IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
	)	
ASCEND ELEMENTS, INC., *et al.*,	)	Case No. 26-90440 (ARP)
	)	
	)	(Joint Administration Requested)
Debtors.[1]	)	
	)	

EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS ESTABLISHING NOTIFICATION PROCEDURES AND APPROVING RESTRICTIONS OF CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES

Emergency relief has been requested. Relief is requested not later than 4:00 P.M. (prevailing Central Time) on April 10, 2026.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on April 10, 2026, at 4:00 P.M. (prevailing Central Time) in Courtroom 400, 515 Rusk St., Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Pérez's conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Pérez's homepage. The meeting code is "JudgePerez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Pérez's homepage. Select the case name, complete the required fields and click "Submit" to complete your appearance.

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), file this *Emergency Motion for Interim and Final Orders Establishing Notification Procedures and*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

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Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates (the "Motion"). In further support of this Motion, the Debtors state as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of an interim order (the "Interim Order"), substantially in the form attached hereto as **Exhibit A**, and subsequently a final order (the "Final Order"), substantially in the form attached hereto as **Exhibit B**: (a) authorizing the Debtors to (i) establish and implement restrictions and notification requirements regarding the Tax Ownership[2] and certain transfers of interests in Ascend Elements, Inc. (the "***Stock***"); (ii) notify holders of Stock of the restrictions, notification requirements, and procedures set forth herein; and (iii) direct that any purchase, sale, or other transfer of Stock in violation of the procedures set forth herein shall be null and void *ab initio* and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing within approximately 25 days of the Petition Date to consider approval of this Motion on a final basis.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

3. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a), 362, and 541

[2] "***Tax Ownership***" means beneficial ownership of Stock as determined in accordance with applicable rules under section 382 of the IRC, and thus, includes, but is not limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries, and entities (as defined in Treas. Reg. § 1.382-3(a)) would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person's family and persons acting in concert, and in certain cases, the creation or issuance of an Option (in any form). Any variation of the term "ownership" (e.g., own) shall have the same meaning.

of title 11 of the United States Code (the "Bankruptcy Code"), rules 3001, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Rules").

BACKGROUND

5. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors' chapter 11 cases, is set forth in the *Declaration of Linh Austin in Support of Chapter 11 Petitions and Emergency First-Day Motions* (the "First Day Declaration"), filed contemporaneously herewith on April 9, 2026 (the "Petition Date").

6. On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors have filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). The primary goal of these chapter 11 proceedings is to preserve liquidity, stabilize operations, and provide the breathing room necessary for the Debtors to explore a value-maximizing transaction or other restructuring alternatives for the benefit of all stakeholders. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated as of the date hereof.

THE DEBTORS' TAX ATTRIBUTES

A. Overview of Tax Attributes

7. A company generates net operating losses ("***NOLs***") if its expenses exceed revenues generated during a single tax year. A company may apply or "carry forward" NOLs to reduce future tax payments (subject to certain conditions discussed below). See IRC § 172. The Debtors have incurred and expect to continue to incur NOLs.

8. The Debtors estimate that as of December 31, 2025, the Debtors have NOLs of approximately $338.9 million and $11.5 million for federal and state tax reporting purposes, respectively. In addition, as of December 31, 2024, the Debtors have approximately $2.7 million and $2.1 million in federal and state research and development tax credits ("***R&D Credits***"), and approximately $197,000 in general business credits (including charitable contribution carryforwards) ("***Business Credits***," and together with the R&D Credits, and the NOLs, the "***Tax Attributes***") for tax reporting purposes. The Debtors further estimate that they may generate additional prepetition Tax Attributes in 2026.

9. The Tax Attributes are extremely valuable assets of the Debtors' estates because, as described above, the Debtors may "carry forward" certain Tax Attributes to offset future taxable income or directly offset federal tax liability in future years. The Debtors' Tax Attributes may result in significant potential future tax savings. Accordingly, the value of the Tax Attributes could provide a significant benefit to the Debtors' estates.

B. An "Ownership Change" May Negatively Impact the Debtors' Utilization of the Tax Attributes

10. The Debtors' ability to use the Tax Attributes to reduce future taxes is subject to certain statutory limitations. Sections 382 and 383 of the Internal Revenue Code ("IRC") limit a corporation's use of its U.S. federal tax attributes to offset future income after that corporation has undergone an Ownership Change (as defined below).[3] Under section 382 of the IRC, an ownership change occurs when the percentage of a corporation's equity held (by value) by one or more five percent shareholders increases by more than 50 percentage points over the lowest percentage of stock owned by such shareholders at any time during the relevant testing period (generally three

[3] Section 382(d)(3) of the IRC provides that the Disallowed Business Interest Expense is subject to the Ownership Change limitations described under section 382 of the IRC.

years) (an "***Ownership Change***").[4] The total percentage point increases of stock owned by one or more five percent shareholders within the measuring period is generally referred to as the amount of the "ownership shift." For example, an ownership change would occur in the following situation:

> An individual ("***A***") owns 50.1% of the stock of corporation XYZ. A sells her 50.1% interest to another individual ("***B***"), who owns five percent of XYZ's stock. Under section 382 of the IRC, an ownership change has occurred because B's interest in XYZ has increased more than 50 percentage points (from five percent to 55.1%) during the testing period. The same result would follow even if B owned no XYZ stock prior to the transaction with A because B both becomes a five percent shareholder and increases his ownership by more than 50 percentage points during the testing period.

11. Subject to certain adjustments, if an Ownership Change occurs, section 382 of the IRC limits usable tax attributes. Under that section, the amount of a corporation's future income that may be offset by its "pre-change losses" is limited to an annual amount equal to the product of (a) the equity value of the corporation immediately before the Ownership Change multiplied by (b) the long-term tax-exempt rate used to determine this limitation.[5] Pre-change losses would include the Debtors' NOLs, certain other Tax Attributes, and any "realized built-in loss" (as defined in section 382(h)(3) of the IRC).[6] Once the NOL carryforward or other pre-change loss is limited under section 382 of the IRC, its use is limited forever, and for five years if it is a realized built-in loss. Thus, if the Debtors were to undergo an Ownership Change during these chapter 11

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[4] For purposes of section 382 of the IRC, a sale of shares owned by a five percent shareholder is treated as creating a new five percent shareholder, even if none of the buyers of shares individually acquires a five percent block of shares. *See* Treas. Reg. § 1.382-2T(j)(3)(i).

[5] The long-term tax-exempt rate is the highest long-term tax-exempt rate prescribed by the U.S. Treasury for any month in the three-calendar month period ending with the calendar month in which the Ownership Change occurs. The long-term tax-exempt rate applicable to an Ownership Change during April 2026 is 3.58%. *See* Rev. Rul. 2026-7; IRB 2026-15 (Apr. 6, 2026).

[6] Whether "realized built in losses" are subject to limitation is a complex issue that depends, among other things, on whether the company has a "net unrealized built-in loss" when the Ownership Change occurs. A net unrealized built-in loss is equal to the excess of the aggregate adjusted basis of all of a corporation's applicable assets over their fair market value (as determined for purposes of section 382 of the IRC) immediately prior to the ownership change. IRC § 382(h)(1)(B).

cases, such an Ownership Change would effectively eliminate the ability of the Debtors to use the Tax Attributes, thereby resulting in a significant loss of value.[7]

12. By contrast, when an ownership change occurs pursuant to a chapter 11 plan, the limitation imposed by section 382 of the IRC is significantly more relaxed.[8] Under section 382(l)(5) of the IRC (the "***382(l)(5) Exception***"), a debtor corporation is not subject to the annual limitation imposed under section 382 of the IRC with respect to an Ownership Change, *provided that* (i) the Ownership Change resulted from the consummation of a chapter 11 plan reorganization and (ii) the debtor corporation's pre-Ownership Change shareholders and/or qualified creditors[9] emerge from the reorganization owning at least fifty percent (50%) of the total value and voting power of the reorganized debtor corporation's stock immediately after the Ownership Change. If the 382(l)(5) Exception applies, the debtor corporation's NOLs will only be reduced by the amount of any interest deductions claimed with respect to debt converted into stock in the plan of reorganization during the three taxable years preceding the taxable year that includes the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization.[10]

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[7] Ascend Elements Inc. believes that it has not experienced an Ownership Change within the current three-year testing period.

[8] *See* 26 U.S.C. §§ 382(l)(5) and 382(l)(6).

[9] A qualified creditor generally is any creditor who has held the debt of a debtor corporation continuously during the period beginning at least eighteen months prior to the petition date or who has held "ordinary course indebtedness" at all times since it has been outstanding. A creditor who does not become a direct or indirect five percent shareholder of the reorganized debtor generally may be treated by the debtor corporation as having always held any debt exchanged for stock for purposes of determining whether such creditor is a qualified creditor unless the creditor's participation in formulating the plan of reorganization makes evident to the debtor corporation that the creditor has not owned the debt for the requisite period.

[10] If the 382(l)(5) Exception applies and the debtor corporation undergoes another Ownership Change within two (2) years after the Effective Date, any further ownership change of the Debtor within a two-year period after the Effective Date would preclude the utilization of any pre-change losses at the time of the subsequent Ownership Change against future income.

13. Section 382(l)(6) of the IRC further provides that even if section 382(l)(5) of the IRC does not apply, if a corporation experiences an Ownership Change pursuant to a chapter 11 plan of reorganization, then the appropriate value of the debtor corporation for the purpose of calculating the limitation under section 382 of the IRC shall reflect the increase in value of the debtor corporation resulting from any surrender or cancellation of creditors' claims in the plan. Thus, assuming the value of the Debtors increases as a result of a reorganization, then section 382(l)(6) of the IRC will provide for a higher annual limitation than would otherwise result under section 382 of the IRC. This may allow the Debtors to use a greater portion of their Tax Attributes to offset post-petition future income.

14. It is possible the Debtors will undergo an Ownership Change for purposes of section 382 of the IRC during the course of these chapter 11 cases. In such circumstance, the Debtors will seek to avail themselves of the special relief afforded by section 382 of the IRC. However, if the relief requested herein is not granted, there is a risk that as a result of pre-consummation trading and acquisitions of the Stock, this special relief would not be available to the Debtors and the use of the Debtors' Tax Attributes may be permanently impaired. Simply put, if pre-plan trading in Stock results in an Ownership Change, the more stringent restrictions of section 382 of the IRC will apply to prospective Tax Attribute treatment.

15. The Debtors seek limited relief that will enable them to closely monitor certain transfers of the Stock so as to be in a position to act expeditiously to prevent such transfers, if necessary, with the purpose of preserving the Tax Attributes. Accordingly, consistent with the automatic stay in these chapter 11 cases, the Debtors seek certain restrictions on trading in Stock to ensure that: (i) an Ownership Change does not occur during these chapter 11 cases; and (ii) with respect to an Ownership Change occurring under a chapter 11 plan, the Debtors have the

opportunity to utilize the Tax Attributes to offset any income realized through the taxable year that includes the effective date of the plan and, following the application of section 108(b) of the IRC, the Debtors will avail themselves of the more lenient standard provided by section 382 of the IRC with respect to chapter 11 plan Ownership Changes.

C. Proposed Procedures for Transfers of Stock

16. The Stock trading procedures and restrictions (the "***Procedures***")[11] are the mechanism by which the Debtors propose that they will be able to ensure preservation of the Tax Attributes. The Procedures will allow the Debtors to monitor, and, if necessary, object to, certain transfers of Stock. The Procedures, which are fully set forth in **Exhibit 1** to the Interim Order, are summarized below.

> (a) Notice of Substantial Equity Holder Status. Any person or entity who is or becomes a Tax Owner of at least 4,789,589 shares of Stock, which represents approximately 4.50% of the issued and outstanding Stock as of the Petition Date,[12] (each a "***Substantial Equity Holder***"), must on or before the later of (i) 15 days after the Court's entry of an order approving these Procedures or (ii) 10 days after that person or entity becomes a Substantial Equity Holder, serve on the Debtors and their attorneys a notice containing the Tax Ownership information substantially in the form that is attached hereto as **Exhibit 2** (a "***Substantial Equity Holder Notice***").
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> (b) Restrictions and Procedures for Trading in Stock. Any person or entity who after the entry of the Interim Order,
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> > (i) is not a Substantial Equity Holder and wishes to purchase or otherwise acquire Tax Ownership of an amount of Stock that would cause the person or entity to become a Substantial Equity Holder;
> >
> > (ii) is a Substantial Equity Holder and wishes to purchase or otherwise acquire Tax Ownership of any additional Stock; or

[11] Capitalized terms used in this section but not otherwise defined herein have the meanings ascribed to them in the Procedures.

[12] Based on a total of 106,435,319 shares of Stock issued and outstanding as of the Petition Date.

(iii) is a Substantial Equity Holder and wishes to sell or otherwise dispose[13] of Tax Ownership of any Stock,

must, at least 15 calendar days prior to the consummation of any such transaction (the "***Waiting Period***"), file with the Court and serve on the Debtors, their counsel, and counsel for any official committee (the "***Committee***"), if one has been appointed in these chapter 11 cases, a notice in the form attached as **Exhibit 3** or **Exhibit 4** to the Interim Order (the "***Proposed Stock Transaction Notice***"), as applicable.[14] The Debtors shall follow the procedures set forth in subsection (c) below with respect to any Proposed Stock Transaction Notice received.

(c) Procedures Upon Receipt of a Proposed Stock Transaction Notice. If the Debtors file written approval of the proposed transaction with the Court after receipt of a Proposed Stock Transaction Notice, then the proposed transaction may proceed. If the Debtors do not file written approval of the proposed transaction with the Court within 15 calendar days after receipt of a Proposed Stock Transaction Notice, then the transaction may not be consummated unless approved by a final and non-appealable order of the Court; *provided, however*, the Debtors may subsequently approve the proposed transaction in writing, in which case a Court order is not necessary. Further transactions within the scope of this subsection (c) shall be the subject of additional notices set forth herein with additional Waiting Periods.

(d) Sanctions for Noncompliance. Acquisitions and dispositions of Tax Ownership of Stock in violation of the restrictions and Procedures set forth above shall be void *ab initio*, and the sanction for violating the Procedures shall be reversal of the noncompliant transaction or such other (or additional) measures as the Court may consider appropriate.

(e) Discretionary Waiver by Debtors. The Debtors may waive, in writing, any and all restrictions, sanctions, and procedures required pursuant to the Procedures; *provided, however*, the Debtors shall file any such waiver with the Court.

(f) Notice of the Interim Order. Within five business days after the entry of the Interim Order approving the Procedures, a proposed form of which is attached hereto as **Exhibit A**, the Debtors shall: (i) post a notice of the entry of the Interim Order, substantially in the form attached as **Exhibit 5** to the Interim Order, together with a copy of the Interim Order, on the website maintained by Debtors' claims and notice agent, www.veritaglobal.net/ascend; and (ii) serve such notice, together with a copy of the Interim Order, on (A) the Office of the United States Trustee ("***U.S. Trustee***"), (B) the United States Securities and Exchange

[13] In the case of a Substantial Equity Holder who qualifies as a 50-percent shareholder (as defined in 26 U.S.C. § 382(g)(4)(D)), the term "dispose" includes claiming a deduction for worthless Stock.

[14] **Exhibit 3** is the proposed Notice of Intent to Purchase, Acquire, or Otherwise Obtain Tax Ownership of Stock. **Exhibit 4** is the proposed Notice of Intent to Sell, Exchange, or Otherwise Dispose of Tax Ownership of Stock.

Commission ("***SEC***"), (C) the Office of the United States Attorney General for the Southern District of Texas, (D) the Internal Revenue Service ("***IRS***"), (E) the Master Service List for these chapter 11 cases, and (F) any identified Substantial Equity Holders.

(g) Confidential Information. To the extent confidential information is required in any declaration described in these Procedures, such confidential information may be filed and served in redacted form; *provided*, *however*, that any such declarations served on the Debtors shall not be in redacted form. The Debtors shall keep all information provided in such declarations strictly confidential and **shall not** disclose the contents thereof to any person except (i) to the extent necessary to respond to a petition or objection filed with the Court; (ii) to the extent otherwise required by law; or (iii) to the extent that the information contained therein is already public; *provided, however*, that the Debtors may disclose the contents thereof to their professional advisors, who shall keep all such notices strictly confidential and shall not disclose the contents thereof to any other person, subject to further Court order. To the extent confidential information is necessary to respond to a petitioner objection filed with the Court, such confidential information shall be filed under seal or in a redacted form.

(h) Definitions. For purposes of this Motion and the Procedures, the following terms have the following meanings:

(1) Option. "***Option***" shall mean any contingent purchase, warrant, convertible debt, put, Stock subject to a risk of forfeiture, contract to acquire Stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

(2) Stock. "***Stock***" shall mean all Ascend Elements, Inc. Stock. For the avoidance of doubt, by operation of the definition of "Tax Ownership," an owner of an Option to acquire Stock may be treated as the owner of such Stock.

BASIS FOR RELIEF REQUESTED

A. The Debtors' Tax Attributes are Property of the Estate, Subject to Protection of the Automatic Stay.

17. Section 541 of the Bankruptcy Code provides that property of the estate comprises, among other things, "all legal or equitable interests of the debtor in property as of the commencement of the case." 11 U.S.C. § 541(a)(1). Courts have uniformly held that a debtor's NOLs constitute property of the estate and are protected by section 362 of the Bankruptcy Code. The Second Circuit articulated this rule in its seminal case, *In re Prudential Lines, Inc.*, 107 B.R.

832 (Bankr. S.D.N.Y. 1989), *aff'd*, 119 B.R. 430 (S.D.N.Y. 1990), *aff'd*, 928 F.2d 565 (2d Cir. 1991), *cert. denied* 502 U.S. 821 (1991). In *In re Prudential Lines*, the court upheld the application of the automatic stay and enjoined the debtors' parent corporation from taking a worthless stock deduction with respect to its equity in the debtor—a wholly-owned subsidiary—on the grounds that allowing the parent to take such a deduction would adversely affect the debtor-subsidiary's NOLs. In issuing the injunction, the court held that a "debtors' potential ability to utilize NOLs is property of [its] estate" and that "the taking of a worthless stock deduction . . . [is] an exercise of control" over the debtors' NOLs that was properly subject to the automatic stay. *In re Prudential Lines*, 107 B.R. 832, 836-42; *see also In re Southeast Banking Corp.*, No. 91-14561-BKC-PGH, 1994 WL 1893513, at *2 (Bankr. S.D. Fla. July 21, 1994) (debtors' interest in its NOLs "constitutes property of the estate within the scope of [section 541(a)(1) of the Bankruptcy Code] and is entitled to the protection of the automatic stay"); *In re Phar-Mor, Inc.*, 152 B.R. 924, 926 (Bankr. N.D. Ohio 1993) ("the sale of stock is prohibited by § 362(a)(3) as an exercise of control over the NOL, which is property of the estate"); *In re Grossman's, Inc.*, No. 97-695 (PJW), 1997 WL 33446314, at *1 (Bankr. D. Del. Oct. 9, 1997) (finding the debtors' NOL carryforward is property of the debtors' estates and is protected by the automatic stay).

18. Section 362(a) of the Bankruptcy Code operates as a stay of, among other things, "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a)(3). Accordingly, "where a non-debtor's action with respect to an interest that is intertwined with that of a bankrupt debtor would have the legal effect of diminishing or eliminating property of the bankrupt estate, such action is barred by the automatic stay." *In re Prudential Lines*, 928 F.2d at 574 (quoting *48th St. Steakhouse, Inc. v. Rockefeller Group, Inc.* (*In re 48th St. Steakhouse, Inc.*), 835 F.2d 427, 431 (2d Cir. 1987)). The

Second Circuit in *In re Prudential Lines* held, therefore, that "despite the fact that [the parent corporation's] action is not directed specifically at [the debtor-subsidiary], it is barred by the automatic stay as an attempt to exercise control over property of the estate." *Id.* The Second Circuit went on to uphold the permanent injunction set forth by the bankruptcy court as an exercise of the court's equitable powers under section 105 of the Bankruptcy Code, and supported the bankruptcy court's finding that eliminating the debtor's ability to apply its NOL carryforwards to offset income on future tax returns would impede its reorganization. *Id.*

19. Similarly, in *In re Phar-Mor, Inc.*, the chapter 11 debtors moved to prohibit any transfer of the debtors' stock that could have an adverse effect on the debtors' ability to utilize NOL carryforwards. The court held that the NOL qualified as property of the estate and issued an injunction enforcing the automatic stay. *In re Phar-Mor, Inc.*, 152 B.R. at 927. Significantly, the court granted the relief requested even though the stockholders did not state any intent to sell their stock and even though the debtors did not show that a sale was pending that would trigger the prescribed change in ownership under section 382 of the IRC. *Id.* Despite the uncertainty of the applicability of section 382 of the IRC at that time, the court observed that "[w]hat is certain is that the NOL has *potential value, as yet undetermined*, which will be of benefit to creditors and will assist [the d]ebtors in their reorganization process. This asset is entitled to protection while [the d]ebtors move forward toward reorganization." *Id.* (emphasis added). The court also concluded that because the debtors sought to enforce the stay, they did not have to meet the more stringent requirements for the granting of a preliminary injunction:

> The requirements for enforcing an automatic stay under 11 U.S.C. § 362(a)(3) do not involve such factors as lack of an adequate remedy at law, or irreparable injury, or loss and a likelihood of success on the merits. The key elements for a stay . . . are the existence of property of the estate and the enjoining of all efforts by others to obtain possession or control of property of the estate.

Id. at 926 (quoting *In re Golden Distribs., Inc.*, 122 B.R. 15, 19 (Bankr. S.D.N.Y. 1990)).

20. In short, numerous courts have held that the automatic stay enjoins actions under section 362(a)(3) of the Bankruptcy Code that would adversely affect a debtor's NOL carryforwards. In the Fifth Circuit, actions taken in violation of the stay are voidable. *In re Jones*, 63 F.3d 411, 412 (5th Cir. 1995), *cert. denied* 517 U.S. 1167 (1996); *Picco v. Global Marine Drilling Co.*, 900 F.2d 846, 850 (5th Cir. 1990).

21. Various courts in this and other districts have commonly granted relief that is similar to the relief requested herein. *See, e.g.*, *In re Sorrento Therapeutics Inc.*, No. 23-90071 (DRJ) (Bankr. S.D. Tex. Feb 21, 2023) ((approving notification procedures and restrictions on stock transfers); *In re McDermott International, Inc.*, No. 20-30336 (DRJ) (Bankr. S.D. Tex. Jan. 23, 2020) (same); *In re Approach Resources Inc.*, No. 19-36444 (MI) (Bankr. S.D. Tex. Dec. 13, 2019) (same); *In re EP Energy Corporation*, No. 19-35654 (MI) (Bankr. S.D. Tex. Nov. 6, 2019) (same); *In re Alta Mesa Resources, Inc.*, No. 19-35133 (MI) (Bankr. S.D. Tex. Oct. 7, 2019) (same); *In re Sanchez Energy Corporation*, No. 19-34508 (MI) (Bankr. S.D. Tex. Sept. 19, 2019) (same); *In re Goodrich Petroleum Corp.*, No. 16-31975 (MI) (Bankr. S.D. Tex. May 4, 2016) (same); *In re Energy XXI LTD*, No. 16-31928 (DRJ) (Bankr. S.D. Tex. May 19, 2016) (same).

B. The Proposed Procedures are Necessary and in the Best Interests of the Debtors and Their Estates.

22. The proposed Procedures are necessary to protect the value of the Tax Attributes, which are valuable assets of the Debtors' estates, while providing appropriate latitude for trading in Stock below specified levels. The Debtors' ability to meet the requirements of the applicable

tax laws to protect their Tax Attributes may be seriously jeopardized unless procedures are established to ensure that certain trading in the Stock is either precluded or closely monitored and made subject to Court approval.

23. The requested relief has been narrowly tailored to permit certain Stock trading to continue, subject only to Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws. The Debtors are seeking notice of certain transactions in order to have a meaningful opportunity to seek further relief from the Court, if necessary. The relief sought herein is critical because once a transfer acts to limit the utilization of the Tax Attributes, the ability to reverse the transaction and maximize the benefit of the Tax Attributes may be permanently lost.

24. It is in the best interests of the Debtors and their estates to restrict trading that could result in an Ownership Change prior to plan confirmation. As described above, such a pre-confirmation Ownership Change would effectively eliminate the Tax Attributes and prevent the Debtors from utilizing the Tax Attributes to offset any income realized through the taxable year that includes the effective date of the plan and, following the reduction of Tax Attributes after the application of section 108(b) of the IRC, availing themselves of the favorable valuation rule of section 382(l)(5) of the IRC or section 382(l)(6) of the IRC, which requires that an Ownership Change must occur pursuant to a confirmed plan of reorganization.

25. Therefore, it is in the best interests of the Debtors and their estates to grant the relief requested herein in order to prevent an Ownership Change prior to the consummation of a plan of reorganization.

BANKRUPTCY RULE 6003 DOES NOT
APPLY TO THE RELIEF REQUESTED HEREIN

26. Bankruptcy Rule 6003 empowers a Court to grant relief with respect to a motion to use, sell, or lease property of the estate within the first 21 days after the Petition Date "to the extent

that relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003. The Debtors respectfully submit that Bankruptcy Rule 6003 does not apply to this Motion because the Debtors are not seeking to use, sell, or lease property of the estate. *See* Advisory Comm. Note to 2011 Amendment to Fed. R. Bankr. P. 6003 ("[T]he rule does not prohibit the court from entering orders in the first 21 days of the case that *may relate* to the motions and applications set out in (a), (b), and (c); it is only prohibited from granting the relief requested by those motions or applications." (emphasis added). Assuming, *arguendo*, that Bankruptcy Rule 6003 applies to this Motion, however, the "immediate and irreparable" harm standard is satisfied. As discussed herein, the Tax Attributes are valuable assets of the Debtors' estates that could maximize value and benefit all parties in interest. If the Debtors are unable to prevent certain transfers that could negatively impact the Tax Attributes, the Debtors' future use of their Tax Attributes may be jeopardized. Therefore, the loss of the Tax Attributes would cause immediate and irreparable harm to the Debtors' estates. Accordingly, to the extent Bankruptcy Rule 6003 applies to the relief requested herein, its requirements are satisfied.

EMERGENCY CONSIDERATION

27. The Debtors request emergency consideration of this Motion. Pursuant to Bankruptcy Local Rule 9013-1, the Debtors request emergency consideration of this Motion. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one days after the commencement of a chapter 11 case if "relief is needed to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003. The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and the success of these chapter 11 cases. As discussed in detail below and in the First Day Declaration (as defined below), any delay in granting the relief requested could hinder the Debtors' operations and cause immediate and irreparable harm. As

such, the Debtors believe that emergency consideration is necessary and request that this Motion be heard at the Debtors' first day hearings.

WAIVER OF BANKRUPTCY RULES 6004(a) AND 6004(h)

28. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

RESERVATION OF RIGHTS

29. For the avoidance of doubt, nothing in this Motion is intended to be, nor should it be construed as (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) an impairment or waiver of the Debtors' or any other party in interest's rights to contest or dispute any such claim or lien, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any proposed order, or (e) a waiver of the Debtors' or any other party in interest's rights.

NOTICE

30. The Debtors have provided notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee; (b) the holders of the thirty largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to certain Senior Secured Noteholders; (d) the United States Attorney's Office for the Southern District of Texas; (e) the state attorneys general for states in which the Debtors conduct business; (f) other governmental or regulatory agencies having a regulatory or statutory interest in these cases; (g) the Securities and Exchange Commission; (h) the Internal Revenue Service; (i) all beneficial holders of Stock; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, the Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

28. No prior motion for the relief requested herein has been made to this Court or any other court.

PRAYER

The Debtors respectfully request that the Court enter the Interim Order and the Final Order, substantially in the forms attached hereto as **Exhibits A** and **B**, respectively, and grant them such other and further relief to which the Debtors may be justly entitled.

Dated: April 9, 2026

Respectfully submitted,
NORTON ROSE FULBRIGHT US LLP

By: */s/ Ryan Manns*

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Maria Mokrzycka (SBT 24119994)
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-and-

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Email: michael.berthiaume@nortonrosefulbright.com

Proposed Counsel to the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on April 9, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas. Additionally, the foregoing document will be served as set forth in a forthcoming affidavit filed by the Debtors' proposed claims agent.

/s/ Ryan Manns
Ryan Manns

EXHIBIT A

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC., *et al.*,[15]	)	Case No. 26-90440 (ARP)
Debtors.	)	(Joint Administration Requested)

INTERIM ORDER ESTABLISHING NOTIFICATION PROCEDURES AND APPROVING RESTRICTION ON CERTAIN TRANSFER OF INTERESTS IN THE DEBTORS' ESTATES

Upon the motion (the "Motion")[16] filed by the above-referenced debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (the "Interim Order") (a) authorizing the Debtors to (i) establish and implement restrictions and notification requirements regarding the Tax Ownership[17] and certain transfers of interests in Ascend Elements, Inc. (the "***Stock***"); (ii) notify holders of Stock of the restrictions, notification requirements, and procedures set forth herein; and (iii) direct that any purchase, sale, or other transfer of Stock in violation of the procedures set forth herein shall be null and void *ab initio* and (b) granting related relief, all as more fully set forth in the Motion and in the First Day Declaration; and the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and

[15] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

[16] Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

[17] "***Tax Ownership***" means beneficial ownership of Stock as determined in accordance with applicable rules under section 382 of the IRC, and thus, includes, but is not limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries, and entities (as defined in Treas. Reg. § 1.382-3(a)) would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person's family and persons acting in concert, and in certain cases, the creation or issuance of an Option (in any form). Any variation of the term "ownership" (e.g., own) shall have the same meaning.

that the Court may enter a final order consistent with Article III of the United States Constitution; 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 the Court having found that the relief requested in the Motion is in the best interests of the Debtors and their respective estates, creditors, and other parties in interest; and the Court having found that proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary; and the Court having found that good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion, it is HEREBY ORDERED THAT:

1. The Motion is **GRANTED** on an interim basis as set forth herein.

2. The final hearing ("***Final Hearing***") on the Motion shall be held on _____, 2026, at __:__ _.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed and served so as to actually be received on or before 4:00 p.m., prevailing Central Time, on _____, 2026, and shall be served on: (a) the Debtors, 133 Flanders Road, Westborough, MA 01581, Attn; (b) proposed counsel to the Debtors, Norton Rose Fulbright US LLP, 1550 Lamar, Suite 2000, Houston, TX 77010, Attn: Ryan Manns; (c) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Ha Nguyen and Vianey Garza; (d) the official committee of unsecured creditors (if any) appointed in these chapter 11 cases and their counsel; and (e) counsel to the collateral agent for the CLN Secured Parties.

3. The Procedures, as set forth in **Exhibit 1** attached hereto, are hereby approved.

4. Any transfer of Tax Ownership of Stock in violation of the Procedures, including but not limited to the notice requirements, shall be null and void *ab initio*, and the person or entity

making such transfer or declaration shall be required to take such steps as the court determines are necessary in order to be consistent with such transfer or declaration being null and void *ab initio*.

5. The notices substantially in the forms annexed hereto as **Exhibits 2-5** are hereby approved.

6. The requirements set forth in this Interim Order are in addition to the requirements of all applicable law and do not excuse compliance therewith.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

8. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Interim Order or the Motion is intended to be, nor should it be construed as (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) an impairment or waiver of the Debtors' or any other party in interest's rights to contest or dispute any such claim or lien, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any proposed order, or (e) a waiver of the Debtors' or any other party in interest's rights. In addition, nothing in this Interim Order or the Motion should be interpreted as the assumption or rejection of any executory contract or unexpired lease under section 365 of the Bankruptcy Code.

9. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

10. The requirements of Bankruptcy Rule 6004(a) are waived.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon entry of this Interim Order.

12. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Exhibit 1

Procedures for Transfers of Stock

PROCEDURES FOR TRANSFERS OF ASCEND ELEMENTS, INC. STOCK

The following procedures apply to transfers of Stock:[1]

(a) Notice of Substantial Equity Holder Status. Any person or entity who is or becomes a Tax Owner of at least 4,789,589 shares of the Stock, which represents approximately 4.50% of the issued and outstanding Stock as of the Petition Date,[2] (each a "***Substantial Equity Holder***"), must on or before the later of (i) 15 days after the Court's entry of an order approving these Procedures or (ii) 10 days after that person or entity becomes a Substantial Equity Holder, serve on the Debtors and their attorneys a notice containing the Tax Ownership information substantially in the form that is attached hereto as **Exhibit 2** (a "***Substantial Equity Holder Notice***").

(b) Restrictions and Procedures for Trading in Stock. Any person or entity who after the entry of the Interim Order,

(i) is not a Substantial Equity Holder and wishes to purchase or otherwise acquire Tax Ownership of an amount of Stock that would cause the person or entity to become a Substantial Equity Holder;

(ii) is a Substantial Equity Holder and wishes to purchase or otherwise acquire Tax Ownership of any additional Stock; or

(iii) is a Substantial Equity Holder and wishes to sell or otherwise dispose[3] of Tax Ownership of any Stock,

must, at least 15 calendar days prior to the consummation of any such transaction (the "***Waiting Period***"), file with the Court and serve on the Debtors, their counsel, and counsel for any official committee (the "***Committee***"), if one has been appointed in these chapter 11 cases, a notice in the form attached as **Exhibit 3** or **Exhibit 4** to the Interim Order (the "***Proposed Stock Transaction Notice***"), as applicable.[4] The Debtors shall follow the procedures set forth in subsection (c) below with respect to any Proposed Stock Transaction Notice received.

(c) Procedures Upon Receipt of a Proposed Stock Transaction Notice. If the Debtors file written approval of the proposed transaction with the Court after receipt of a Proposed Stock Transaction Notice, then the proposed transaction may proceed. If the Debtors do not file written approval of the proposed transaction

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1 Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

2 Based on a total of 106,435,319 shares of Stock issued and outstanding as of the Petition Date.

3 In the case of a Substantial Equity Holder who qualifies as a 50-percent shareholder (as defined in 26 U.S.C. § 382(g)(4)(D)), the term "dispose" includes claiming a deduction for worthless Stock.

4 **Exhibit 3** is the proposed Notice of Intent to Purchase, Acquire, or Otherwise Obtain Tax Ownership of Stock. **Exhibit 4** is the proposed Notice of Intent to Sell, Exchange, or Otherwise Dispose of Tax Ownership of Stock.

with the Court within 15 calendar days after receipt of a Proposed Stock Transaction Notice, then the transaction may not be consummated unless approved by a final and non-appealable order of the Court; *provided, however*, the Debtors may subsequently approve the proposed transaction in writing, in which case a Court order is not necessary. Further transactions within the scope of this subsection (c) shall be the subject of additional notices as set forth herein with additional Waiting Periods.

(d) Sanctions for Noncompliance. Acquisitions and dispositions of Tax Ownership of Stock in violation of the restrictions and Procedures set forth above shall be void *ab initio*, and the sanction for violating the Procedures shall be reversal of the noncompliant transaction or such other (or additional) measures as the Court may consider appropriate.

(e) Discretionary Waiver by Debtors. The Debtors may waive, in writing, any and all restrictions, sanctions, and procedures required pursuant to the Procedures; *provided, however*, the Debtors shall file any such waiver with the Court.

(f) Notice of the Interim Order. Within five business days after the entry of the Interim Order approving the Procedures, a proposed form of which is attached hereto as **Exhibit A**, the Debtors shall: (i) post a notice of the entry of the Interim Order, substantially in the form attached as **Exhibit 5** to the Interim Order, together with a copy of the Interim Order, on the website maintained by Debtors' claims and notice agent, www.veritaglobal.net/ascend; and (ii) serve such notice, together with a copy of the Interim Order, on (A) the Office of the United States Trustee ("***U.S. Trustee***"), (B) the United States Securities and Exchange Commission ("***SEC***"), (C) the Office of the United States Attorney General for the Southern District of Texas, (D) the Internal Revenue Service ("***IRS***"), (E) the Master Service List for these chapter 11 cases, and (F) any identified Substantial Equity Holders.

(g) Confidential Information. To the extent confidential information is required in any declaration described in these Procedures, such confidential information may be filed and served in redacted form; *provided*, *however*, that any such declarations served on the Debtors shall not be in redacted form. The Debtors shall keep all information provided in such declarations strictly confidential and **shall not** disclose the contents thereof to any person except (i) to the extent necessary to respond to a petition or objection filed with the Court; (ii) to the extent otherwise required by law; or (iii) to the extent that the information contained therein is already public; *provided, however*, that the Debtors may disclose the contents thereof to their professional advisors, who shall keep all such notices strictly confidential and shall not disclose the contents thereof to any other person, subject to further Court order. To the extent confidential information is necessary to respond to a petitioner objection filed with the Court, such confidential information shall be filed under seal or in a redacted form

(h) Definitions. For purposes of this Motion and the Procedures, the following terms have the following meanings:

(1) Option. "***Option***" shall mean any contingent purchase, warrant, convertible debt, put, Stock subject to a risk of forfeiture, contract to acquire Stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

(2) Stock. "***Stock***" shall mean all Ascend Elements Inc. Stock. For the avoidance of doubt, by operation of the definition of "Tax Ownership," an owner of an Option to acquire Stock may be treated as the owner of such Stock..

Exhibit 2

Proposed Substantial Equity Holder Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC., *et al.*,[1]	)	Case No. 26-90440
Debtors.	)	(Joint Administration Requested)

SUBSTANTIAL EQUITY HOLDER NOTICE

PLEASE TAKE NOTICE that that, as of _____ ___, 20__, [Name]_____ has Tax Ownership[2] of _____ shares of Ascend Elements, Inc. common stock (the "***Stock***"). Ascend Elements, Inc. is a debtor and debtor in possession in Case No. 26-[_____] pending in the United States Bankruptcy Court for the Southern District of Texas (the "***Court***").

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures, attached as **Exhibit 1** to the *Emergency Motion for Interim and Final Orders Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates*, this Notice is being served on (a) the Debtors, 133 Flanders Road, Westborough, MA 01581;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

[2] For purposes of this Notice, "***Tax Ownership***" shall be determined in accordance with applicable rules under section 382 of the IRC and the Treasury Regulations promulgated thereunder (other than Treasury Regulations Section 1.382-2T(h)(2)(i)(A)), and thus, includes, but is not limited to, direct, indirect, and constructive ownership (*e.g.*, (i) a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries, (ii) entities (as defined in Treas. Reg. § 1.382-3(a)) would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), (iii) an individual and such individual's family members may be treated as one individual, (iv) persons and entities acting in concert to make a coordinated acquisition of equity securities may be treated as a single entity, and (v) a holder would be considered to beneficially own equity securities that such holder has an Option to acquire). Any variation of the term "ownership" (*e.g.*, own) shall have the same meaning. An "***Option***" to acquire Stock includes all interests described in Treasury Regulations Section 1.382-4(d)(9), including any contingent purchase right, warrant, convertible debt, put, call, Stock subject to risk of forfeiture, contract to acquire Stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

(b) proposed counsel to the Debtors, Norton Rose Fulbright US LLP, 1550 Lamar, Suite 2000, Houston, TX 77010, Attn: Ryan Manns and Jason Blanchard; (c) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Attn: Ha Nguyen and Vianey Garza; (d) the official committee of unsecured creditors (if any) appointed in these chapter 11 cases and their counsel; and (e) counsel to the collateral agent for the CLN Noteholders.

PLEASE TAKE FURTHER NOTICE THAT this Notice is given in addition to, and not as a substitute for, any requisite notice under rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

Respectfully submitted,

_____

[Name]
[Address]
[Telephone]
[E-Mail Address]

Dated: _____ __, 2012
_____, _____
(City) (State)

Exhibit 3

Proposed Notice of Intent to Purchase, Acquire, or Otherwise Obtain Tax Ownership of Stock

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC., *et al.*,[1]	)	Case No. 26-90440
Debtors.	)	(Joint Administration Requested)

NOTICE OF INTENT TO PURCHASE, ACQUIRE, OR OTHERWISE OBTAIN TAX OWNERSHIP OF STOCK

PLEASE TAKE NOTICE that [Name] _____ intends to purchase, acquire or otherwise obtain Tax Ownership[2] of _____ shares of common stock of Ascend Elements, Inc. (the "***Proposed Transaction***" and the "***Stock***," respectively). Ascend Elements, Inc. is a debtor and debtor in possession in Case No. 26-[_____] pending in the United States Bankruptcy Court for the Southern District of Texas (the "***Court***").

PLEASE TAKE FURTHER NOTICE that, prior to giving effect to the Proposed Transaction, [Name]_____ has Tax Ownership of _____ shares of the Stock.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

[2] For purposes of this Notice, "***Tax Ownership***" shall be determined in accordance with applicable rules under section 382 of the IRC and the Treasury Regulations promulgated thereunder (other than Treasury Regulations Section 1.382-2T(h)(2)(i)(A), and thus, includes, but is not limited to, direct, indirect, and constructive ownership (*e.g.*, (i) a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries, (ii) entities (as defined in Treas. Reg. § 1.382-3(a)) would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), (iii) an individual and such individual's family members may be treated as one individual, (iv) persons and entities acting in concert to make a coordinated acquisition of equity securities may be treated as a single entity, and (v) a holder would be considered to beneficially own equity securities that such holder has an Option to acquire). Any variation of the term "ownership" (*e.g.*, own) shall have the same meaning. An "***Option***" to acquire Stock includes all interests described in Treasury Regulations Section 1.382-4(d)(9), including any contingent purchase right, warrant, convertible debt, put, call, Stock subject to risk of forfeiture, contract to acquire Stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that, after giving effect to the Proposed Transaction, [Name]_____ would have Tax Ownership of _____ shares of the Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures, attached as **Exhibit 1** to the *Emergency Motion for Interim and Final Orders Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates*, this Notice is being served on (a) the Debtors, 133 Flanders Road, Westborough, MA 01581; (b) proposed counsel to the Debtors, Norton Rose Fulbright US LLP, 1550 Lamar, Suite 2000, Houston, TX 77010, Attn: Ryan Manns; (c) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Attn: Ha Nguyen and Vianey Garza; (d) the official committee of unsecured creditors (if any) appointed in these chapter 11 cases and their counsel; (e) counsel to the DIP Agent; and (f) counsel to the collateral agent for the CLN Secured Parties.

PLEASE TAKE FURTHER NOTICE that [Name]_____ further acknowledges and agrees that (a) if the Debtors do not provide written approval of the Proposed Transaction within 15 calendar days after the date of this Notice, the Proposed Transaction may not be consummated unless approved by a final and nonappealable order of the Court, (b) any transaction purportedly consummated in violation of the Order will be void *ab initio* and will result in the imposition of sanctions as provided in the Order, and (c) any further transactions contemplated by [Name]_____ that may result in [Name]_____ purchasing, acquiring, or otherwise obtaining Tax Ownership of additional Stock will require an additional notice to be filed with the Court and served in the same manner as this Notice.

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

Respectfully submitted,

_____

[Name]
[Address]
[Telephone]
[E-Mail Address]

Dated: _____ __, 2026
_____, _____
(City) (State)

Exhibit 4

Proposed Notice of Intent to Sell, Exchange or Otherwise Dispose of Tax Ownership of Stock

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC., *et al.*,[1]	)	Case No. 26-90440
Debtors.	)	(Joint Administration Requested)

NOTICE OF INTENT TO SELL, EXCHANGE, OR OTHERWISE DISPOSE OF TAX OWNERSHIP OF STOCK

PLEASE TAKE NOTICE that [Name]_____ intends to sell, exchange, or otherwise dispose[2] of Tax Ownership[3] of _____ shares of common stock of Ascend Elements, Inc. (the "***Proposed Transaction***" and the "***Stock***," respectively). Ascend Elements, Inc. is a debtor and debtor in possession in Case No. 26-[_____] pending in the United States Bankruptcy Court for the Southern District of Texas (the "***Court***").

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

[2] In the case of a Substantial Equity Holder who qualifies as a 50-percent shareholder (as defined in 26 U.S.C. § 382(g)(4)(D)), the term "dispose" includes claiming a deduction for worthless Stock.

[3] For purposes of this Notice, "***Tax Ownership***" shall be determined in accordance with applicable rules under section 382 of the IRC and the Treasury Regulations promulgated thereunder (other than Treasury Regulations Section 1.382-2T(h)(2)(i)(A), and thus, includes, but is not limited to, direct, indirect, and constructive ownership (*e.g.*, (i) a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries, (ii) entities (as defined in Treas. Reg. § 1.382-3(a)) would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), (iii) an individual and such individual's family members may be treated as one individual, (iv) persons and entities acting in concert to make a coordinated acquisition of equity securities may be treated as a single entity, and (v) a holder would be considered to beneficially own equity securities that such holder has an Option to acquire). Any variation of the term "ownership" (*e.g.*, own) shall have the same meaning. An "***Option***" to acquire Stock includes all interests described in Treasury Regulations Section 1.382-4(d)(9), including any contingent purchase right, warrant, convertible debt, put, call, Stock subject to risk of forfeiture, contract to acquire Stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that, prior to giving effect to the Proposed Transaction, [Name]_____ has Tax Ownership of _____ shares of the Stock.

PLEASE TAKE FURTHER NOTICE that, after giving effect to the Proposed Transaction, [Name]_____ would have Tax Ownership of _____ shares of the Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures, attached as **Exhibit 1** to the *Emergency Motion for Interim and Final Orders Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates*, this Notice is being served on (a) the Debtors, 133 Flanders Road, Westborough, MA 01581; (b) proposed counsel to the Debtors, Norton Rose Fulbright US LLP, 1550 Lamar, Suite 2000, Houston, TX 77010, Attn: Ryan Manns and Jason Blanchard; (c) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Attn: Ha Nguyen and Vianey Garza; (d) the official committee of unsecured creditors (if any) appointed in these chapter 11 cases and their counsel; (e) counsel to the DIP Lender; and (f) counsel to the collateral agent for the CLN Secured Parties.

PLEASE TAKE FURTHER NOTICE that [Name]_____ further acknowledges and agrees that (a) if the Debtors do not provide written approval of the Proposed Transaction within 15 calendar days after the date of this Notice, the Proposed Transaction may not be consummated unless approved by a final and nonappealable order of the Court, (b) any transaction purportedly consummated in violation of the Order will be void *ab initio* and will result in the imposition of sanctions as provided in the Order, and (c) any further transactions contemplated by [Name]_____ that may result in [Name]_____ selling,

exchanging, or otherwise disposing of Tax Ownership of additional Stock will require an additional notice to be filed with the Court and served in the same manner as this Notice.

This Notice is given in addition to, and not as a substitute for, any requisite notice under rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

Respectfully submitted,

_____

[Name]
[Address]
[Telephone]
[E-Mail Address]

Dated: _____ __, 2026

_____, _____
(City) (State)

Exhibit 5

Notice of Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC., *et al.*,[1]	)	Case No. 26-90440
Debtors.	)	(Joint Administration Requested)

NOTICE OF INTERIM ORDER ESTABLISHING NOTIFICATION PROCEDURES AND APPROVING RESTRICTIONS ON CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES

TO ALL PERSONS OR ENTITIES WITH EQUITY INTERESTS IN ANY OF THE DEBTOR ENTITIES:

PLEASE TAKE NOTICE that on April 9, 2026 (the "***Petition Date***"), the above-captioned debtors and debtors in possession (collectively, the "***Debtors***") commenced cases under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***"). Section 362(a) of the Bankruptcy Code operates as a stay of any act to obtain possession of property of the Debtors' estates or of property from the Debtors' estates or to exercise control over property of the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on the Petition Date, the Debtors filed a motion seeking entry of an interim order (the "***Interim Order***"), and subsequently a final order (the "***Final Order***"), pursuant to sections 105(a), 362, and 541 of the Bankruptcy Code establishing notification procedures and approving restrictions on certain transfers of interests in the Debtors and their estates (the "***Motion***").[2]

PLEASE TAKE FURTHER NOTICE that on the Petition Date, the United States Bankruptcy Court for the Southern District of Texas, (the "***Bankruptcy Court***") having jurisdiction over the chapter 11 cases entered the Interim Order (a) finding that the Debtors' net operating loss ("***NOL***") carryforwards, interest deduction carryforwards and certain other tax attributes (collectively, the "***Tax Attributes***") are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code; (b) finding that unrestricted trading of the Stock (as defined below) could severely limit the Debtors' ability to utilize their Tax Attributes for U.S. federal income tax purposes; and (c) approving the Stock trading procedures and restrictions (the "***Procedures***") set forth below to preserve the Tax Attributes.

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

[2] Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

Any sale or other transfer in violation of the Procedures set forth below shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that the following Procedures have been approved by the Bankruptcy Court:

(a) Notice of Substantial Equity Holder Status. Any person or entity who is or becomes a Tax Owner of at least 4,789,589 shares of the Stock, which represents approximately 4.50% of the issued and outstanding Stock as of the Petition Date,[3] (each a "***Substantial Equity Holder***"), must on or before the later of (i) 15 days after the Court's entry of an order approving these Procedures or (ii) 10 days after that person or entity becomes a Substantial Equity Holder, serve on the Debtors and their attorneys a notice containing the Tax Ownership information substantially in the form that is attached hereto as **Exhibit 2** (a "***Substantial Equity Holder Notice***").

(b) Restrictions and Procedures for Trading in Stock. Any person or entity who after the entry of the Interim Order,

(i) is not a Substantial Equity Holder and wishes to purchase or otherwise acquire Tax Ownership of an amount of Stock that would cause the person or entity to become a Substantial Equity Holder;

(ii) is a Substantial Equity Holder and wishes to purchase or otherwise acquire Tax Ownership of any additional Stock; or

(iii) is a Substantial Equity Holder and wishes to sell or otherwise dispose[4] of Tax Ownership of any Stock,

must, at least 15 calendar days prior to the consummation of any such transaction (the "***Waiting Period***"), file with the Court and serve on the Debtors, their counsel, and counsel for any official committee (the "***Committee***"), if one has been appointed in these chapter 11 cases, a notice in the form attached as **Exhibit 3** or **Exhibit 4** to the Interim Order (the "***Proposed Stock Transaction Notice***"), as applicable.[5] The Debtors shall follow the procedures set forth in subsection (c) below with respect to any Proposed Stock Transaction Notice received.

(c) Procedures Upon Receipt of a Proposed Stock Transaction Notice. If the Debtors file written approval of the proposed transaction with the Court after

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[3] Based on a total of 106,435,319 shares of Stock issued and outstanding as of the Petition Date.

[4] In the case of a Substantial Equity Holder who qualifies as a 50-percent shareholder (as defined in 26 U.S.C. § 382(g)(4)(D)), the term "dispose" includes claiming a deduction for worthless Stock.

[5] **Exhibit 3** is the proposed Notice of Intent to Purchase, Acquire, or Otherwise Obtain Tax Ownership of Stock. **Exhibit 4** is the proposed Notice of Intent to Sell, Exchange, or Otherwise Dispose of Tax Ownership of Stock.

receipt of a Proposed Stock Transaction Notice, then the proposed transaction may proceed. If the Debtors do not file written approval of the proposed transaction with the Court within 15 calendar days after receipt of a Proposed Stock Transaction Notice, then the transaction may not be consummated unless approved by a final and non-appealable order of the Court; *provided, however*, the Debtors may subsequently approve the proposed transaction in writing, in which case a Court order is not necessary. Further transactions within the scope of this subsection (c) shall be the subject of additional notices as set forth herein with additional Waiting Periods.

(d) Sanctions for Noncompliance. Acquisitions and dispositions of Tax Ownership of Stock in violation of the restrictions and Procedures set forth above shall be void *ab initio*, and the sanction for violating the Procedures shall be reversal of the noncompliant transaction or such other (or additional) measures as the Court may consider appropriate.

(e) Discretionary Waiver by Debtors. The Debtors may waive, in writing, any and all restrictions, sanctions, and procedures required pursuant to the Procedures; *provided, however*, the Debtors shall file any such waiver with the Court.

(f) Notice of the Interim Order. Within five business days after the entry of the Interim Order approving the Procedures, a proposed form of which is attached hereto as **Exhibit A**, the Debtors shall: (i) post a notice of the entry of the Interim Order, substantially in the form attached as **Exhibit 5** to the Interim Order, together with a copy of the Interim Order, on the website maintained by Debtors' claims and notice agent, www.veritaglobal.net/ascend; and; and (ii) serve such notice, together with a copy of the Interim Order, on (A) the Office of the United States Trustee ("***U.S. Trustee***"), (B) the United States Securities and Exchange Commission ("***SEC***"), (C) the Office of the United States Attorney General for the Southern District of Texas, (D) the Internal Revenue Service ("***IRS***"), (E) the Master Service List for these chapter 11 cases, and (F) any identified Substantial Equity Holders.

(g) Confidential Information. To the extent confidential information is required in any declaration described in these Procedures, such confidential information may be filed and served in redacted form; *provided*, *however*, that any such declarations served on the Debtors shall not be in redacted form. The Debtors shall keep all information provided in such declarations strictly confidential and **shall not** disclose the contents thereof to any person except (i) to the extent necessary to respond to a petition or objection filed with the Court; (ii) to the extent otherwise required by law; or (iii) to the extent that the information contained therein is already public; *provided, however*, that the Debtors may disclose the contents thereof to their professional advisors, who shall keep all such notices strictly confidential and shall not disclose the contents thereof to any other person, subject to further Court order. To the extent confidential information is necessary

to respond to a petitioner objection filed with the Court, such confidential information shall be filed under seal or in a redacted form.

(h) Definitions. For purposes of this Motion and the Procedures, the following terms have the following meanings:

(1) Option. "***Option***" shall mean any contingent purchase, warrant, convertible debt, put, Stock subject to a risk of forfeiture, contract to acquire Stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

(2) Stock. "***Stock***" shall mean all Ascend Elements, Inc. Stock. For the avoidance of doubt, by operation of the definition of "Tax Ownership," an owner of an Option to acquire Stock may be treated as the owner of such Stock.

FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.

ANY PROHIBITED SALE, TRADE, OR OTHER TRANSFER OF THE STOCK IN VIOLATION OF THE INTERIM ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY LEAD TO CONTEMPT, COMPENSATORY DAMAGES, PUNITIVE DAMAGES, OR SANCTIONS BEING IMPOSED BY THE BANKRUPTCY COURT.

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Rule 3001(e) of the Federal Rules of Bankruptcy Procedure and applicable securities, corporate, and other laws and do not excuse compliance therewith.

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed and served so as to actually be received by [___], 2026 and served on (a) the Debtors, 133 Flanders Road, Westborough, MA 01581; (b) proposed counsel to the Debtors, Norton Rose Fulbright US LLP, 1550 Lamar, Suite 2000, Houston, TX 77010, Attn: Ryan Manns; (c) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Ha Nguyen and Vianey Garza; (d) the official committee of unsecured creditors (if any) appointed in these chapter 11 cases and their counsel; (e) counsel to the DIP Lender; and (f) counsel to the collateral agent for the CLN Secured Parties.

PLEASE TAKE FURTHER NOTICE that if no objections are timely filed and served as set forth herein, the Debtors shall submit to the Court the Final Order granting the relief requested in the Motion, which order may be entered with no further notice or opportunity to be heard afforded to any party, and the Motion shall be approved to the date of filing the Motion. If an objection is timely filed, a hearing will be on [___], 2026, or at such date and time established by the Court.

EXHIBIT B

Proposed Final Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC., *et al.*,[1]	)	Case No. 26-90440
Debtors.	)	(Joint Administration Requested)

FINAL ORDER AUTHORIZING ESTABLISHING NOTIFICATION PROCEDURES AND APPROVING RESTRICTIONS ON CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES

Upon the motion (the "***Motion***")[2] filed by the above-referenced debtors and debtors in possession (collectively, the "***Debtors***") for entry of a final order (the "***Final Order***") (a) authorizing the Debtors to (i) establish and implement restrictions and notification requirements regarding the Tax Ownership[3] and certain transfers of interests in Ascend Elements, Inc. (the "***Stock***"); (ii) notify holders of Stock of the restrictions, notification requirements, and procedures set forth herein; and (iii) direct that any purchase, sale, or other transfer of Stock in violation of the procedures set forth herein shall be null and void *ab initio*, all as more fully set forth in the Motion and in the First Day Declaration; and the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

[2] Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

[3] "***Tax Ownership***" means beneficial ownership of Stock as determined in accordance with applicable rules under section 382 of the IRC, and thus, includes, but is not limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries, and entities (as defined in Treas. Reg. § 1.382-3(a)) would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person's family and persons acting in concert, and in certain cases, the creation or issuance of an Option (in any form). Any variation of the term "ownership" (e.g., own) shall have the same meaning.

order consistent with Article III of the United States Constitution; 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 the Court having found that the relief requested in the Motion is in the best interests of the Debtors and their respective estates, creditors, and other parties in interest; and the Court having found that proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary; and the Court having found that good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion, it is HEREBY ORDERED THAT:

1. The Motion is **GRANTED** on a final basis as set forth herein.

2. Any objections to the Motion are **OVERRULED**.

3. The Procedures, as set forth in **Exhibit 1** attached to the Interim Order, are hereby approved.

4. The notices substantially in the forms annexed to the Interim Order as **Exhibits 2-5** are hereby approved.

5. Any transfer of Tax Ownership of Stock in violation of the Procedures, including but not limited to the notice requirements, shall be null and void *ab initio*, and the person or entity making such transfer or declaration shall be required to take such steps as the court determines are necessary in order to be consistent with such transfer or declaration being null and void *ab initio*.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Final Order or the Motion is intended to be, nor should it be construed as (a) an

admission as to the validity or priority of any claim or lien against the Debtors, (b) an impairment or waiver of the Debtors' or any other party in interest's rights to contest or dispute any such claim or lien, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any proposed order, or (e) a waiver of the Debtors' or any other party in interest's rights. In addition, nothing in this Final Order or the Motion should be interpreted as the assumption or rejection of any executory contract or unexpired lease under section 365 of the Bankruptcy Code.

8. The requirements of Bankruptcy Rule 6004(a) are waived.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon entry of this Final Order.