to a class of impaired unsecured claims or equity interests if the plan satisfies the "absolute priority" rule, *i.e.*, no holder of a claim or equity interest that is junior to the class of dissenting holder will receive or retain property under the plan on account of such junior interest.

80. It is my understanding that The Plan satisfies the absolute priority rule with respect to the Rejecting Classes. With respect to the Holders of Class 1 Prepetition Secured Lender Claims, I have been advised that unless a Holder has agreed to less favorable treatment, each Holder will receive payment in an amount equal to the secured portion of its Allowed Claim. Any remaining Deficiency Claims will be treated like other Class 4 General Unsecured Claims. Accordingly, Class 4 Claims will only receive a Distribution after the satisfaction of the secured portion of the Class 1 Allowed Claims.

81. In addition, pursuant to the proposed substantive consolidation contemplated therein, the Plan provides that all Class 5 Intercompany Claims between the Debtors shall be eliminated, and Holders of Intercompany Claims will not receive any Distributions. Moreover, Holders of Class 6 Equity Interests will retain no ownership interests or Distribution under the Combined Plan and Disclosure Statement and, on the Effective Date, shall be deemed cancelled, null, and void. I have been advised that no class of interests that is junior to the Class 5 or Class 6 Claims and Interests will receive or retain property under the Plan.

82. Finally, it is my understanding that no Class of Claims or Interests will receive or retain property under the Plan that has a value greater than 100% of its Claims or Interests, nor has any party asserted as such.

83. Based on the foregoing, I belief that the Plan does not discriminate unfairly, is fair and equitable, and satisfies the "cram down" requirements of section 1129(b) of the Bankruptcy Code and may be confirmed.

Section 1129(c): The Plan Is the Only Plan Currently on File

84. I understand that the Plan is the only plan filed in these Chapter 11 Cases and, accordingly, section 1129(c) of the Bankruptcy Code does not apply.

Section 1129(d): The Purpose of the Plan Is Not Tax or Securities Law Avoidance

85. I believe that the principal purpose of the Plan is not the avoidance of taxes or the avoidance of section 5 of the Securities Act. To my knowledge, no governmental unit has objected to Confirmation of the Plan on such grounds.

Section 1129(e): Does Not Apply to the Plan

86. I understand that the Chapter 11 Cases are not "small business cases" as that term is defined in the Bankruptcy Code, and that section 1129(e) of the Bankruptcy Code is therefore not applicable to the Plan.

The Plan's Settlements and Compromises Are Reasonable and Satisfy Bankruptcy Rule 9019

87. In understand that section 1123(b)(3) of the Bankruptcy Code provides that a plan may "provide for . . . the settlement or adjustment of any claim or interest belonging to the debtor or to the estate."[6] Consistent with section 1123(b)(3) of the Bankruptcy Code, Article V of the Plan modifies or leaves unaffected, as the case may be, the rights of holders of Claims in each Class. In addition, (a) Article XI provides for a release of certain of the Debtors' Claims and Causes of Action, (b) Article V of the Plan incorporates the settlement of a variety of issues, Claims, Interests, and controversies, and (c) Article XI.F provides that, except as otherwise provided in the Plan, all of the Debtors' Retained Causes of Action will vest in the Liquidating Trust and that the Liquidating Trustee will retain, and may compromise or settle, all such Retained Causes of Action.

88. I believe that the Plan embodies a good faith compromise of Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a creditor or an Interest Holder may have with respect to any Allowed Claim or Allowed Interest or any distribution to be

[6] 11 U.S.C. § 1123(b)(3)(A).

made on account thereof. I have been advised that settlement provisions in a chapter 11 plan must satisfy the standards used to evaluate compromises under Bankruptcy Rule 9019.

89. I believe that the Plan's settlements and compromises, including the Global Settlement, are the result of months of good faith, arm's-length negotiations among the parties to these settlements. The Plan's settlements and compromises, among other things:

a. enable a clear path to the Plan and the Debtors' exit from chapter 11;

b. represent a comprehensive set of liquidation and wind down transactions; and

c. provide significantly improved recoveries to holders of Claims in Class 4 (General Unsecured Claims) as compared to their potential recovery in a chapter 7 liquidation.

90. I believe that the settlements and compromises contemplated in the Plan are fair, reasonable, and in the best interests of the Debtors' Estates. Specifically, the Plan's settlements resolve or permit the resolution of complex, fact-intensive matters that may otherwise require costly and protracted litigation to determine, with an uncertain outcome. Moreover, litigation of all such disputes would be a complex and time-consuming process and could unnecessarily extend these Chapter 11 Cases while administrative costs continue to be incurred, thereby eroding the value of the Estates to the detriment of all stakeholders. Therefore, the Plan's settlement provisions are reasonable, and the Debtors have satisfied the requirements of section 1123 of the Bankruptcy Code and the *Martin* factors. Accordingly, I believe that the Plan's settlement provisions are fair, reasonable, and in the best interests of the Debtors' Estates.

Information Regarding Specific Objections

91. I have been advised that Hartford Fire Insurance Company ("Hartford") has filed an objection [Docket No. 1603] (the "Hartford Objection") requesting, in part, that the Confirmation Order contain a provision granting that if any obligee or resident submits a trust fund claim to Hartford as a result of any failure on the part of the Debtors to turn over trust funds, or

because the Debtors properly failed to administer such fund prior to the sale of a facility, then the Plan Administrator should pay any such valid trust fund claim to the resident, or to Hartford if Hartford pays the claim. *See* Hartford Objection, ¶10. It is my understanding that the Debtors have already transferred all the resident trust funds to the new operators. Moreover, the Plan, and the Combined Hearing Notice, which contained information regarding the Administrative Expense Bar Date for Administrative Expense Claims arising before the entry of the Interim Approval and Procedures Order, were served on residents of the Debtors' facilities. I believe that no such Administrative Expense Claims have been filed by residents.

92. I have been further advised that Robert Gregory Wilson, a former executive of the Debtors, has filed a limited objection [Docket No. 1612] (the "Wilson Objection") objecting to the inclusion of a certain AXA Equitable life insurance policy (the "AXA Life Insurance Policy") in the assets that will be transferred to the Liquidating Trust upon Confirmation. Although the AXA Life Insurance Policy is held in the name of the Debtors, Wilson argues that he is the intended beneficiary of the policy, that this was part of his compensation package when he was employed as an executive with the Debtors, that he has the "legal or equitable right to compel the transfer" of the policy to himself, and that Confirmation of the Plan should be conditioned on such transfer. Wilson Objection, ¶¶ 2, 4-6. The Debtors and Getzler Henrich have reviewed the Debtors' records and believe that the life insurance policy was part of Wilson's compensation package.

II. RE-SOLICITATION OF THE PLAN IS NOT REQUIRED.

93. The Debtors' Confirmation Order (including the stipulations attached as exhibits thereto) contains provisions that modify the currently filed version of the Plan.

94. I have been advised that if modifications of the Plan do not disrupt or reduce distributions and do not adversely affect the rights of holders of Claims in Classes that voted to accept the Plan, the Debtors do not need to re-solicit the Plan.

95. The modified Plan provisions contemplated by the Confirmation Order (a) contain immaterial changes to the language of the Plan or (b) incorporate consensual language agreed to by various stakeholders or creditors in exchange for their support for certain aspects of the Plan. In addition, the settlements contemplated by these modifications, which include cash payment to the Debtors and the waiver of certain deficiency claims, will provide the Debtors with cash for the administration of the Plan and will increase the availability of funds for distribution to General Unsecured Creditors.

96. Accordingly, I believe that the modifications proposed in the Confirmation Order are immaterial and/or do not disrupt or reduce the amount of distribution to any Class that has not agreed to such a modification in writing. Further, I do not believe that any of the changes made to the Plan adversely affect the holders of Claims in impaired voting Classes that has not agreed to such a modification in writing.

III. GOOD CAUSE EXISTS TO WAIVE THE STAY OF THE CONFIRMATION ORDER

97. Under the circumstances, I believe that it is appropriate for the Bankruptcy Court to permit the Debtors to consummate the Plan and commence its implementation without delay after the entry of the Confirmation Order. Moreover, I believe the transactions, releases, and liquidation, and proposed distributions contemplated by the Plan were vigorously negotiated among sophisticated parties and are premised on maximizing value for the stakeholders in these Chapter 11 Cases. Given that the Debtors' Combined Plan and Disclosure statement is a plan a liquidation and that further delay of the Effective Date will only result in the Debtor's incurrence of value-consuming administrative costs, immediate effectiveness of the Confirmation Order would facilitate the Debtors' efforts to take the steps necessary to consummate the Plan.

98. Finally, as set forth above, given the Debtors' extensive efforts to provide each of the voting parties and other stakeholders with a full measure of adequate notice, I believe that staying the Confirmation Order will not serve any ends related to due process. Accordingly, I believe the Debtors should be granted their request of a waiver of any stay imposed by the Bankruptcy Rules so that the proposed Confirmation Order may be effective immediately upon its entry.

IV. ADVERSE CONSEQUENCES OF NON-CONFIRMATION OF THE PLAN

99. If the Plan is not confirmed in the near term, I believe it is unlikely that the Debtors will be able to provide the same recoveries to their creditors as are currently contemplated by the Plan. Moreover, if the Plan is not confirmed in the near term, the Debtors will incur substantial administrative costs relating to the pendency of these cases or the conversion of these Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code. I believe the Plan is in the best interests of the Debtors, their Estates, and creditors. Accordingly, I believe it is imperative that the Plan be confirmed as quickly as possible.

V. CONCLUSION

100. For the reasons discussed above, as the Debtors' Chief Restructuring Officer, and having been involved in virtually every aspect of these Chapter 11 Cases, it is my belief that confirmation of the Plan is appropriate, is in the best interests of the Debtors and their Estates, and should be approved.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true correct.

June 6, 2025
Chicago, Illinois

/s/ David R. Campbell
David R. Campbell
Chief Restructuring Officer