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*Proposed Attorneys for the Debtors*

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

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In re:  PolarityTE, Inc., a Delaware corporation  Debtor	Case No. 23-bk-22358-KRA  Case No. 23-bk-22360-KRA  Case No. 23-bk-22361-KRA
In re:  PolarityTE, MD Inc., a Nevada corporation  Debtor	Chapter 11  Judge Kevin R. Anderson
In re:  PolarityTE, Inc., a Nevada corporation  Debtor	<b>THIS DOCUMENT RELATES TO ALL DEBTORS<sup>1</sup></b>

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**DECLARATION OF RICHARD HAGUE IN SUPPORT OF FIRST  
DAY MOTIONS**

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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 PolarityTE, Inc. (9524); PolarityTE MD, Inc. (1555); and PolarityTE, Inc. (6882). The location of the Debtors' service address is 1960 S. 4250 W., Salt Lake City, UT 84104.



I, Richard Hague, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury:

1. I am President and Chief Executive Officer of each of the Debtors. PolarityTE, Inc. (the “**PTE**”) is the sole owner of Debtors PolarityTE MD, Inc., a Nevada corporation (1555) (“**PTE MD**”); and PolarityTE, Inc., a Nevada corporation (6882) (“**PTE NV**” and, together with PTE and PTE MD, the “**Debtors**”). The Debtors’ corporate headquarters is located at 1960 South 4250 West, Salt Lake City, Utah.

2. I submit this declaration to provide the Court an introduction to the Debtors and their chapter 11 cases and to support the Debtors’ motions for “first day” relief (the “**First Day Motions**”).

3. As explained in greater detail below, PTE is an operating and publicly held biotech company, which, together with its Debtors PTE NV and PTE MD, have a promising product. But the Debtors will run out of cash this summer. The only feasible option for preserving its value is to sell its assets (primarily, its intellectual properties) with all deliberate speed under section 363 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”) (a “**Section 363 Sale**”).

4. I am familiar with the Debtors’ history, products, day-to-day operations, businesses, financial affairs, and books and records. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon my personal knowledge, information learned from my review of relevant documents, information supplied to me by the Debtors’ other management and employees or the Debtors’ professional advisors, or they are my opinions based on my experience with and knowledge of the Debtors. I am authorized to submit this Declaration on behalf of the Debtors and, if called upon to testify, I could and would testify competently to the facts set forth herein.

5. On June 6, 2023, (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Utah. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession under 11 U.S.C. §§ 1107(a) and 1108. No creditors’ committee has yet been appointed in the Debtors’ chapter 11 cases by the Office of the United States Trustee, nor has any trustee or examiner been requested or appointed.

#### **I. GENERAL BACKGROUND**

6. The Debtors are a clinical stage biotechnology company with a promising product, SkinTE. PTE MD and PTE NV are both Nevada corporations and are wholly owned subsidiaries of PTE, a Delaware corporation and publicly traded company.

7. The Debtors’ product, SkinTE, is a regenerative tissue product (produced by a proprietary mechanism from the patient’s own skin) that has been shown to be effective in clinical trials for treating diabetic skin ulcers and venus leg ulcers. The market for the treatment of diabetic skin ulcers alone is \$1 billion annually.

8. SkinTE is a human cellular and tissue-based product derived and grown from a patient’s own skin to regenerate full-thickness skin with all of its layers (epidermis, dermis and hypodermis) and appendages (hair follicles and glands). SkinTE has been used to treat complex wounds, including both acute and chronic wounds, and can be used in addition to and/or in place of split-thickness skin grafting, full-thickness grafting, temporizing skin coverage and/or skin substitute products.

9. Previously the Debtors were selling SkinTE under the U.S. Food and Drug Administration’s (“**FDA**”) 361 HCT/P pathway governed by 21 C.F.R. 1271. SkinTE was earning revenue, which partially offset its operating expenses. However, based on FDA guidance, since

May 2021, the Debtors have been conducting the first of two more-rigorous clinical trials under the FDA's 351 Biologic pathway, from which they derive no revenue. On this pathway, the Debtors will not be generating revenue again until obtaining FDA approval, which it anticipates in 2026.

10. The Debtors cannot suspend their current clinical trial regime without jeopardizing FDA approval. But the Debtors are unable to continue to fund the clinical trials and will shortly run out of cash. As of the date of this Declaration, the Debtors have approximately \$3.3 million of cash on hand. The cash burn rate is approximately \$1.4 million per month. Thus, unless the Debtors shut down their clinical trials or obtain another source of funding, the Debtors will likely run out of cash on approximately July 31, 2023.

11. Rather than abandon the clinical trials and their promising product, on the Petition Date, each of the Debtors filed a petition for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Cases**") in the United States Bankruptcy Court for the District of Utah (the "**Bankruptcy Court**"). The Debtors will seek to sell their assets, including the ongoing clinical trials, to the highest bidder who can maximize the value of the assets and, presumably, will have funding to allow the clinical trials to go forward and eventually monetize the SkinTE product. Without this relief, the Debtors will be forced to close the clinical trials due to lack of funding, which will greatly reduce the potential value of their assets and delay, perhaps for years, the availability of the SkinTE product.

## **II. THE DEBTORS' CAPITAL STRUCTURE**

12. The Debtors have historically raised funding for their operations by raising equity through PTE, a publicly traded company. As of December 31, 2022, the Debtors had an accumulated deficit of \$516 million. As of May 9, 2023, the number of outstanding shares of PTE

was 7,376,231. As of June 30, 2022, the aggregate market value of that stock held by non-affiliates was \$7,013,749. No single person or entity holds more than 5% of PTE's equity.

13. PTE's equity is publicly traded (NASDAQ: PTE). Its most recent 10-K filing, dated March 27, 2023, is available at: <https://www.sec.gov/ix?doc=/Archives/edgar/data/1076682/000149315223009124/form10-k.htm>.

14. Presently, the Debtors have no secured debt. The Debtors have combined unsecured debts of approximately \$57,000.

### **III. THE DEBTORS' LEASE, HEADQUARTERS, AND LABORATORIES**

15. The Debtors lease their headquarters, all of their offices, and all of their laboratory facilities under a lease agreement dated November 30, 2022 (the "**Lease**") with 1960 South 4250 West LLC (the "**Landlord**"). Pursuant to the Lease, the Debtors lease approximately 63,160 square feet of space for a term of five years beginning December 1, 2022, with an option to renew for an additional five years. The initial basic rent under the Lease is \$59,998 per month, and the monthly basic rent in effect at the end of each year during the Lease term will increase by 4%. In addition, the Debtors re obligated to pay the Landlord a proportionate share (approximately 41%) of operating costs and other expenses.

16. Under the Lease, the Landlord is obligated to construct a demising wall between the area rented to the Debtors and the rest of the building, which the Landlord intends to lease to other parties. From the date construction begins until completion of the demising wall and related reconstruction items, the Debtors' rent is reduced by 50%.

**IV. BARRIERS TO RAISING EQUITY CAPITAL OR BORROWING, AND THE DEBTORS' EFFORTS TO MARKET THE COMPANY**

17. It is no longer feasible for the Debtors to raise operating capital by selling equity because of the dire cash situation and the current state of the market. Further, given its market capitalization, it is already at risk of being de-listed by NASDAQ.

18. The Debtors have never formally engaged an investment banker for three reasons. The first consideration has been cost, and the Debtors have lacked cash to pay the upfront fees most investment bankers charge. The second is that most of the participants in the regenerative tissue space are well known to each other. Investment bankers are not necessary to make introductions. The third is that an M&A exit strategy is likely premature pending FDA approval.

19. Nevertheless, the Debtors have, using their informal relationships with Morgan Stanley's Healthcare Investment Banking Group, Cantor's Healthcare Investment Banking Group, and HC Wainwright Healthcare Investment Banking Group, made inquiries about the market and feasibility of raising capital, finding an equity partner, being acquired, or merging. While not formally engaged, these entities remain apprised of the Debtors' circumstances.

20. Using their knowledge of and relationships with the small number of players in the regenerative tissue space, the Debtors have on their own solicited potential buyers or partners for the business. Over the past several years, the Debtors have discussed and solicited interest with approximately a half dozen possible merger or acquisition partners, including, in some cases, executing NDAs and sharing financial and technical information. Unfortunately, despite these efforts, none has progressed to deal phase.

21. In December 2022, the Debtors signed a non-binding letter of intent (the "**LOI**") with Michael Brauser ("**Brauser**") for him to acquire 100% of the Debtors' outstanding equity interests at a proposed offering price of \$1.03 per common share, which would be paid entirely in

cash. Completion of the transaction was subject to customary closing conditions. The LOI provided that Brauser would pursue due diligence and the parties would endeavor to negotiate the terms of the definitive transaction documents during the period ending March 15, 2023.

22. The Debtor and Brauser were unable to complete negotiation and drafting of definitive documents by March 15, 2023, and the LOI terminated on that date.

**V. THE DEBTORS' PLAN TO SELL THEIR ASSETS IN CHAPTER 11 AND THE AGREEMENT WITH STALKING HORSE BIDDER**

23. Although unable to complete a sale with Brauser, discussions continued, and eventually, the parties reached an agreement for a Brauser-backed entity to act as a stalking horse bidder for the Debtors' assets. Brauser agreed to cause Cool Acquisitions LLC ("Cool Acquisitions") to act as stalking horse bidder for the Debtor's assets with a starting bid of \$6.5 million under the terms and conditions of an Asset Purchase Agreement, which is described in detail below in connection with the Debtors' Bid Procedures Motion.

24. Under these circumstances, I believe that the best remaining opportunity for the Debtors to secure a recovery for its unsecured creditors, and a potential return to their equity security holders, is to sell their assets in a Section 363 Sale to Cool Acquisitions or the highest bidder at an auction.

**VI. THE FIRST DAY MOTIONS.**

25. I am familiar with each of the Debtors' First Day Motions and believe they are necessary and appropriate to enable the Debtors to best realize the value of their assets for their stakeholders. The bases for each of the First Day Motions is summarized below.

**A. Expedited Hearing Motion**

26. On the Petition Date, the Debtors filed their Ex Parte Motion Requesting (1) an Expedited Hearing on First Day Motions, (2) Shortening Time for Notice and Objection to the

Interim Relief Requested in the First Day Motions or Finding that No Further Notice Is Necessary, and (3) Scheduling a Final Hearing on the First Day Motions (the “**Expedited Hearing Motion**”). In the Expedited Hearing Motion, the Debtors request the Court to enter an Order scheduling a first day hearing, shortening the time for notice of, the time to object to, and the hearing on certain First Day Motions, and scheduling a final hearing.

27. The core purpose of the Debtors’ Chapter 11 Cases is to position the Debtors to sell its assets efficiently and expeditiously in a Section 363 Sale. Accomplishing that would be in the best interest of the Debtors, their estates, creditors, and stakeholders. I believe that this Court granting the Expedited Hearing Motion to consider and grant each of the First Day Motions on an expedited basis is necessary to achieve that goal. The Debtors request that the Court grant the Expedited Hearing Motion to avoid irreparable harm to the Debtors’ estates.

**B. Joint Administration Motion**

28. On the Petition Date, the Debtors filed their Motion for Entry of an Order (I) Directing Joint Administration of their Chapter 11 Cases and (II) Granting Related Relief (the “**Joint Administration Motion**”).

29. The Debtors’ operations, capital structures, and, importantly, assets, are intertwined. In addition, the Debtors anticipate that the proceeds from the sale of their assets will be sufficient to pay all creditors and, no matter where they are allocated, the excess will be sent as a dividend to their shareholders. Therefore, while separate bookkeeping will be undertaken for each entity, the Debtors’ strategies and goals are fully aligned. Further, there are substantial cost savings for joint administration. The Debtors’ financial affairs and business operations are related, and joint administration of the Chapter 11 Cases will ease administrative burden on the Bankruptcy Court, the Debtors, and other parties in interest.



30. Joint administration will avoid duplicate notices, applications, motions, and orders, thereby saving the Debtors considerable time and expense. For example, joint administration will permit the Clerk of the Court to use a single general docket for these cases and combine notices to creditors of the respective estates of the various debtors and other parties in interest. Indeed, the rights of creditors and parties in interest will be enhanced by the reduced costs that will result from joint administration. The Bankruptcy Court will also be relieved of the burden of hearing duplicative motions, entering duplicative orders, and maintaining duplicative files. Supervision of the administrative aspects of these cases by the United States Trustee also will be simplified and streamlined. Requiring the Debtors to serve three separate copies of pleadings seeking the same relief as to all Debtors would be a substantial waste of estate resources to the detriment of the Debtors' creditors and other parties in interest.

**C. Insurance Motion**

31. On the Petition Date, the Debtors filed their Motion for Entry of an Order Authorizing the Debtors to Maintain Existing Insurance Policies and Pay All Policy Premiums and Brokers' Fees Arising Thereunder (the "**Insurance Motion**").

32. In the ordinary course of the Debtors' business, the Debtors maintain the following insurance policies:

Commercial Package Policy
Federal Insurance Company
01/01/2023 - 01/01/2024
Policy #36044294
Commercial Auto
Federal Insurance Company
01/01/2023 - 01/01/2024
Policy #73596609
Workers' Compensation
Federal Insurance Company
01/01/2023 - 01/01/2024
Policy #71756164

Commercial Umbrella
Federal Insurance Company
01/01/2023 - 01/01/2024
Policy #78184079
Excess Liability \$5M xs \$5M, Excl Prds
StarStone National Insurance Company
01/01/2023 - 01/01/2024
Policy #75616D235ALI
Excess Liability \$5M xs \$10M, Excl Prds
Great American E&S
01/01/2023 - 01/01/2024
Policy #XSE65964302
Primary Products Liability
Federal Insurance Company
01/01/2023 - 01/01/2024
Policy #36051664
Products Excess Liability \$10M xs \$5M
Lloyd's of London
01/01/2023 - 01/01/2024
Policy #LSRXS0078323
Commercial Crime \$2.0M
Beazley Insurance Company
03/20/2023 – 06/18/2023
Renewal Pending for 06/14/2023 – 06/13/2024
Employment Practices Liability Insurance \$2.0 M
Allied World Specialty Insurance Company
03/20/2023 – 06/18/2023
Renewal Pending for 06/14/2023 – 06/13/2024
Fiduciary Liability Insurance \$1.0M
National Union Fire Insurance Company
03/20/2023 – 06/08/2023
Renewal Pending for 06/14/2023 – 06/13/2024
Cyber Liability \$5.0M
North American Capacity Insurance Company
Arch Specialty Insurance Company
Allianz Underwriters Insurance Company
Ascot Specialty Insurance Company
01/01/2023 – 01/

(collectively the “**Commercial Policies**”). The annual premium for the Commercial Package Policy is approximately \$153,000, which is paid in quarterly installments in advance. The premiums for the remaining Commercial Policies were paid in full at inception of the policies.

33. The Debtors have the following director and officer insurance policies:

- (a) AIG Primary D&O \$5.0 Million Effective March 10, 2023, for 12 months
- (b) CUBB Excess D&O \$5.0 Million Effective March 10, 2023, for 12 Months
- (c) AWAC Excess D&O \$5.0 Million Effective March 10, 2023, for 12 Months
- (d) AIG Side A DIC \$5.0 Million Effective March 10, 2023, for 12 Months

(collectively the “**D&O Policies**” and, together with the Commercial Policies, the “**Policies**”). The total annual premium for the D&O Policies in the amount of \$1,217,000 was paid in full in March 2023. The D&O Policies provide an option to purchase (i) tail coverage for six years following a sale of the business transaction that closes by September 10, 2023, upon payment of an additional premium equal to 50% of the original premium, and (ii) tail coverage for six years following a sale of the business transaction that closes during the six-month period following by September 10, 2023, upon payment of an additional premium equal to 75% of the original premium.

34. The Policies are essential to the preservation of the Debtors’ business, properties, and assets, and, in many cases, such insurance coverage is required by regulations, laws, contracts, and the United States Trustee Operating Guidelines and Reporting Requirements for Chapter 11 Cases.

35. The Debtors believe it is in the best interest of their estates to permit the Debtors to honor their obligations under the Policies and any financing agreements related thereto. Any other alternative would likely require considerable additional cash expenditures and would be detrimental to the Debtors’ effort to preserve and maximize the value of its estate.

36. The Debtors request that the Court grant the Insurance Motion on an interim and expedited basis to avoid irreparable harm to the Debtors’ estates.

**D. Employee Wage Motion**

37. On the Petition Date, the Debtors filed their Motion for Interim and Final Orders Authorizing Payment of Certain Prepetition Wages, Salaries, Employee Benefit Programs, and Other Compensation and Related Relief (the “**Employee Wage Motion**”).

38. As of the Petition Date, the Debtors employed 27 full-time employees, each of whom were paid on a salary basis, and 4 part-time employees, each of whom were paid on an hourly basis (the “**Employees**”). In the ordinary course of its business, the Debtors pay the wages and salaries of all Employees (the “**Payroll Obligation**”) on a bi-weekly basis. The Debtors’ bi-weekly payroll averages approximately \$175,000 for all Employees but may vary depending on volume, scheduling, and other factors. As of the Petition Date, the Debtors are current on all outstanding Payroll Obligation to their Employees in the ordinary course of business except the Payroll Obligations that were incurred between the last payday and the Petition Date. The Debtors hereby request authorization to pay the prepetition Payroll Obligation due the next payday. In addition, in case the Debtors issued any checks to Employees prior to the Petition Date on account of the Payroll Obligations, and such checks have not yet been cashed or have not “cleared” the Debtors’ bank accounts, the Debtors request instructions that the Debtors’ bank should honor any such checks on account of the Payroll Obligations.

39. To the extent that these obligations are on account of the Debtor’s prepetition Payroll Obligations, the Debtor is seeking authority to pay all the Payroll Obligations in full, including any amount in excess of \$13,650 per Employee, the statutory priority claim afforded by such claims under section 507(a)(4) and (a)(5) of the Bankruptcy Code

40. As required under federal and state law in the jurisdictions in which it operates, the Debtors withholds amounts for payroll taxes, Social Security taxes, unemployment taxes,

Medicare taxes, and garnishments. Such withheld funds, to the extent that they remain in Debtors' possession, constitute moneys held in trust and, therefore, are not property of the Debtors' bankruptcy estates. 11 U.S.C. § 541(d). Further, any debts for such amounts would be entitled to priority under section 507(a)(8)(D) of the Bankruptcy Code.

41. The Debtors use Paylocity to process and administer payroll expenses, at an approximate monthly cost of \$900.

42. In addition, each month, the Debtors incur expenses to subsidize health, dental, and life insurance plans for the Employees (the "**Employee Benefits Programs**"). The Employee Benefits Programs are administered by United Healthcare, EMI, and The Lincoln National Life Insurance Company. They total approximately \$57,000 per month.

43. Finally, the Debtors maintain workers' compensation insurance as required by the jurisdictions in which it operates. This coverage provides Employees with workers' compensation insurance protection for claims arising under or related to their employment with the Debtors. The Debtors finance the yearly premium, for which it pays approximately \$835 per month.

44. I believe a sound business justification exists for the relief sought in the Employee Wage Motion. The Employees include personnel who are intimately familiar with the Debtors' business, processes, and systems, and possess unique skills and experience with the core business segments of the Debtors' operations. The Employees are essential to the Debtors' operations. Without the continued, uninterrupted services of the Employees, the Debtors' clinical trials will be halted and the value and administration of the estate materially impaired.

45. I believe the Employees are vital to the Debtors' business operations and ability to operate as a debtor in possession during the pendency of these Chapter 11 Cases. The Debtors' Employees rely on their wages and compensation to pay for housing, food, and energy. Failure to

pay the Employees their earned wages and compensation would result in substantial hardship to the Employees. Additionally, I believe the failure to continue the Employee Benefits Programs could cause Employees to experience severe hardship, while the failure to continue the Employee Incentives Program would negatively impact morale and performance. Under the best circumstances, the filing of a chapter 11 petition is a stressful and uncertain event for a debtor's employees. Such stress and uncertainty may adversely affect employee morale at a time when a debtor is particularly vulnerable to business disruptions. Low morale, and a perception that employees are receiving less than favorable treatment, may result in many Employees seeking employment elsewhere, including from competitors of the Debtors. Accordingly, honoring the Prepetition Payroll Obligations and continuing the Employee Benefits Programs in the ordinary course of business without interruption will avoid any hardship to the Employees and encourage the Employees to continue their employment with the Debtors.

46. I believe that honoring the Debtors' obligations for Prepetition Payroll Obligations and Employee Benefit Programs at the outset of the Chapter 11 Cases is also necessary and essential to the Debtors' continued operations. Loss of the Employees would have immediate negative impacts on the Debtors' ability to continue operations as debtors in possession during the Chapter 11 Cases — especially the continuation of clinical trials of SkinTE—and payment of the Prepetition Payroll Obligations would allow the Debtors to operate without interruption, continue to operate the business with minimal disruption, and proceed with the critical task of stabilizing operations and pursuing a successful chapter 11 reorganization and to preserve value for the estates. Accordingly, the relief requested in the Employee Wage Motion is appropriate under the circumstances and necessary to avoid immediate and irreparable harm to the Debtors' business and prospects of a successful Section 363 Sale under chapter 11.

47. The Debtors request that the Court grant the Employee Wage Motion on an interim and expedited basis to avoid irreparable harm to the Debtors' estates.

**E. Utilities Motion**

48. On the Petition Date, the Debtors filed their Motion Under Section 11 U.S.C. §§ 105(A) And 366 Of the Bankruptcy Code to Determine Adequate Assurance of Payment for Future Utility Services and Establishing Determination Procedures (the "**Utilities Motion**").

49. The Debtors, in the ordinary course of their businesses, uses utility services from various utility providers (each a "**Utility**" and collectively the "**Utilities**"), including the following:

<u>Electricity Provider</u> Paid by landlord and allocated to Debtors as additional rent under the real property lease	<u>Gas Provider</u> Paid by landlord and allocated to Debtors as additional rent under the real property lease
<u>Phone Service Provider</u> Lumen Technologies (CenturyLink): 100 Centurylink Dr. Monroe, LA 71203	<u>Internet Service Provider</u> Comcast Business: PO Box 8587 Philadelphia, PA 19101-8587 Lumen Technologies (CenturyLink): 100 Centurylink Dr. Monroe, LA 71203
<u>Trash Removal Provider</u> Ace Recycling & Disposal 2274 South Technology Road West Valley City, UT 84129	<u>Medical Waste Provider</u> Trilogy Med Waste 2500 Decker Lake Blvd #12 West Valley City, UT 84119  Clean Harbors Disposal Services Inc.: 42 Longwater Drive PO Box 9149 Norwell, MA 02061-9149
<u>Mobile Communications Service Provider</u> Verizon Wireless PO Box 660 108 Dallas, TX 75266-0108	<u>Water/Sewer Service Provider</u> Paid by landlord and allocated to Debtors as additional rent under the real property lease

50. The Utilities provide electricity, gas, telecommunications services, internet services, waste disposal, pest control, office supplies, water, and other utility services, which are essential to the ongoing operations of the Debtors' businesses.

51. At this critical time, uninterrupted electricity, gas, telecommunications services, internet services, water, and the other utility services provided by the Utilities are essential to the ongoing operations of the Debtors' business and to the preservation of the value thereof. Any interruption, however brief, in utility services to the Debtors will severely disrupt the Debtors' operations and cause economic waste of the bankruptcy estates. By the Utility Motion, the Debtors request relief under section 366 of the Bankruptcy Code to prevent such disruptions in the Utilities' services.

52. The Debtors request that the Court grant the Utilities Motion on an interim and expedited basis to avoid irreparable harm to the Debtors' estates.

**F. Parsons Behle & Latimer Retention Application**

53. On the Petition Date, the Debtors filed the Application to Employ Parsons Behle & Latimer as Counsel for the Debtors (the "**Parsons Behle Retention Application**").

54. Under the Parsons Behle Retention Application, the Debtors seek authority under sections 327(a) and 328(a) of the Bankruptcy Code to employ and retain Parsons Behle and Latimer as their attorneys in connection with its Chapter 11 Cases in accordance with the engagement agreement attached as Exhibit B to the Parsons Behle Retention Application (the "**Engagement Agreement**"). Under the Engagement Agreement, Parsons Behle will perform services (collectively, the "**Services**"), including without limitation the following:

- (a) Advising the Debtors with respect to their powers and duties as debtors in possession in the continued management and operation of their businesses and properties;
- (b) Advising and consulting on the conduct of these Chapter 11 Cases, including all of the legal requirements of operating in chapter 11;
- (c) Advising the Debtors in connection with corporate transactions and corporate governance, negotiations, consent solicitations, credit



agreements, financing agreements, and other agreements with creditors, equity holders, prospective acquirers and investors, reviewing and preparing of documents and agreements, and such other actions;

(d) Reviewing and preparing pleadings in connection with these Chapter 11 Cases, including motions, applications, answers, orders, reports, and papers necessary or otherwise beneficial to the administration of the Debtors' estates, and appearing in court, and taking other actions with respect to the foregoing;

(e) Attending meetings and negotiating with representatives of creditors and other parties in interest;

(f) Advising the Debtors with legal issues related to the Debtors' financial circumstances, including with respect to restructuring, financing, corporate, tax, litigation, mergers and acquisition, and employment issues, in each case as may be necessary or appropriate;

(g) Performing all other ancillary necessary legal services for the Debtors in connection with the prosecution of these Chapter 11 Cases, including assisting the Debtors in (i) analyzing the legal aspects of the Debtors' leases and contracts and the assumption and assignment or rejection thereof; (ii) analyzing the validity of liens against the Debtors; and (iii) advising the Debtors on corporate and litigation matters;

(h) Taking all necessary legal actions to protect and preserve the Debtors' estates as the Debtors request, including prosecuting actions on the Debtors' behalf, defending any action commenced against the Debtors, and representing the Debtors in negotiations concerning litigation in which the Debtors are involved, including objections to claims filed against the Debtors' estates; and

(i) Taking any necessary action on behalf of the Debtors as the Debtors request to obtain approval of a disclosure statement and confirmation of a chapter 11 plan and all documents related thereto.

55. Because of the extensive legal services required in these Chapter 11 Cases, I believe that the employment of Parsons Behle to provide the services described above and such other services as may be necessary for the Debtors are appropriate and in the best interests of the Debtors, the Debtors' estates, and their various stakeholders.

56. It is necessary for the Debtors to employ attorneys under the terms set forth in the Engagement Agreement to render the foregoing professional services. Parsons Behle has stated its desire and willingness to act in these Chapter 11 Cases and render the necessary professional services as attorneys for the Debtors.

57. The Debtors selected Parsons Behle for its sophisticated chapter 11 bankruptcy practice and considerable experience before the Bankruptcy Court for the District of Utah where the Chapter 11 Cases are pending. After careful consideration, the Debtors selected Parsons Behle as an appropriate professional to employ in this situation.

58. The Debtors request that the Court grant the Parsons Behle Employment Application as soon as possible to avoid irreparable harm to the Debtors' estates.

**G. Sales and Bid Procedures Motion**

59. On the Petition Date, the Debtors filed the Motion Requesting Entry of Orders (A) Scheduling an Auction and Sale Hearing in Connection with the Sale of Substantially All of the Debtors' Assets; (B) Prescribing Bid Procedures and Protections for Sale of Debtors' Assets; (C) Approving Form and Scope of Notice of Bid Procedures, Auction, and Sale Hearing; (D) Approving Procedure and Form and Scope of Notice of Assumption, Assignment and Sale of Debtors' Contracts and Leases to Purchaser; and (E) Approving, at Subsequent Hearing, of Sale of Debtors' Assets to Purchaser Free and Clear of All Liens, Claims, Encumbrances, and Other Interests (the "**Sales and Bid Procedures Motion**").

60. Prior to the Petition Date, the Debtors expended significant time and money raising cash investment to support the Debtors' day-to-day operations, marketing their business for a sale of assets or to engage in a merger or partnership that could sustain the business through the FDA's regulatory approval process. Part of these early efforts included being approached by two interest

buyers: (a) the first, an unaffiliated foreign private company that develops wound care products, which was interested in merging with the Debtors in order to gain access to the Debtors' valuable assets and public funding through the Debtors' Nasdaq listing; and (b) Michael Brauser ("**Brauser**"), an individual and minority stockholder in the Debtors, as well as a former business consultant of the Debtors, who believes in their business and products and had expressed interest in spending the time and money needed to take their products to market. After six months, the merger discussions with the foreign private company failed in large part due to the market unrest arising from Russian's invasion of Ukraine in early 2022. As discussed in more detail below, the interest from Brauser has developed over time and remains a viable path today.

61. In early 2022, the Debtors were able to raise additional capital and approached several potential buyers. The Debtors approached multiple large companies who also create products that treat wounds, and in each case received significant interest. No deals were reached though because of the potential buyers' shared concern of the extended timeline needed before the Debtors' products can go to market and the significant investment it would take to get those products through the FDA approval process.

62. Simultaneously, the Debtors also worked with two investment bankers who specialize in helping sell companies in the healthcare space – they each also gauged interest among their clients and prospects. Similarly, there was consistently interest in buying the Debtors' business because of their unique products and success in the market, but the extended time and investment that will be needed to begin selling the products at-scale prevented any of these companies from making any commitment.

63. Once these efforts failed, the Debtors took efforts to pursue other private companies who would have interest in acquiring the Debtors' business and could benefit from gaining access

to the public funding available via the Debtors' Nasdaq listing – unfortunately, the anticipated burden of the extended time and money needed to get the Debtors' business off the ground in each case were too much to overcome.

64. In total – the Debtors' efforts over the past two years have produced interest across a wide variety of buyers, but none other than Brauser, through a strategic business partnership with MDB Capital Holdings, LLC, a Delaware limited liability company that specializes in commercializing novel technologies (“**MDB Capital**”), have been willing to buy the Debtors' assets thus far, and no one other than Brauser was willing to progress beyond initial discussions and due diligence.

65. Therefore, the only alternative was and is to execute the sale within chapter 11 proceedings. The Stalking Horse Bidder, an entity formed by Brauser and MDB Capital, has agreed to serve as a stalking horse for a competitive auction and sale process for the Debtors' assets.

66. PTE is a publicly traded company listed on the NASDAQ exchange. PTE is the sole shareholder of PTE MD and PTE NV, with PTE NV operating the Debtors' business and owning the majority of the Debtors' assets, and PTE MD owning the Debtors' intellectual property and technology. Brauser and MDB Capital formed the Stalking Horse Bidder to purchase the assets of the Debtors to act as a stalking horse for the Sale, and no one else was willing to commit to buying the Debtors' business.

67. Subject to approval of the Bankruptcy Court, the Debtors will contact all parties that have previously expressed any interest in their assets and hold an auction to sell the assets to the bidder who submits the highest and best bid. The Debtors expect that the open and competitive

process facilitated by the Bid Procedures proposed in this Motion will yield the highest and best offer for the Debtors' assets.

68. The Debtors believe that the proposed Sale to the Stalking Horse Bidder, as reflected in the APA, represents the highest and best offer for the Debtors' assets that they have received, either formally or informally, to date. The APA is the result of extensive marketing and arms-length negotiation processes. But, even if it did not represent the highest and best offer (which it does), the offer remains subject to higher and better bids at the Auction. The Debtors have determined, in the exercise of their sound business judgment, that consummation of the Sale will (a) maximize the value of the Debtors' bankruptcy estates, (b) maintain their vendor and trade relationships, (c) produce sufficient proceeds for all creditors of the respective bankruptcy estates to be paid in full, and (d) preserve the Debtors' collective brand and reputation in the industry, and allow their technology to be fully developed and released to market. For these reasons and the reasons discussed herein, the Sale is in the best interests of each Debtor's bankruptcy estate and their respective creditors, including stakeholders, and as such, Debtors respectfully submit that the Bankruptcy Court should approve the instant Motion.

69. It is estimated that the Sale to the Stalking Horse Bidder will yield cash proceeds of approximately \$6,500,000 and the elimination of liabilities from the Debtors' bankruptcy estates (as defined in the APA, the "**Purchase Price**"), with \$0 allocated to the purchase of PTE's assets, \$3,787,417.74 allocated to the purchase of PTE MD's assets, and \$2,712,582.26 allocated to the purchase of PTE NV's assets. It is anticipated that the Purchase Price will be sufficient to cover all of the Debtors' outstanding debts including all their unsecured creditors and the Debtors' estates' administrative expenses. As it stands, the proceeds of the Purchase Price are also anticipated to be sufficient such that the Debtors' will be able to propose, solicit, and confirm a

liquidating plan under chapter 11 of the Bankruptcy Code that is likely to provide for near-full payment of creditors' claims according to their priorities.

70. Failure to complete the sale would be disastrous for the Debtors' estates, their creditors, and their equity holders. The Debtors only have sufficient funds to continue their operations through approximately July 31, 2023, after which they will be forced to lay off their remaining employees, cease clinical trials, and shutter their operations. If the clinical trials are stopped and the employees' know-how leaves the Debtors' employ, the value of the assets will be greatly diminished because the time to market for SkinTE will reset to the beginning and any potentially interested investor will have to spend many times more money to complete the FDA approval process.

71. The Debtors continue to vigorously market their assets and will continue doing so over the next thirty plus days in an effort to ensure that the winning bidder at the Auction as provided herein results in the highest and best offer to purchase the Debtors' assets and assume their liabilities as set forth in the APA.

72. Based on the foregoing and for the reasons set forth below, I and the Debtors believe that the proposed Sale will maximize the value of the Debtors' assets, preserve their going-concern value, and maximize all stakeholder returns.

73. The Debtors request that the Court grant the Sales and Bid Procedures Motion and schedule the Sale Hearing as soon as possible to preserve value and avoid irreparable harm to the Debtors' estates.

**H. Ordinary Course Professionals' Motion**

74. On the Petition Date, the Debtors filed their Motion for Entry of an Order Authorizing Retention, Employment, and Compensation of Certain Professionals Used by the Debtors in the Ordinary Course of Business (the “**Ordinary Course Professionals Motion**”).

75. The Debtors customarily retain the services of the following attorneys and other professionals to represent them in the ordinary course of their businesses unrelated to the Chapter 11 Cases (the “**Ordinary Course Professionals**”).

- (a) **Crowell & Moring.** Crowell & Moring is the Debtors’ primary patent counsel, both in the United States and overseas, for the Debtors’ Minimally Polarized Functional Units technology used or useful in connection with SkinTE. Crowell & Moring are presently assisting the Debtors with divisional filings in progress in other countries. Filings in foreign jurisdictions are handled by local agents who pay filing and other maintenance fees and then bill Crowell & Moring for reimbursement, who in turn bills the Debtors for reimbursement. The last 12 months’ average billings for Crowell & Moring have been approximately \$10,150 per month.
- (b) **Panitch Schwarze Belisario & Nadel, LLP (“Panitch”).** Panitch is the Debtors’ primary patent counsel for the Skin Biopsy device (referred to in the Debtors’ Securities and Exchange Commission (“SEC”) filings and other business material as the “Point of Care Device”). A provisional patent for the device was filed July 11, 2022, and a formal patent application must be filed on or before July 10, 2023, to preserve the Debtors’ patent rights to the device. This device could add substantial value to the Debtors’ future business operations. The estimated cost of filing the United States application is \$3,100, including \$680 in basic Patent Office filing fees, \$800 in Patent Office fees for extra claims, and \$1,600 in Panitch’s professional fees. The estimated cost of filing a PCT application (for foreign patent protection) is about \$5,100, including \$3,900 in filing fees and \$1,200 in Panitch’s professional fees. The last 12 months’ average billings for Panitch have been approximately \$1,650 per month.
- (c) **Dorsey & Whitney (“Dorsey”).** Dorsey has been counsel to the Debtors assisting in corporate and transaction work, including negotiating the terms of the APA with the Stalking Horse Bidder, and drafting related agreements and documents. Dorsey also handles the Debtors’ SEC filings. The last 12 months’ average billings for Dorsey have been approximately \$30,650 per month.
- (d) **Murgitroyd.** Murgitroyd is an international practice of intellectual property attorneys, headquartered in Glasgow, Scotland, U.K. In addition to legal service, Murgitroyd offers a global renewal solution in which Murgitroyd keeps a docket of

a company's patent, trademark, and design renewals in 270 countries and manages all aspects of the renewal payment process so that the Debtors receive a bill for renewal payments made by Murgitroyd and Murgitroyd's service fee. Paying renewal fees is critical to preserving the value of the Debtors' estate attributable to its IP. The last 12 months' average billings for Murgitroyd have been approximately \$1,650 per month.

- (e) **Mark Lehman.** Mr. Lehman is a licensed Utah attorney and former shareholder at Parsons Behle & Latimer until August 2018, when he became Chief Legal Officer of the Debtors. Mr. Lehman retired in March 2023. Since his retirement, Mr. Lehman has been engaged as an independent consultant to assist the Debtors under a consulting agreement. The agreement describes Mr. Lehman's services as "(i) act as a clerk or scribe with respect to the preparation of disclosure schedules or schedules of assets or liabilities for an asset purchase agreement and related transaction documents, and (ii) and provide such other services as may be reasonably requested by Company and accepted by Independent Contractor." Mr. Lehman is paid hourly at \$150/hour. Mr. Lehman has a long history with the Debtors and substantial knowledge of the Debtors' commercial agreements and relationships and will be crucial for continuity to continue his services post-Petition Date and to find contracts and information in PTE records needed in the bankruptcy process. During the two months of his service as an independent contractor for the Debtors, Mr. Lehman's average billings have been approximately \$10,600 per month.
- (f) **EisnerAmper.** EisnerAmper is the Debtors' independent public accounting firm that audits the annual financial statements and reviews the quarterly financial statements that the Debtors are required to include the periodic reports filed with the SEC. The services of EisnerAmper are necessary to the filing of any periodic reports the Debtors must file with the SEC during the bankruptcy proceeding. The last 12 months' average billings for EisnerAmper have been approximately \$8,400 per month.
- (g) **Connor Group.** Connor Group assists the Debtors with the preparation of all financial portions of the periodic reports the Debtors file with the SEC, including the financial statements, footnotes to the financial statements, and Management's Discussion and Analysis of Financial Condition and Results of Operations. The services of Connor Group are necessary to the filing of any periodic reports the Debtors must file with the SEC during the bankruptcy proceeding. The last 12 months' average billings for Connor Group have been approximately \$16,550 per month.
- (h) **Scalar LLC.** Scalar LLC provides valuation services with respect to the PTE's common stock purchase warrants, which is required to be reported in the financial statements included in the periodic reports filed by Debtors with the SEC. The services of Scalar LLC are necessary to the filing of any periodic reports the Debtors must file with the SEC during the bankruptcy proceeding. The last 12



months' average billings for Scalar LLC have been approximately \$1,875 per month.

- (i) **Dr. Ned Swanson.** Dr. Swanson is a member of the Data Management Safety Board, which is a board that performs specific review functions required for the clinical trial being conducted by the Debtors. Dr. Swanson also provides consulting services as requested on various aspects of the on-going clinical trial. The last 12 months' average billings for Mr. Swanson have been approximately \$8,100 per month.

76. The Debtors will continue to require the services of the Ordinary Course Professionals while operating as debtors in possession under the Bankruptcy Code. The Ordinary Course Professionals provide vital services that preserve and enhance the value of the Debtors' estates, which is vital to its efforts to market and sell its assets for the highest and best value for the benefit of its creditors and other stakeholders. The Debtors' estates would be irreparably harmed by the loss of the services that the Ordinary Course Professionals provide due to forfeiture of valuable intellectual property rights and lack of regulatory compliance. The work of the Ordinary Course Professionals is directly related to preserving the value of the Debtors' estates. The fees and expenses incurred by the Ordinary Course Professionals are relatively small in comparison to the value that is created and preserved by their services. Their services are anticipated to continue only for a few months, at most, until the Debtors sell their assets.

77. Requiring each of the Ordinary Course Professionals or Debtors to (a) prepare and submit separate applications, declarations, and proposed retention orders for each Ordinary Course Professional; (b) wait until such order is approved before such Ordinary Course Professional continues to render services; and (c) withhold payment of the normal fees and expenses of the Ordinary Course Professionals until they comply with the compensation and reimbursement procedures applicable to Chapter 11 Professionals would be burdensome and risky for the Ordinary Course Professionals and the Debtors. There would be a significant risk that some Ordinary

Course Professionals would be unwilling to provide services and that others would suspend services pending approval. Since many of the matters are active on a day-to-day basis, any delay or need to replace professionals could have significant adverse consequences. If the Debtors were forced to hire different professionals to replace the Ordinary Course Professionals, the expertise and background knowledge of the Ordinary Course Professionals with respect to the particular matters for which they were responsible prior to the Petition Date would be lost, and the Debtors' estates undoubtedly would incur additional and unnecessary expenses to retain other professionals without such background and expertise and pay for them to come up to speed. It is, therefore, in the best interests of the Debtors' estates to avoid any disruption to the professional services required in the day-to-day operation of the Debtors' businesses.

78. In addition, requiring the Ordinary Course Professionals to file retention pleadings and participate in the payment approval process along with the Chapter 11 Professionals would unnecessarily burden the Clerk's Office, the Court and the U.S. Trustee, while adding significantly to the administrative costs of these Chapter 11 Cases without any corresponding benefit to the Debtors' estate.

79. The Debtors request that the Court grant the Ordinary Course Professionals Motion as soon as possible to avoid irreparable harm to the Debtors' estates.

**I. KCC Retention Application**

80. On the Petition Date, the Debtors filed their Application to Employ and Retain Kurtzman Carson Consultants LLC as Equity Noticing and Solicitation Agent Under 28 U.S.C. § 156(c) (the "**KCC Retention Application**").

81. The Debtors have historically raised funding for their operations by raising equity through PTE, a publicly traded company. As of December 31, 2022, the Debtors had an

accumulated deficit of \$516 million. As of May 9, 2023, the number of outstanding shares of PTE was 7,376,231. As of June 30, 2022, the aggregate market value of that stock held by non-affiliates was \$7,013,749. No single person or entity holds more than 5% of PTE's equity.

82. PTE's equity is publicly traded (NASDAQ: PTE). Its most recent 10-K filing, dated March 27, 2023, is available at: <https://www.sec.gov/ix?doc=/Archives/edgar/data/1076682/000149315223009124/form10-k.htm>.

83. Bankruptcy Rule 2002(d) requires several categories of notices be sent to equity holders, and so the Debtors will be required to send notice through an agent. Thus the Debtors seek to employ KCC as their noticing and solicitation agent for their equity holders.

84. KCC's appointment as the Debtors' agent to provide the KCC Services will provide the Debtors with experienced professionals and services essential to a smooth chapter 11 process. The Debtors and KCC fully expect that the KCC Services will be appropriately directed by the Debtors so as to avoid duplicative efforts among the other professionals retained in these Chapter 11 Cases and performed in accordance with applicable standards of the profession.

85. KCC has stated its desire and willingness to act as equity noticing, and solicitation agent in these Chapter 11 Cases and render the necessary professional services to the Debtors and the Court on the terms described in the KCC Retention Application and the KCC Engagement Letter attached to the accompanying Declaration of Evan Gershbein in support thereof.

86. The Debtors request that the Court grant the KCC Retention Application as soon as possible to avoid irreparable harm to the Debtors' estates.

**J. RMA Retention Application**

87. On the Petition Date, the Debtors filed their Application of the Debtor for Entry of an Order Authorizing the Employment of Rocky Mountain Advisors as Financial Advisors (the “**RMA Retention Application**”). In the RMA Retention Application, the Debtors request the Court enter an order approving the retention and appointment of Rocky Mountain Advisory, LLC (“**RMA**”) as financial advisors for the Debtors in the Chapter 11 Cases.

**1. Scope of RMA’s Services**

88. The Debtors seek authority under sections 327(a) and 328(a) of the Bankruptcy Code to employ and retain RMA as their its accountant and financial advisor in connection with Debtors’ Chapter 11 Cases, and to pay RMA’s customary hourly rates. All compensation will be subject to prior approval of this Court under section 330 of the Bankruptcy Code. RMA will perform accounting and financial advisor services to the Debtors (collectively, the “**Services**”), including, as reasonably requested:

- (a) preparing financial disclosures;
- (b) assist with the prosecuting of any avoidance actions;
- (c) assist Debtors and their counsel in determining, litigating, and settling claims;
- (d) assist the Debtors with the preparation of monthly operating reports;
- (e) assist the Debtors with their liquidity, financial, operational and strategic planning including aiding Debtors and their Counsel in the development their Chapter 11 Cases and strategies therein;
- (f) assist the Debtors with the preparations of a Liquidation Analysis;

- (g) assist in the development and negotiations of a plan of liquidation of the Debtors;
- (h) assist the Debtors in administration of the bankruptcy filings;
- (i) provide support in the development of a cash flow budget or other operational budgets and forecasts as requested; and
- (j) preparation of tax returns and other tax work as needed.

89. The Debtors believe that RMA, a professional restructuring and financial advisory firm, possesses the requisite knowledge and expertise to provide these services. RMA has stated its desire and willingness to act in this capacity in this case and render the necessary professional services as restructuring advisor for the Debtors.

## **2. Terms of Engagement**

90. RMA has agreed to charge its standard hourly rates and estimates that the fees for the Services will be charged at its customary hourly rates plus reimbursement of any reimbursable expenses. The terms and conditions of RMA's employment are set forth in the Engagement Agreement (the "**Engagement Agreement**"), attached as Exhibit B hereto.

## **3. Proposed Compensation of RMA**

91. The Debtors request that all fees and related costs and expenses incurred by the Debtors on account of services rendered by RMA in the Chapter 11 cases be paid as administrative expenses of the estates pursuant to sections 328, 330(a), 331, 503(b), and 507(a)(1) of the Bankruptcy Code.

92. The Debtors understand that RMA is customarily reimbursed for all expenses incurred in connection with work performed on behalf of a client in a given matter, including, without limitation, travel expenses, photocopying services, printing, delivery charges, filing fees,

postage, and certain other customary expenses, and that RMA will apply for reimbursement of these expenses in this case also. RMA will maintain a record of actual and necessary costs and expenses incurred in connection with the services described above.

93. The Debtors believe that RMA possesses extensive knowledge and expertise in the areas relevant to the Services, and that RMA is well qualified to perform the Services in this chapter 11. RMA provides a broad range of consulting and advisory services to its clients pertaining to, among other things, (a) general financial advice, (b) asset sales within the context of bankruptcy, and (c) DIP financing. RMA also has extensive experience in advising financially distressed companies.

94. By this Application, the Debtors request authority to employ RMA under section 327(a) of the Bankruptcy Code to perform the Services, and such other bankruptcy- and non-bankruptcy-related services as may be incidental thereto and that are requested by the Debtors with respect to this case.

95. The Debtors respectfully submit that it is necessary and appropriate for it to employ and retain RMA under section 327(a) of the Bankruptcy Code to provide the Services.

96. RMA has stated its desire and willingness to act in this case and render the Services as requested by the Debtors.

97. The Debtors request that the Court grant the RMA Retention Application as soon as possible to avoid irreparable harm to the Debtors' estates.

**K. Equity Holder Waiver Motion**

98. On the Petition Date, the Debtors also filed their Motion Requesting Waiver of the Requirement to File a List of Equity Holders and Modifying the Requirements for Certain Notices to Equity Holders under Bankruptcy Rule 2002(d) (the "**Equity Holder Waiver Motion**"). In the

Equity Holder Waiver Motion, the Debtors request the Court enter an order waiving the requirement to file a list of equity holders and modifying the requirements for certain notices to equity holders under Bankruptcy Rule 2002(d) so that all notices required under Bankruptcy Rule 2002(d) are considered to be served when transmitted KCC by the Debtors regardless of the time that such notices take to be served on the beneficial equity holders so long as KCC uses its best reasonable efforts to effect service of such notices, and KCC files a declaration of service specifying when it received notices from the Debtors.

99. As of May 9, 2023, the number of outstanding shares of PTE was 7,376,231. As of June 30, 2022, the aggregate market value of that stock held by non-affiliates was \$7,013,749. No single person or entity holds more than 5% of PTE's equity.

100. Preparing a list of equity holders with accurate names and last known addresses and providing notices to all such parties of the commencement of these Chapter 11 Cases would create a significant expense and administrative burden without a corresponding benefit to the estates or parties in interest. The Debtors have moved for employment of KCC. Notices sent by KCC through the securities system can take a week or more for domestic holders and in some cases longer, particularly for foreign holders. The Debtors submit that accounting for these delays and delaying proceedings until actual notice is received would make administration of these Chapter 11 Cases virtually impossible and expensive.

101. The Debtors request that the Court grant the Equity Waiver Motion to allow efficient administration of the Debtors' estates.

\* \* \*

102. For the reasons stated above, the Debtors request that the Court grant the relief requested in the First Day Motions.

*I, Richard Hague, hereby declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.*

DATED June <sup>6.00</sup>\_\_\_\_, 2023.

DocuSigned by:

*Richard Hague*

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**Richard Hague**

President and Chief Executive Officer of  
PTE, PTE MD, and PTE NV