

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

In re:	)	
	)	Chapter 11
PLASTIQ INC., <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 23-10671 (BLS)
Debtors.	)	
	)	(Jointly Administered)
	)	
	)	Ref. Docket Nos. 11 & 23

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**DECLARATION OF VLADIMIR KASPAROV  
IN SUPPORT OF THE DIP MOTION AND BIDDING PROCEDURES MOTION**

I, Vladimir Kasparov, pursuant to 28 U.S.C. § 1746, and under penalty of perjury, declare the following to the best of my knowledge, information and belief:

1. I am a Managing Director at Triple P RTS, LLC (“**Portage Point**”) and the chief restructuring officer (“**CRO**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**” or “**Plastiq**”). I am familiar with the Debtors’ business and financial affairs and assets and liabilities, as a result of having served as CRO since January 13, 2023.

2. As a Managing Director at Portage Point, I specialize in managing complex financial and operational restructurings. I have over twenty (20) years’ experience assisting clients, primarily in the middle market sector, in navigating periods of downturn, as well as providing interim management services and stepping into officer or director roles. Prior to joining Portage Point, I spent nearly twelve (12) years with Andrews Advisory Group, where I advised leading financial institutions, including mezzanine lenders, hedge funds and private equity funds

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Plastiq Inc. (6125), PLV Inc. d/b/a/ PLV TX Branch Inc. (5084), and Nearside Business Corp. (N/A). The corporate headquarters and the mailing address for the Debtors is 1475 Folsom Street, Suite 400, San Francisco, California 94103.



during corporate restructurings and operational turnarounds, specifically involving companies that were experiencing various forms of distress.

3. I submit this declaration in support of the relief requested in the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Authorizing Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Claims, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [Docket No. 11] (the “**DIP Motion**”), and the *Debtors' Motion for Entry of (A) an Order (I) Approving Bidding Procedures in Connection with the Sale of the Debtors' Assets and Related Bid Protections, (II) Approving Form and Manner of Notice, (III) Scheduling Auction and Sale Hearing, (IV) Authorizing Procedures Governing Assumption and Assignment of Certain Contracts and Unexpired Leases, and (V) Granting Related Relief; and (B) an Order (I) Approving the Purchase Agreements, and (II) Authorizing a Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests* [Docket No. 23] (the “**Bidding Procedures Motion**”).<sup>2</sup>

4. Except as otherwise indicated, all statements in this declaration are based upon my review of relevant documents, my discussions with the Debtors and their professionals, my discussions with other members of the Portage Point team working on this engagement, and my personal knowledge and experience. If I were called upon to testify, I could and would testify to each of the facts set forth below.

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings given in the DIP Motion or Bidding Procedures Motion, as applicable.

**A. The Debtors Require DIP Financing**

5. I believe that the DIP Facility is critical to the Debtors' ability to continue operating their business as debtors in possession, fund these chapter 11 cases, and pursue a sale of all or substantially all of their assets in accordance with the Bidding Procedures. The DIP Facility provides sufficient liquidity to satisfy all administrative claims through the anticipated sale closing on July 31, 2023. However, the Debtors project incurring up to \$700,000 in operating expenses per week, and the DIP Facility does not provide sufficient liquidity for the Debtors to continue operations after July 31, 2023.

6. The DIP Facility has served, and continues to serve, as a critical bridge in these chapter 11 cases to allow the Debtors to run a fulsome, value-maximizing sale process to achieve the greatest recovery for their stakeholders. The DIP Facility will preserve and maximize the value of the Debtors' estates and facilitate the administration of these Chapter 11 Cases. The Debtors have insufficient cash on hand and no other alternative for financing these cases. As a result, based upon the Debtors' liquidity forecast, I do not expect the Debtors will be able to generate sufficient levels of operating cash flow in the ordinary course of business to cover their working capital needs and the projected costs of these chapter 11 cases. Accordingly, I believe that the availability of the funding provided by the DIP Facility on a final basis is necessary for the success of these chapter 11 cases.

**B. Approval of the Stalking Horse APA**

7. The Bidding Procedures Motion requests, among other things, entry of an order approving (i) the Bidding Procedures and assumption and assignment procedures; (ii) entry into the Stalking Horse APA, subject to higher and better bids; and (iii) the Bid Protections.

8. The Debtors' board of directors, after consultation with the Debtors' advisors, determined that the Stalking Horse APA represented the highest or otherwise best offer received for the Assets as a result of the prepetition marketing process, and directed the Debtors to proceed with negotiating definitive terms with the Stalking Horse Bidder. After extensive and good faith, arms' length negotiations, the Debtors executed the Stalking Horse APA.

9. The DIP Facility and the Stalking Horse APA provide a joint transaction structure to maximize the value of the Debtors' assets for all stakeholders. As set forth above, the DIP Facility provides sufficient liquidity to fund the Debtors' operations and pay accrued administrative claims through July 31, 2023. However, the DIP Facility does not provide sufficient liquidity to extend the sale process into August.

10. I believe that the Stalking Horse APA provides the best alternative to maximize value for stakeholders. Entry into such agreement permits the Debtors to conduct a value-maximizing sale process that is backstopped by the proposed Stalking Horse APA. In addition, entry into the Stalking Horse APA provides business stability to employees, creditors, and other parties-in-interest. Further, the Stalking Horse APA benefits the Debtors by serving as a floor for an overbid process to ensure that the Debtors receive the highest or otherwise best offer(s) for the Assets. Indeed, the Debtors' ultimate consummation of the Stalking Horse APA is subject to higher or otherwise better offers that the Debtors may receive for the Assets pursuant to the Bidding Procedures. There is a strong business justification for the Debtors' entry into the Stalking Horse APA and that the Stalking Horse APA is reasonable.

11. In light of the foregoing, approval of the Stalking Horse APA, as set forth in the Bidding Procedures Order, is in the best interest of the Debtors' estates, and that the Debtors' decision to seek such approval constitutes a sound exercise of the Debtors' business judgment.

**C. Granting the Bid Protections is a Sound Exercise of the Debtors' Business Judgment**

12. Based on my communications with the Stalking Horse Bidder, including their advisors, during the negotiation of the Stalking Horse APA, the Bid Protections were integral to the proposed sale transaction, and the Stalking Horse Bidder was not willing to proceed without them.

13. The Break-Up Fee, which represents 3.0% of the purchase price, and the Expense Reimbursement, which represents up to 2% of the reasonable, actual, and documented expenses of the Stalking Horse Bidder, are reasonable and appropriate in light of the nature of the transaction. The Bid Protections are the result of extensive, arms' length negotiations and good-faith compromises.

14. Based on the foregoing, the facts and circumstances of these chapter 11 cases, and the events leading up to the commencement thereof, it is my judgment that the Bid Protections are (a) commensurate with the value and benefits conferred upon the Debtors' estates by the Stalking Horse Bidder, and (b) reasonable and appropriate in light of the nature of the proposed sale transactions, the commitments made, and the efforts that have been and will be expended by the Stalking Horse Bidder. To date, the Stalking Horse APA constitutes the highest or otherwise best offers received for the Assets, and, in my judgment, the Court's approval of the proposed Bidding Procedures Order, including the provisions therein approving the Bid Protections, is in the best interest of, and provides a benefit to, the Debtors' estates.

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

Dated: June 20, 2023

/s/ Vladimir Kasparov  
Vladimir Kasparov