

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

Re: Docket No. 15

**INTERIM ORDER (I) ESTABLISHING NOTIFICATION PROCEDURES AND
APPROVING RESTRICTIONS ON CERTAIN TRANSFERS OF, OR
WORTHLESSNESS DEDUCTIONS WITH RESPECT TO, STOCK OF THE DEBTORS
AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order, pursuant to Bankruptcy Code sections 105(a), 362, and 541; Bankruptcy Rules 6003 and 6004; and Local Rule 9013-1(m), (i) authorizing the Debtors to establish certain Stock Procedures and Worthless Stock Deduction Procedures (as defined below herein) to protect the potential value of certain NOLs and other Tax Attributes of one or more of the Debtors for U.S. federal income tax purposes and (ii) granting related relief; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Debtors consent to entry of a final order under Article III of the United States Constitution;

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion, Exhibit 1, Exhibit 2 hereto, or First Day Declaration, as applicable.



and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. All objections to the entry of this Interim Order, to the extent not withdrawn or settled, are overruled.
3. The provisions of this Interim Order shall be effective as of the Petition Date.
4. The restrictions, notification requirements, and other procedures annexed hereto as Exhibit 1 and Exhibit 2 (collectively, the “**Procedures**”) are hereby approved, subject to any final order granting the relief requested in the Motion, and shall apply to all trading and transfers of, and claiming a Worthless Stock Deduction with respect to, ProSomnus Stock (including Options to acquire ProSomnus Stock), as provided therein; provided, that, the Debtors may, in their sole discretion, waive in writing, any and all restrictions, stays, and notification procedures set forth in the Procedures.
5. Until further order of this Court to the contrary, any acquisition, disposition, or trading of, or claiming a Worthless Stock Deduction with respect to, ProSomnus Stock (including Options to acquire ProSomnus Stock) in violation of the Procedures shall be null and void ab initio as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to this Court’s equitable powers under section 105(a) of the Bankruptcy Code.
6. Any person that acquires, disposes of, or trades ProSomnus Stock (including Options to acquire ProSomnus Stock) in violation of this Interim Order or the Procedures or that otherwise fails to comply with their requirements, including with respect to claiming a Worthless

Stock Deduction, shall be subject to such sanctions as this Court may consider appropriate pursuant to this Court's equitable power under section 105(a) of the Bankruptcy Code.

7. The notices substantially in the forms annexed hereto as Exhibit 3, Exhibit 4, Exhibit 5, Exhibit 6, Exhibit 7, and Exhibit 8 are hereby approved, subject to any final order granting the relief requested in the Motion.

8. Within three business days of the entry of this Interim Order, the Debtors shall serve the notice of this Interim Order (the "**Notice of Order**") annexed hereto as Exhibit 8 on (a) all parties that were served with notice of the Motion; (b) all banks, brokers, intermediaries, other nominees (the "**Nominees**") or their mailing agents that hold ProSomnus Stock in "street name" for the beneficial holders of the ProSomnus Stock, as applicable; and (c) registered holders of ProSomnus Stock (with instructions to serve down to beneficial holders, as applicable). The Debtors shall also publish the Notice of Order once in the national edition of the Wall Street Journal and post the Procedures to the website established by Kurtzman Carson Consultants LLC for the Chapter 11 Cases (which website address shall be identified in the Notice of Order), such notice being reasonably calculated to provide notice to all parties that may be affected by the Procedures, whether known or unknown, and no further notice of the Procedures shall be necessary.

9. Nothing herein shall preclude any person desirous of acquiring or transferring, or claiming a Worthless Stock Deduction with respect to, ProSomnus Stock (including Options to acquire ProSomnus Stock) from requesting relief from this Interim Order from this Court, subject to the Debtors' rights to oppose such relief.

10. The relief granted in this Interim Order is intended solely to permit the Debtors to protect, preserve, and maximize the value of their Tax Attributes; accordingly, other than to the extent that this Interim Order expressly conditions or restricts trading in ProSomnus Stock or taking

any Worthless Stock Deduction, nothing in this Interim Order or in the Motion shall, or shall be deemed to, prejudice, impair, or otherwise alter or affect the rights of any holders of ProSomnus Stock.

11. The requirements set forth in this Interim Order are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws and do not excuse noncompliance therewith.

12. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

13. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied because the relief set forth in this Interim Order is necessary to avoid immediate and irreparable harm.

14. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Interim Order.

15. The final hearing (the “**Final Hearing**”) to consider the entry of a final order granting the relief requested in the Motion shall be held on **June 24, 2024, at 1:00 p.m. Prevailing Eastern Time.**

16. Any objection to the entry of a final order granting the relief requested in the Motion shall be filed with the Court and served on the following parties **no later than 4:00 p.m. Prevailing Eastern Time on June 17, 2024:** (a) the Debtors, c/o ProSomnus, Inc., 5675 Gibraltar Dr., Pleasanton, California 94588; (b) proposed counsel to the Debtors, Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Shanti M. Katona (skatona@polsinelli.com) and Katherine M. Devanney (kdevanney@polsinelli.com); (c) counsel to the Sponsoring Noteholders and proposed DIP Lenders, Kilpatrick Townsend & Stockton LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: David M. Posner

(dposner@ktslaw.com) and Gianfranco Finizio (gfinizio@ktslaw.com) and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801, Attn: Eric J. Monzo (emonzo@morrisjames.com) and Brya M. Keilson (bkeilson@morrisjames.com); (d) counsel to the Prepetition Agents, Pryor Cashman LLP, 7 Times Square, 40th Floor, New York, New York 10036, Attn: Seth H. Lieberman (slieberman@pryorcashman.com); and (e) counsel to the proposed DIP Agent, Seward & Kissel LLP, One Battery Park Plaza, New York, NY 10004, Attn: Gregg Bateman (bateman@sewkis.com) and (f) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jon Lipshie (jon.lipshie@usdoj.gov).

17. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: May 9th, 2024
Wilmington, Delaware

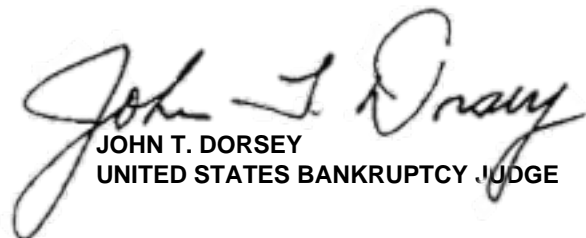

JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Stock Procedures

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

**NOTICES, RESTRICTIONS, AND OTHER PROCEDURES
REGARDING OWNERSHIP AND ACQUISITIONS OF STOCK OF THE DEBTORS**

TO ALL PERSONS WITH STOCK OWNERSHIP OF THE DEBTORS:

Pursuant to the *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ____] (the “**Interim Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on _____, 2024, the following restrictions, notification requirements, and other procedures (collectively, the “**Stock Procedures**”) apply to all trading and transfers of ProSomnus Stock² (including Options to acquire ProSomnus Stock).

I. PROSOMNUS STOCK RESTRICTIONS

a) Definitions. For purposes of these Stock Procedures, the following terms have the following meanings:

- (i) “**Beneficial Ownership**” of ProSomnus Stock and Options to acquire ProSomnus Stock will be determined in accordance with section 382 of title 26 of the United States Code (the “**Tax Code**”), the regulations promulgated by the U.S. Department of Treasury under the Tax Code (the “**Treasury Regulations**”), and rulings issued by the Internal Revenue Service (the “**IRS**”), and as described herein, and, thus, to the extent provided in those sources, from time to time will include, without limitation, (i) direct and indirect ownership (but determined without regard to any rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), *e.g.*, a holding company would be considered to Beneficially Own all stock owned or acquired by its subsidiaries, (ii)

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² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Interim Order.

ownership by a holder’s family members, (iii) ownership by any entity (as such term is defined in section 1.382-3(a) of the Treasury Regulations), and (iv) to the extent set forth in section 1.382-4 of the Treasury Regulations, the ownership of an Option to acquire ProSomnus Stock.

- (ii) “**ProSomnus Common Stock**” means common stock issued by ProSomnus, Inc.
- (iii) “**ProSomnus Preferred Stock**” means Series A Convertible Preferred Stock issued by ProSomnus, Inc.
- (iv) “**ProSomnus Stock**” means, collectively, the ProSomnus Common Stock and the ProSomnus Preferred Stock.
- (v) “**Option**” means any contingent purchase, warrant, convertible debt, put, stock subject to the risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (vi) “**Person**” means any person, including any “entity” (as such term is defined in section 1.382-3(a) of the Treasury Regulations) and any group of persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition of ProSomnus Stock.
- (vii) “**Petition Date**” means May 7, 2024.

b) **Notice of Substantial Stock Ownership:** Any Person that Beneficially Owns, at any time on or after the Petition Date, (a) 782,911 shares of ProSomnus Common Stock (representing 4.5 percent of all issued and outstanding shares of ProSomnus Common Stock or (b) ProSomnus Preferred Stock equal to or greater than 4.5 percent of all issued and outstanding shares of ProSomnus Stock by value (a “**Substantial Stockholder**”) must file with the Court and serve on (i) the Debtors, c/o ProSomnus, Inc., 5675 Gibraltar Dr., Pleasanton, California 94588; (ii) proposed counsel to the Debtors, Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Shanti M. Katona (skatona@polsinelli.com) and Katherine M. Devanney (kdevanney@polsinelli.com); (iii) counsel to the Sponsoring Noteholders and proposed DIP Lenders, Kilpatrick Townsend & Stockton LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: David M. Posner (dposner@ktslaw.com) and Gianfranco Finizio (gfinizio@ktslaw.com) and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801, Attn: Eric J. Monzo (emonzo@morrisjames.com) and Brya M. Keilson (bkeilson@morrisjames.com); (iv) counsel to any statutory committee (each, an “Official Committee”) appointed in the Chapter 11 Cases, if any; and (v) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jon Lipshie (jon.lipshie@usdoj.gov) (the “**U.S. Trustee**” and, collectively, the “**Disclosure Parties**”) a notice of such Person’s ProSomnus Stock ownership (a “**Substantial Stock Ownership Notice**”), in substantially the form attached to the Interim Order as Exhibit 3, which describes specifically and in detail such Person’s ownership of ProSomnus Stock, on or before the date that is 14 calendar days after the later of (x) the date the Interim Order is entered or (y) the date such Person qualifies

as a Substantial Stockholder. At the election of the filing Person, the Substantial Stock Ownership Notice to be filed with the Court (but not the Substantial Stock Ownership Notice that is served on the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of ProSomnus Stock Beneficially Owned.

c) Acquisition of ProSomnus Stock. At least 20 calendar days before the proposed date of any transfer of ProSomnus Stock, exercise of any Option to acquire ProSomnus Stock, or other transaction that would result in an increase in the amount of ProSomnus Stock Beneficially Owned, by any Person that currently is, or, as a result of the proposed transaction, would be a Substantial Stockholder (a “**Proposed Stock Acquisition Transaction**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferee**”) must file with the Court and serve on the Disclosure Parties a notice of such Proposed Stock Transferee’s intent to purchase, acquire, or otherwise accumulate ProSomnus Stock (a “**Stock Acquisition Notice**”), in substantially the form attached to the Interim Order as Exhibit 4, which describes specifically and in detail the Proposed Stock Acquisition Transaction. At the election of the filing Person, the Stock Acquisition Notice to be filed with the Court (but not the Stock Acquisition Notice that is served on the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of ProSomnus Stock Beneficially Owned and to be acquired.

d) Disposition of ProSomnus Stock. At least 20 calendar days before the proposed date of any transfer of ProSomnus Stock, or other transaction, that would result in a decrease in the amount of ProSomnus Stock Beneficially Owned by any Person that before such transfer is a Substantial Stockholder (a “**Proposed Stock Transfer**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferor**”) must file with the Court and serve on the Disclosure Parties a notice of such Proposed Stock Transferor’s intent to transfer ProSomnus Stock (a “**Stock Transfer Notice**”), in substantially the form attached to the Interim Order as Exhibit 5, which describes specifically and in detail the Proposed Stock Transfer. At the election of the filing Person, the Stock Transfer Notice to be filed with the Court (but not the Stock Transfer Notice that is served on the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of ProSomnus Stock Beneficially Owned and to be transferred.

e) Objection Procedures. The Debtors, the Sponsoring Noteholders, and any Official Committee will have seven calendar days after the receipt of a Stock Acquisition Notice or a Stock Transfer Notice (the “**Stock Procedure Objection Period**”) to file with the Court and serve on a Proposed Stock Transferee or Proposed Stock Transferor, as applicable, an objection (a “**Stock Procedure Objection**”) to any Proposed Stock Acquisition Transaction described in such Stock Acquisition Notice or any Proposed Stock Transfer described in such Stock Transfer Notice. If the Debtors, the DIP Agent, or any Official Committee files a Stock Procedure Objection by the expiration of the Stock Transfer Objection Period (the “**Stock Procedure Objection Deadline**”), then the applicable Proposed Stock Acquisition Transaction or Proposed Stock Transfer will not be effective unless approved by a final and non-appealable order of the Court or such Stock Procedure Objection is withdrawn. If none of the Debtors, the Sponsoring Noteholders, or any Official Committee file a Stock Procedure Objection by the Stock Procedure Objection Deadline, or if the Debtors, the Sponsoring Noteholders, and any and all Official Committees provide written authorization to the Proposed Stock Transferee or the Proposed Stock Transferor, as applicable, approving the Proposed Stock Acquisition Transaction or Proposed Stock Transfer, then such Proposed Stock Acquisition Transaction or Proposed Stock Transfer may proceed solely as

specifically described in the relevant Stock Acquisition Notice or Stock Transfer Notice, as applicable. Any further or alternative Proposed Stock Acquisition Transaction or Proposed Stock Transfer must be the subject of an additional Stock Acquisition Notice or Stock Transfer Notice, as applicable, and Stock Procedure Objection Period.

II. NONCOMPLIANCE WITH STOCK PROCEDURES

Any transfer of ProSomnus Stock in violation of the Stock Procedures will be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the Bankruptcy Court's equitable powers under section 105(a) of the Bankruptcy Code. Furthermore, any Person that owns, acquires or disposes of ProSomnus Stock in violation of these Stock Procedures will be subject to sanctions as provided under the Interim Order and by applicable law.

III. DEBTORS' RIGHT TO WAIVE

The Debtors may waive, in writing, any and all restrictions, stays, notification, and provisions of the Stock Procedures set forth herein.

Exhibit 2

Worthless Stock Deduction Procedures

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

**NOTICES, RESTRICTIONS, AND OTHER PROCEDURES REGARDING
WORTHLESSNESS DEDUCTIONS WITH RESPECT TO STOCK OF THE DEBTORS**

TO ALL PERSONS WITH STOCK OWNERSHIP OF THE DEBTORS:

Pursuant to the *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ____] (the “**Interim Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on _____, 2024, the following restrictions, notification requirements, and other procedures apply to all claims of Worthless Stock Deductions with respect to ProSomnus Stock² (the “**Worthless Stock Deduction Procedures**”).

I. PROSOMNUS STOCK RESTRICTIONS

a) Definitions. For purposes of the Worthless Stock Deduction Procedures, the following terms have the following meanings:

- (i) “**50-percent Shareholder**” means any person or entity that at any time during the three-year period ending on the Petition Date has had Beneficial Ownership of at least 50 percent or more of ProSomnus Stock or is otherwise considered a 50-percent Shareholder of ProSomnus, Inc., within the meaning of section 382(g)(4)(D) of the Tax Code.
- (ii) “**Beneficial Ownership**” of ProSomnus Stock or Options to acquire ProSomnus Stock will be determined in accordance with section 382 of the title 26 of the United States Code (the “**Tax Code**”), the regulations promulgated by the U.S. Department of Treasury under the Tax Code (the “**Treasury Regulations**”), and rulings issued by the Internal Revenue

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² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Interim Order.

Service (the “**IRS**”), and as described herein, and, thus, to the extent provided in those sources, from time to time will include, without limitation, (i) direct and indirect ownership (but determined without regard to any rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), *e.g.*, a holding company would be considered to Beneficially Own all stock owned or acquired by its subsidiaries, (ii) ownership by a holder’s family members, (iii) ownership by any entity (as such term is defined in section 1.382-3(a) of the Treasury Regulations), and (iv) to the extent set forth in section 1.382-4 of the Treasury Regulations, the ownership of an Option to acquire ProSomnus Stock.

- (i) “**ProSomnus Common Stock**” means common stock issued by ProSomnus, Inc.
- (ii) “**ProSomnus Preferred Stock**” means Series A Convertible Preferred Stock issued by ProSomnus, Inc.
- (iii) “**ProSomnus Stock**” means, collectively, the ProSomnus Common Stock and the ProSomnus Preferred Stock.
- (iv) “**Option**” means any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (v) “**Petition Date**” means May 7, 2024.
- (vi) “**Worthless Stock Deduction**” shall mean any claim (for income tax reporting purposes) of a worthless stock deduction under section 165(g) of the Tax Code with respect to the ProSomnus Stock.

b) Notice of 50-percent Stock Ownership. Any person or entity that currently is or becomes a 50-percent Shareholder, at any time on or after the Petition Date, must file with the Court, and serve on (i) the Debtors, c/o ProSomnus, Inc., 5675 Gibraltar Dr., Pleasanton, California 94588; (ii) proposed counsel to the Debtors, Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Shanti M. Katona (skatona@polsinelli.com) and Katherine M. Devanney (kdevanney@polsinelli.com); (iii) counsel to the Sponsoring Noteholders and proposed DIP Lenders, Kilpatrick Townsend & Stockton LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: David M. Posner (dposner@ktslaw.com) and Gianfranco Finizio (gfinizio@ktslaw.com) and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801, Attn: Eric J. Monzo (emonzo@morrisjames.com) and Brya M. Keilson (bkeilson@morrisjames.com); (iv) counsel to any statutory committee (each, an “Official Committee”) appointed in the Chapter 11 Cases, if any; and (v) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jon Lipshie (jon.lipshie@usdoj.gov) (the “**U.S. Trustee**” and, collectively, the “**Disclosure Parties**”) a notice of such person or entity’s 50-percent stock ownership (a “**50-percent Stock Ownership Notice**”), in

substantially the form attached to the Interim Order as Exhibit 6, which describes specifically and in detail such person or entity's ownership of ProSomnus Stock, on or before the date that is 14 calendar days after the later of (x) the date the Interim Order is entered or (y) the date such person or entity qualifies as a 50-percent Shareholder. At the election of the filing person or entity, the 50-percent Stock Ownership Notice to be filed with the Court (but not the 50-percent Stock Ownership Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of ProSomnus Stock Beneficially Owned.

c) Worthless Stock Deduction. At least 20 calendar days before filing any income tax return, or amendment to such a return, taking any worthlessness deduction with respect to ProSomnus Stock for a tax year ending before the consummation of a debt-for-stock recapitalization (or, if applicable, a chapter 11 sale process), such 50-percent Shareholder must file with the Court, and serve on the Disclosure Parties, an advance written notice of the intended worthlessness deduction, in substantially the form attached to the Interim Order as Exhibit 7 (a "**Notice of Intent to Take a Worthless Stock Deduction**"). At the election of the filing person or entity, the Notice of Intent to Take a Worthless Stock Deduction to be filed with the Court (but not the Notice of Intent to Take Worthless Stock Deduction that is served on the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of ProSomnus Stock Beneficially Owned.

d) Objection Procedures. The Debtors, the Sponsoring Noteholders, and any Official Committee will have seven calendar days after the receipt of a Notice of Intent to Take a Worthless Stock Deduction (the "**Worthless Stock Objection Period**") to file with the Court and serve on such 50-percent Shareholder an objection (a "**Worthless Stock Objection**") to any proposed worthlessness deduction described in such Notice of Intent to Take a Worthless Stock Deduction. If the Debtors, the Sponsoring Noteholders, or any Official Committee files a Worthless Stock Objection, by the expiration of the Worthless Stock Objection Period (the "**Worthless Stock Objection Deadline**"), then the filing of the income tax return with such deduction will not be permitted or effective unless approved by a final and non-appealable order of the Court or such objection is withdrawn. If none of the Debtors, the Sponsoring Noteholders, or any Official Committee file a Worthless Stock Objection by the Worthless Stock Objection Deadline, then such deduction will be permitted as set forth in the Notice of Intent to Take a Worthless Stock Deduction. Any further income tax returns within the scope of the Worthless Stock Deduction Procedures must be the subject of an additional Notice of Intent to Take a Worthless Stock Deduction and Worthless Stock Objection Period.

II. NONCOMPLIANCE WITH WORTHLESS STOCK DEDUCTION PROCEDURES

In the event that a 50-percent Shareholder takes a worthlessness deduction with respect to ProSomnus Stock in violation of the Worthless Stock Deduction Procedures such worthlessness deduction will be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the Bankruptcy Court's equitable powers under section 105(a) of the Bankruptcy Code. Furthermore, any such 50-percent Shareholder will be subject to sanctions as provided under the Interim Order and by applicable law.

III. DEBTORS' RIGHT TO WAIVE

The Debtors may waive, in writing, any and all restrictions, stays, notifications, and provisions of the Worthless Stock Deduction Procedures.

Exhibit 3

Notice of Substantial Stock Ownership

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

NOTICE OF SUBSTANTIAL STOCK OWNERSHIP

PLEASE TAKE NOTICE that, pursuant to that certain *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ___] (the “**Interim Order**”), [Name of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer Beneficially Owns²:

- a) _____ shares of ProSomnus Stock and/or
- b) Options to acquire _____ shares of ProSomnus Stock.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

For ProSomnus Stock and/or Options to acquire ProSomnus Stock that are owned directly by the Filer, the table sets forth (i) the number of such shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options Beneficially Owned by such Filer and (ii) the date(s) on which such ProSomnus Stock and/or Options were acquired.

In the case of ProSomnus Stock and/or options to acquire ProSomnus Stock that are not owned directly by the Filer but are nonetheless Beneficially Owned by the Filer, the table sets forth (i) the name(s) of each record or legal owner of such shares of ProSomnus Stock and/or Options to acquire ProSomnus Stock that are Beneficially Owned by the Filer, (ii) the number of shares of

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² Capitalized terms used but not defined herein have the meanings ascribed to such terms in **Exhibit 1** to the Interim Order.

ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options Beneficially Owned by such Filer, and (ii) the date(s) on which such ProSomnus Stock and/or Options were acquired.

<i>Name of Owner</i>	<i>Class of Shares Owned</i>	<i>Number of Shares Owned</i>	<i>Shares Underlying Options</i>	<i>Date(s) Acquired</i>

(Attach additional page(s) if necessary)

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____
Name: _____
Address: _____

Telephone: _____
Facsimile: _____
Email: _____

Date: _____

Exhibit 4

Notice of Intent to Purchase, Acquire, or Otherwise Accumulate ProSomnus Stock

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

**NOTICE OF INTENT TO PURCHASE,
ACQUIRE, OR OTHERWISE ACCUMULATE PROSOMNUS STOCK**

PLEASE TAKE NOTICE that, pursuant to the *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ___] (the “**Interim Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on May [●]. 2024, [Name of Filer] (the “**Filer**”) hereby provides notice of (a) its intention to purchase, acquire, or otherwise accumulate directly one or more shares of ProSomnus Stock² and/or Options to acquire ProSomnus Stock and/or (b) a proposed purchase or acquisition of ProSomnus Stock and/or Options to acquire ProSomnus Stock that would result in an increase in the number of shares of ProSomnus Stock and/or number of shares of ProSomnus Stock underlying Options that are Beneficially Owned by the Filer (any proposed transaction described in the foregoing (a) or (b), a “**Proposed Stock Acquisition**”).

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

If the Proposed Stock Acquisition involves the purchase or acquisition directly by the Filer of ProSomnus Stock and/or Options to acquire ProSomnus Stock, the table sets forth (a) the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options proposed to be purchased or acquired and (b) the date(s) of such Proposed Stock Acquisition.

If the Proposed Stock Acquisition involves the purchase or acquisition of ProSomnus Stock and/or Options to acquire ProSomnus Stock by a Person other than the Filer, but the Proposed Stock Acquisition nonetheless would increase the number of shares of ProSomnus Stock and/or number of shares of ProSomnus Stock underlying Options that are Beneficially Owned by the Filer, the table sets forth (a) the name(s) of each such Person that proposes to purchase or acquire such shares of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in Exhibit 1 to the Interim Order.

ProSomnus Stock and/or Options, (b) the number of shares of ProSomnus Stock and/or number of shares of ProSomnus Stock underlying Options proposed to be purchased or acquired, and (c) the date(s) of such Proposed Stock Acquisition.

<i>Name of Purchaser or Acquirer</i>	<i>Class of Shares to be Purchased or Acquired</i>	<i>Number of Shares to be Purchased or Acquired</i>	<i>Shares Underlying Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Stock Acquisition</i>

(Attach additional page(s) if necessary)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer’s Beneficial Ownership of ProSomnus Stock and/or Options to acquire ProSomnus Stock assuming that the Proposed Stock Acquisition is approved and consummated as described above. The table sets forth, as of immediately following the consummation of the Proposed Stock Acquisition, the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options (a) that would be owned directly by the Filer and, (b) in the case of any Beneficial Ownership by the Filer of ProSomnus Stock and/or Options that would be owned by another Person as record or legal owner, the name(s) of each prospective record or legal owner and the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options that would be owned by each such record or legal owner:

<i>Name of Owner</i>	<i>Class of Shares to Be Owned</i>	<i>Number of Shares to Be Owned</i>	<i>Shares Underlying Options to Be Owned</i>

(Attach additional page(s) as necessary)

PLEASE TAKE FURTHER NOTICE that if the Proposed Stock Acquisition involves a purchase or acquisition of ProSomnus Stock and/or Options to acquire ProSomnus Stock directly by the Filer and such Proposed Stock Acquisition would result in (a) an increase in the Beneficial Ownership of ProSomnus Stock and/or Options to acquire ProSomnus Stock by a Person other than the Filer that currently is a Substantial Stockholder or (b) a Person’s (other than the Filer’s) becoming a Substantial Stockholder, the following table sets forth (i) the name of each such Person, (ii) the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options that are Beneficially Owned by such Person currently (i.e., prior to the Proposed Stock Acquisition), and (iii) the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options that would be Beneficially Owned by such Person immediately following the Proposed Stock Acquisition.

<i>Name of Beneficial Owner</i>	<i>Class of Shares</i>	<i>Shares Owned Currently (i.e., Prior to Proposed Stock Acquisition)</i>	<i>Shares to Be Owned Following Proposed Stock Acquisition</i>	<i>Shares Underlying Options Owned Currently (i.e., Prior to Proposed Stock Acquisition)</i>	<i>Shares Underlying Options to Be Owned Following Proposed Stock Acquisition</i>

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 5

Notice of Intent to Transfer ProSomnus Stock

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

NOTICE OF INTENT TO TRANSFER PROSOMNUS STOCK

PLEASE TAKE NOTICE that, pursuant to the *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ___] (the “**Interim Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on May [●]. 2024, [Name of Filer] (the “**Filer**”) hereby provides notice of (a) its intention to sell, trade, or otherwise directly transfer shares of ProSomnus Stock² and/or Options to acquire ProSomnus Stock and/or (b) a proposed sale, trade, or other transfer of shares of ProSomnus Stock and/or Options to acquire ProSomnus Stock that would result in a decrease in the number of shares of ProSomnus Stock and/or number of shares of ProSomnus Stock underlying Options that are Beneficially Owned by the Filer (any proposed transaction described in (a) or (b), a “**Proposed Stock Transfer**”).

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

If the Proposed Stock Transfer involves the transfer directly by the Filer of ProSomnus Stock and/or Options to acquire ProSomnus Stock, the table sets forth (a) the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options proposed to be transferred and (b) the date(s) of such Proposed Stock Transfer.

If the Proposed Stock Transfer involves the transfer of ProSomnus Stock and/or Options to acquire ProSomnus Stock by a Person other than the Filer, but the Proposed Stock Transfer nonetheless would decrease the number of shares of ProSomnus Stock and/or number of shares of ProSomnus Stock underlying Options that are Beneficially Owned by the Filer, the table sets forth (a) the name(s) of each such Person that proposes to transfer such shares of ProSomnus Stock and/or Options, (b) the number of shares of ProSomnus Stock and/or number of shares of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in [Exhibit 1](#) to the Interim Order.

ProSomnus Stock underlying Options proposed to be transferred, and (c) the date(s) of such Proposed Stock Transfer.

<i>Name of Transferor</i>	<i>Class of Shares to be Transferred</i>	<i>Number of Shares to be Transferred</i>	<i>Shares Underlying Options to be Transferred</i>	<i>Date(s) of Proposed Stock Transfer</i>

(Attach additional page(s) if necessary)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer’s Beneficial Ownership of ProSomnus Stock and/or Options to acquire ProSomnus Stock assuming that the Proposed Stock Transfer is approved and consummated as described above. The table sets forth, as of immediately following the consummation of the Proposed Stock Transfer, the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options (a) that would be owned directly by the Filer and, (b) in the case of any Beneficial Ownership by the Filer of ProSomnus Stock and/or Options that would be owned by another Person as record or legal owner, the name(s) of each prospective record or legal owner and the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options that would be owned by each such record or legal owner:

<i>Name of Owner</i>	<i>Class of Shares to Be Owned</i>	<i>Number of Shares to Be Owned</i>	<i>Shares Underlying Options to Be Owned</i>

(Attach additional page(s) as necessary)

PLEASE TAKE FURTHER NOTICE that if the Proposed Stock Transfer involves a purchase or acquisition of ProSomnus Stock and/or Options to acquire ProSomnus Stock directly by the Filer and such Proposed Stock Transfer would result in (a) an increase in the Beneficial Ownership of ProSomnus Stock and/or Options to acquire ProSomnus Stock by a Person other than the Filer that currently is a Substantial Stockholder or (b) a Person’s (other than the Filer’s) becoming a Substantial Stockholder, the following table sets forth (i) the name of each such Person, (ii) the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options that are Beneficially Owned by such Person currently (i.e., prior to the Proposed Stock Acquisition), and (iii) the number of shares of ProSomnus Stock and/or the number of shares of ProSomnus Stock underlying Options that would be Beneficially Owned by such Person immediately following the Proposed Stock Transfer.

<i>Name of Beneficial Owner</i>	<i>Class of Shares</i>	<i>Shares Owned Currently (i.e., Prior to Proposed Stock Transfer)</i>	<i>Shares to Be Owned Following Proposed Stock Transfer</i>	<i>Shares Underlying Options Owned Currently (i.e., Prior to Proposed Stock Transfer)</i>	<i>Shares Underlying Options to Be Owned Following Proposed Stock Transfer</i>

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 6

Notice of Status as a 50-percent Shareholder

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

NOTICE OF STATUS AS A 50-PERCENT SHAREHOLDER

PLEASE TAKE NOTICE that, pursuant to the *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ___] (the “**Interim Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on May [●]. 2024, [Name of Filer] (the “**Filer**”) [is/has become] a 50-percent Shareholder² with respect to ProSomnus Stock.

PLEASE TAKE FURTHER NOTICE that, as of _____, the Filer Beneficially Owns ___ shares of the ProSomnus Stock. The following table sets forth the date(s) on which [Name of Filer] acquired or otherwise became the Beneficial Owner of such ProSomnus Stock:

<i>Class of Shares</i>	<i>Number of Shares</i>	<i>Date Acquired</i>

(Attach additional page(s) if necessary)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in Exhibit 2 to the Interim Order.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 7

Notice of Intent to Take a Worthless Stock Deduction

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

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Joint Administration Requested)

NOTICE OF INTENT TO TAKE A WORTHLESS STOCK DEDUCTION

PLEASE TAKE NOTICE that, pursuant to the *Interim Order (I) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of, or Worthlessness Deductions With Respect To, Stock of the Debtors, and (II) Granting Related Relief* [Docket No. ___] (the “**Interim Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on May [●], 2024, [Name of Filer] (the “**Filer**”) hereby provides notice of its intention to take a Worthless Stock Deduction² (the “**Proposed Worthless Claim**”) with respect to shares of ProSomnus Stock.

PLEASE TAKE FURTHER NOTICE that, if applicable, on _____, the Filer filed a Notice of Status as a 50-percent Shareholder with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that Filer currently Beneficially Owns _____ shares of ProSomnus Common Stock and _____ shares of ProSomnus Preferred Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Worthless Claim, the Filer proposes to claim a Worthless Stock Deduction with respect to _____ shares of ProSomnus Common Stock and _____ shares of ProSomnus Preferred Stock. If the Proposed Worthless Claim is permitted to occur, the Filer will be treated as having acquired ___ shares of ProSomnus Stock on the first day of the Filer’s next taxable year and shall be treated as never having owned such ProSomnus Stock during any prior year for the purposes of testing whether an Ownership Change has occurred.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² Capitalized terms used but not defined herein have the meaning ascribed to such terms in Exhibit 2 to the Interim Order.

the best of its knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 8

Publication Notice

ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF, STOCK ISSUED BY PROSOMNUS, INC.

Upon the motion (the “**Motion**”) of ProSomnus, Inc. (“**ProSomnus**”), and its affiliated debtors (collectively, the “**Debtors**”), on _____, 2024, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), having jurisdiction over the chapter 11 cases of the Debtors, captioned as *In re ProSomnus, Inc., et al.*, Case No. 24-10972 (JTD) (the “**Chapter 11 Cases**”), entered an order establishing procedures (the “**Procedures**”) with respect to direct and indirect transfers of, and claiming a worthless stock deduction with respect to, common and preferred stock of ProSomnus (collectively, “**ProSomnus Stock**”), including options to acquire ProSomnus Stock, and scheduling a hearing on a final order with respect to such Procedures.

In certain circumstances, the Procedures restrict (i) transactions involving, and require notices of the holdings of and proposed transactions by, any person that is or, as a result of such a transaction, would become a Substantial Stockholder of the ProSomnus Stock and (ii) claims by any 50-percent Shareholder of a worthless stock deduction under section 165(g) of the Internal Revenue Code with respect to the ProSomnus Stock (a “**Worthless Stock Deduction**”). For purposes of the Procedures, a “**Substantial Stockholder**” is any Person that Beneficially Owns, at any time on or after the Petition Date, (a) 782,911 shares of ProSomnus Common Stock (representing 4.5 percent of all issued and outstanding shares of ProSomnus Common Stock or (b) ProSomnus Preferred Stock equal to or greater than 4.5 percent of all issued and outstanding shares of ProSomnus Stock by value, and a “**50-Percent Shareholder**” is any person or entity that at any time during the three-year period ending on the Petition Date has had Beneficial Ownership (as defined in the Procedures) of at least 50 percent or more of ProSomnus Stock or is otherwise considered a 50-percent Shareholder of ProSomnus, Inc., within the meaning of section 382(g)(4)(D) of Title 26 of the United States Code. *Any prohibited acquisition or other transfer of, or claim of a Worthless Stock Deduction with respect to, ProSomnus Stock (including options to acquire ProSomnus Stock) will be null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court.*

The Procedures, as approved on an interim basis and as requested on a final basis, are available on the website of Kurtzman Carson Consultants LLC, the Debtors’ Court-approved claims agent, located at www.kccllc.net/prosomnus, and on the docket of the Chapter 11 Cases, Docket No. 24-10972 (JTD), which can be accessed via PACER at <https://www.pacer.gov>.

A direct or indirect holder of, or prospective holder of, ProSomnus Stock that may be or become a Substantial Stockholder or a 50-percent Shareholder should consult the Procedures.

The final hearing on the Motion shall be held on _____, 2024, at _____ (prevailing Eastern Time), and any objections or responses to the Motion shall be in writing, filed with the Court, and served upon (i) the Debtors, c/o ProSomnus, Inc., 5675 Gibraltar Dr., Pleasanton, California 94588; (ii) proposed counsel to the Debtors, Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Shanti M. Katona (skatona@polsinelli.com) and Katherine M. Devanney (kdevanney@polsinelli.com); (iii) counsel to the Sponsoring Noteholders and proposed DIP Lenders, Kilpatrick Townsend & Stockton LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: David M. Posner (dposner@ktslaw.com) and Gianfranco

Finizio (gfinizio@ktslaw.com) and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, Delaware 19801, Attn: Eric J. Monzo (emonzo@morrisjames.com) and Brya M. Keilson (bkeilson@morrisjames.com); (iv) counsel to the Prepetition Agents, Alston & Bird LLP, 1120 South Tryon Street, Suite 300, Charlotte, North Carolina 28203-6818, Attn: Adam Smith (adam.smith@alston.com) and Lauren McHale (lauren.mchale@alston.com); (v) counsel to the proposed DIP Agent, Seward & Kissel LLP, One Battery Park Plaza, New York, NY 10004, Attn: Gregg Bateman (bateman@sewkis.com); and (vi) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jon Lipshie (jon.lipshie@usdoj.gov), in each case so as to be received no later **than 4:00 p.m. (prevailing Eastern Time) on _____, 2024.**