Docket #0581 Date Filed: 11/13/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SANGAMO THERAPEUTICS, INC., Debtor.[1]	Chapter 11 Case No. 26-10989 (CTG) **Related to Docket No. 528**

OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) EXTENDING THE EXCLUSIVE PERIODS TO FILE AND SOLICIT ACCEPTANCES OF A CHAPTER 11 PLAN AND (II) GRANTING RELATED RELIEF

The Official Committee of Unsecured Creditors (the "Committee") of Sangamo Therapeutics, Inc. (the "Debtor") in the above-captioned chapter 11 case (the "Chapter 11 Case") hereby files this objection (this "Objection") to the *Motion of Debtor for Entry of an Order (I) Extending the Exclusive Periods to File and Solicit Acceptances of a Chapter 11 Plan and (II) Granting Related Relief* [Docket No. 528] (the "Motion").[2] In support hereof, the Committee respectfully represents as follows:

PRELIMINARY STATEMENT

1. The Debtor has completed its major asset sales, the last of which closed nearly two months ago on September 17, 2026, and represents that the estate is solvent and that it "will satisfy all allowed administrative, priority, and general unsecured claims in full." *See* Mot. ¶ 2. With the Debtor's principal assets sold and its secured debt repaid, the remaining task is to formulate and confirm a plan, paying unsecured creditors in full and distributing any residual value to equity.

[1] The debtor and the last four digits of its taxpayer identification number are: Sangamo Therapeutics, Inc. (9556). The debtor's mailing address is 7000 Marina Blvd, Brisbane, CA 94005.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or Bidding Procedures (as defined below) as applicable.

Yet, despite having committed to filing a plan by September 25, 2026 and having a clear path toward confirmation, the Debtor has failed to take the steps necessary to advance the plan process. More than six weeks after the date the Debtor agreed to have a plan on file, the Debtor has not filed a plan, a plan term sheet, or a disclosure statement. Instead, the Debtor asks for a sixty-day extension to file a plan.

2. The Debtor has only regressed in the plan process since the sales closed. Its only plan sponsor bid, the FSI Plan Sponsor Alternative, has been withdrawn. The Debtor attempts to justify the loss of this bid by noting that its efforts to engage a new plan sponsor have generated interest from unnamed parties. However, the Motion identifies no bid, no price, no term sheet, and no timeline, nor has any additional concrete information been provided to the Committee. The mere possibility that an unidentified party may eventually submit an acceptable proposal does not establish cause to prevent other parties in interest from proposing a plan.

3. This case is not complex. Following the closing of the Sales there is no significant operating business and no secured debt. Unsecured creditors are to be paid in full, and equity should receive the remainder of the estate's assets.

4. The Motion's central premise is that exclusivity should be extended because (a) the Equity Committee has agreed not to oppose it and (b) the Debtor is working to file a "jointly proposed plan" with the Equity Committee. *See* Mot. ¶¶ 6, 19, 33. The Equity Committee has no consent right over the plan process, and a plan can be confirmed without its support. The Debtor is a fiduciary for the estate as a whole, not for a single constituency, therefore it should not gamble the estate's value on a speculative transaction at the Equity Committee's urging.

5. The Debtor is solvent and has the ability to file a confirmable plan today and make distributions to creditors. Instead, the Debtor is seeking additional time to pursue speculative

upside for equity holders and further delay repayment of creditors. This is not a proper use of the Debtor's Exclusive Periods or cause to extend the same. For the foregoing reasons, and as detailed below, the Motion should be denied.

BACKGROUND

I. Chapter 11 Case

6. On June 23, 2026 (the "Petition Date"), the Debtor commenced the Chapter 11 Case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor continues to operate its business and manage its properties as a debtor and debtor in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

7. On July 2, 2026, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Committee pursuant to Bankruptcy Code section 1102(a) [Docket No. 86]. On August 5, 2026 the U.S. Trustee appointed an Official Committee of Equity Holders (the "Equity Committee") pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 256]. No trustee or examiner has been appointed in the Chapter 11 Case.

II. The Sale Process

8. On July 14, 2026, the Court entered the *Order (A) Approving Bidding Procedures for the Sale of the Debtor's Assets, (B) Approving the Debtor's Entry into the Stalking Horse APAs and Granting Bid Protections, (C) Authorizing the Debtor to Designate Additional Stalking Horse Bidders and Granting Bid Protections, (D) Approving Assumption and Rejection Procedures, (E) Scheduling an Auction and Sale Hearing and Approving Forms and Manner of Notice Thereof, and (F) Granting Related Relief* [Docket No. 122] (the "Bidding Procedures Order"), which, among other things: (i) approved procedures (the "Bidding Procedures") to be used in connection with one or more sales (each, a "Sale") of substantially all of the Debtor's assets (the "Assets"),

(ii) established a deadline of August 4, 2026 for interested parties to submit bids for the Assets (the "Bid Deadline"), (iii) authorized the Debtor to enter into and perform under the Merope Stalking Horse APA, by and among the Debtor, Merope Acquisition Sub, LLC (the "Merope Stalking Horse Bidder"), and Eli Lilly and Company (solely as guarantor) for the sale of certain of the Assets as described therein (the "Merope Assets"), (iv) authorized the Debtor to enter into and perform under the Astellas Stalking Horse APA, by and between the Debtor and Astellas Gene Therapies, Inc. (the "Astellas Stalking Horse Bidder") for the sale of certain of the Assets as described therein (the "Fabry Assets"), and (v) scheduled an auction on August 10, 2026 for the Assets (the "Auction") and a final hearing to consider approval of the Sale(s) (the "Sale Hearing").

9. Following the Bid Deadline, the Debtor did not receive Qualified Bids (as defined in the Bidding Procedures) for the Merope Assets other than the stalking horse bid from the Merope Stalking Horse Bidder but did receive certain Qualified Bids for the Fabry Assets in addition to the stalking horse bid from the Astellas Stalking Horse Bidder. The Debtor also received multiple Qualified Bids for various subsets of Assets that were not Merope Assets or Fabry Assets, including a Qualified Bid that contemplated a reorganization pursuant to a chapter 11 plan of reorganization (a "Plan Sponsor Alternative") from the Debtor's Replacement DIP Lender, Future Solution Investments, LLC ("FSI"). The FSI bid was the only Plan Sponsor Alternative the Debtor received by the Bid Deadline.

10. On August 10, 2026, the Debtor commenced the Auction for certain of the Assets in accordance with the Bidding Procedures.

11. On August 12, 2026, the Debtor filed the *Notice of (I)(A) Conclusion of Auction for Certain of the Debtor's Assets*, *(B) Designation of Successful Bidders and Backup Bidders for Such Assets, and (C) Sale Hearing for Such Assets, and (II) Adjournment of Auction for Remaining*

Assets and Plan Sponsor Alternative Bids [Docket No. 290] (the "Notice of Successful Bidders"). The Notice of Successful Bidders, among other things, (i) designated Successful Bidders and Backup Bidders (as applicable) for the Merope Assets, Fabry Assets, Equipment Lot 1 Assets, and Equipment Lot 2 Assets (each as defined in the Notice of Successful Bidders), and (ii) continued the Auction and extended the Bid Deadline solely with respect to the Debtor's remaining Assets (the "Remaining Assets") and Plan Sponsor Alternative Bids to dates to be determined.

12. On August 20, 2026, following the Sale Hearing, the Court entered orders approving the Sales of the (i) Equipment Lot 1 Assets [Docket No. 358], (ii) Equipment Lot 2 Assets [Docket No. 356], and (iii) Merope Assets [Docket No. 362]. The Sale of the Merope Assets (the "Merope Sale") closed on September 4, 2026. *See* Docket No. 436.

13. On August 27, 2026, the Debtor filed the *Notice of Further Extension of Bid Deadline for (I) Remaining Assets and (II) Plan Sponsor Alternative Bids* [Docket No. 393] (the "Notice of Extended Bid Deadline"). The Notice of Extended Bid Deadline (a) effectively removed any bid deadline with respect to the Remaining Assets by extending the bid deadline "through and including the date upon which an order of the Court confirming a chapter 11 plan in the Chapter 11 Case […] becomes a final, non-appealable order" (the "Extended Bid Deadline") and (b) stated that the Debtor intended to file a plan on or before September 25, 2026.

14. On September 2, 2026, the Court entered an order approving the sale of the Fabry Assets to PTC Therapeutics, Inc. [Docket No. 426]. The Sale of the Fabry Assets (the "Fabry Sale") closed on September 17, 2026. *See* Docket No. 468. In total, the Debtor's four closed Sales generated over $163 million in cash proceeds, plus $100 million in contingent future milestone payments.

15. On October 21, 2026, the Debtor filed the *Notice of Revised Bid Deadline, Auction, and Sale Hearing for the Remaining Assets* [Docket No. 530] (the "Revised Bid Notice"), setting new deadlines related to the sale process for the Remaining Assets (principally comprising the Debtor's ST-503 (Nav1.7) program), following the Debtor's indefinite adjournment of the same as reflected in the Notice of Extended Bid Deadline.[3] Under the Revised Bid Notice, bids for the Remaining Assets are due November 13, 2026, any auction will be held on November 17, 2026, and the sale hearing is set for November 23, 2026. The Revised Bid Notice does not alter the indefinite bid deadline for Plan Sponsor Alternatives.[4]

III. Plan Negotiations and the Revocation of the FSI Plan Sponsor Alternative

16. On September 30, 2026, five days after the passing of the September 25, 2026 date the Debtor had identified for filing a plan, without a plan being filed, FSI withdrew the FSI Plan Sponsor Alternative. The FSI Plan Sponsor Alternative, the only plan sponsor bid the Debtor received by the Bid Deadline, is therefore no longer on the table.

17. The Debtor asserts that it has since received "additional non-binding plan sponsor proposals," that the Equity Committee is conducting its own marketing efforts, and that "several" interested parties have executed confidentiality agreements. *See* Mot. ¶¶ 5, 19. The Motion does not identify any such party, any proposed price or structure, or any timeline for a binding proposal.

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[3] The Remaining Assets, including the ST-503 (Nav1.7) program, were marketed both before and after the Petition Date, but no actionable bid has been received to date. *See* Mot. ¶¶ 5, 16–17, 19; Revised Bid Notice at 1–2. The Debtor is currently seeking to sell the Remaining Assets, and to monetize its net operating losses through a plan sponsor transaction, on the timeline described in the Revised Bid Notice and the Motion. *See* Revised Bid Notice at 2–4.

[4] The Debtor's stated path to monetizing its net operating losses is a plan sponsor transaction or other restructuring alternative. *See* Mot. ¶ 3. The Debtor asserts up to approximately $980 million of net operating loss carryforwards but acknowledges that figure is stated before any reduction for gains recognized on the asset sales it has already completed. *See* Mot. ¶ 3 n.3. Importantly, the Motion does not quantify the net operating losses that would remain after those gains, the limitations that would apply to their use in a plan sponsor or other transaction, or what any counterparty would pay for them.

18. On October 14, 2026, the Debtor's management met with the members of the Equity Committee in New York. *See* Mot. ¶ 6. According to the Debtor, it "expressed its support" for developing transaction alternatives that "have the support of the Equity Committee," and "[o]n the basis of this support, the Equity Committee agreed not to oppose the relief sought in this Motion." *See* Mot. ¶¶ 6, 19.

19. On October 21, 2026, the day the Debtor's filing exclusivity period would otherwise have expired, the Debtor filed the Motion [Docket No. 528]. The Motion seeks to extend the filing and solicitation exclusive periods (together, the "Exclusive Periods") by approximately sixty days each, to December 23, 2026 and February 24, 2027, respectively.

OBJECTION

I. The Debtor Has Not Established Cause to Extend Exclusivity

20. The Bankruptcy Code limits the period of time during which a debtor has the exclusive right to file a plan of reorganization and solicit acceptances from creditors. *See* 11 U.S.C. § 1121(b), (c). While the exclusive periods may be extended for "cause," the Bankruptcy Code does not give a debtor the unfettered right to extend these periods. *See In re Borders Grp., Inc.*, 460 B.R. 818, 821–22 (Bankr. S.D.N.Y. 2011); *see also First Am. Bank of N.Y. v. Sw. Gloves & Safety Equip., Inc.*, 64 B.R. 963, 965 (D. Del. 1986) ("Section 1121(d) provides the Bankruptcy Court with flexibility to either reduce or increase that period of exclusivity in its discretion"). Instead, the "decision to extend a debtor's exclusive periods is a serious matter; extensions are not granted routinely or cavalierly." *In re Borders Grp.*, 460 B.R. at 821 (citing *In re McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987)). Congress explicitly emphasized the Bankruptcy Code's recognition of "legitimate interests of creditors, whose money is in the enterprise as much as the debtor's, to have a say in the future of the company." *In re Timbers of Inwood Forest*

Assocs., Ltd., 808 F.2d 363, 372 n.15 (5th Cir. 1987), *aff'd sub nom. United Sav. Ass'n of Tex. v. Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. 365 (1988) (internal citation omitted).

21. A debtor bears the "burden of proving cause" to extend exclusivity and "must produce affirmative evidence to support a finding of cause." *In re Borders Grp.*, 460 B.R. at 821 (citations omitted); *see also* 11 U.S.C. § 1121(d)(1); *In re GMG Cap. Partners III, L.P.*, 503 B.R. 596, 601 (Bankr. S.D.N.Y. 2014); *In re Dow Corning Corp.*, 208 B.R. 661, 663 (Bankr. E.D. Mich. 1997). Even if cause is shown, the court retains broad discretion to refuse to extend exclusivity (or to grant an extension that is shorter than requested by the debtor) since, ultimately, "[s]ection 1121 was designed, and should be faithfully interpreted, to limit the delay that makes creditors the hostages of chapter 11 debtors." *In re Curry Corp.*, 148 B.R. 754, 755 (Bankr. S.D.N.Y. 1992) (quoting *Timbers*, 808 F.2d at 372); *see also In re Sharon Steel Corp.*, 78 B.R. 762, 763–65 (Bankr. W.D. Pa. 1987) (explaining that, because section 1121(d) provides that a court "may for cause reduce or increase" the exclusive periods, a court may decline to extend exclusivity notwithstanding a showing of "cause").

22. Although Bankruptcy Code section 1121(d)(1) does not define "cause," courts have promulgated a multi-factor balancing test to guide their inquiry in determining whether sufficient cause exists to modify or terminate exclusivity, as follows:

(a) the size and complexity of the case;

(b) the necessity of sufficient time to negotiate and prepare adequate information;

(c) the existence of good faith progress towards reorganization;

(d) whether the debtor is paying its debts as they become due;

(e) whether the debtor has demonstrated reasonable prospects for filing a viable plan;

(f) whether the debtor has made progress negotiating with creditors;

(g) the length of time the case has been pending;

(h) whether the debtor is seeking an extension to pressure creditors; and

(i) whether or not unresolved contingencies exist.

See, e.g., *In re Dow Corning Corp.*, 208 B.R. 661, 664–65 (Bankr. E.D. Mich. 1997) (considering the above factors); *In re Borders Grp., Inc.*, 460 B.R. 818, 822 (Bankr. S.D.N.Y. 2011) (same); *In re Adelphia Commc'ns Corp.*, 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006) (same); *see also Freedom Lender Gp. v. Franchise Gp., Inc. (In re Franchise Gp., Inc.)*, No. 24-1394-TLA, 2025 U.S. Dist. LEXIS 85221, at *4 (D. Del. Mar. 5, 2025) (identifying Adelphia factors considered by courts in determining whether cause exists to extend exclusivity).

23. A bankruptcy court should consider an exclusivity motion "not just by a checking off, or any mechanical counting or even weighting, of the enumerated factors, but also by taking a broader, more global view—focused on what is best for the[] chapter 11 case[] . . ." *Adelphia*, 352 B.R. at 582. "Sometimes one or more factors strongly point to a particular result while others point the other way only weakly. And sometimes certain factors are just more relevant or important than others." *Dow Corning Corp.*, 208 B.R. at 669. Ultimately, in deciding whether to terminate or modify a debtor's exclusivity, "the primary consideration should be whether or not doing so would facilitate moving the case forward," and that is a "practical call that can override a mere toting up of the factors." *Id.* at 670.

24. In this case, the Debtor has not met its burden to demonstrate cause to extend the Exclusive Periods. To the contrary, the majority (if not all) of the factors enumerated above weigh in favor of this Court ***denying*** the Debtor's requested extension:

(a) the size and complexity of the case – ***weighs against granting extension***

- As of September 17, 2026, the Debtor sold substantially all of its assets. Thus, the only remaining significant task in this single-debtor chapter 11 proceeding is to formulate a straightforward plan to reconcile claims and make distributions. This is not complex. The Debtor itself represents that the estate is solvent and that all allowed administrative, priority, and general unsecured claims will be paid in full. The Replacement DIP Facility has been repaid and no secured debt remains. The plan is therefore a simple waterfall: administrative and priority claims are paid, general unsecured claims are paid in full with interest, and the remainder goes to equity. The "complex issues" the Debtor identifies do not change that conclusion. The treatment of equity is dictated by the waterfall. Claims reconciliation is a routine feature of every chapter 11 case, proceeds in parallel with confirmation, and, if necessary, can be completed after the effective date. And the preservation of tax attributes is a speculative objective whose value the Debtor has not quantified.[5]

(b) the necessity of sufficient time to negotiate and prepare adequate information – ***weighs against granting extension***

- There has already been more than sufficient time in this Chapter 11 Case for the Debtor to negotiate and prepare adequate information to support a chapter 11 plan, yet the Debtor has failed to do so. The Debtor has not advanced a plan since the sales closed, notwithstanding its receipt of the FSI Plan Sponsor Alternative and the Debtor's stated intention to file a plan on or before September 25, 2026.

(c) the existence of good faith progress towards reorganization – ***weighs against granting extension***

- The Debtor has been soliciting Plan Sponsor Alternative Bids for over four months. The Equity Committee has been soliciting Plan Sponsor Alternative Bids for over three months. The Motion does not identify any actionable Plan Sponsor Alternative Bid or a path or timeline to obtaining an actionable Plan Sponsor Alternative Bid. Instead, the Motion acknowledges that the Debtor has lost the only actionable Plan Sponsor Alternative Bid it was able to obtain, the FSI Plan Sponsor Alternative.

[5] If the Debtor's position is that a plan is not currently feasible due to these "complex issues," the Debtor should move to dismiss the chapter 11 case through a structured dismissal paying administrative and general unsecured creditors in full, rather than remaining in chapter 11.

(d) whether the debtor has demonstrated reasonable prospects for filing a viable plan – ***weighs against granting extension***

- The Committee has no doubt the Debtor could file a confirmable plan today. There are no impaired classes of claims and no impediments to confirmation.

(e) the length of time the case has been pending – ***weighs against granting extension***

- The Chapter 11 Case has been pending since June 23, 2026 and the Debtor completed the sales of substantially all of its assets as of September 17, 2026. If extended, the proposed Exclusive Filing Period would run until December 23, 2026, more than three months after the last sale closed, and the proposed Exclusive Solicitation Period would run until February 24, 2027, more than five months after the last sale closed and nearly eight months after the Petition Date.

(f) whether or not unresolved contingencies exist – ***weighs against granting extension***

- No unresolved contingencies exist. As stated above, all that is left to do in this Chapter 11 Case is to file a proposed plan as soon as possible so that a plan can be confirmed before additional estate assets are expended in the administration of the Chapter 11 Case. There are always open issues in the plan process, but such issues can be resolved on or before plan confirmation and should not delay plan filing.

25. More importantly, the primary consideration when a court is deciding whether to grant continued exclusivity is whether the extension will facilitate the progress of the Chapter 11 Case. *See Dow Corning Corp.*, 208 B.R. at 670. This consideration strongly weighs in favor of not extending the Debtor's exclusivity rights. The Debtor's asset sales closed as of September 17, 2026 and yet, nearly two months later, no plan is on file. Extending the Debtor's exclusive right to file a plan will only create a barrier to, and result in further delays of, filing a plan. Simply put, a plan needs to be on file as soon as possible. Denying the requested extension would not prevent the Debtor from continuing to negotiate with prospective plan sponsors or proposing its own plan.

It would merely prevent the Debtor from continuing to extend this Chapter 11 Case and delay payment in full to unsecured creditors.

II. Extending the Exclusivity Periods Would Impose Unnecessary Costs Upon the Estate

26. An extension of the Debtor's Exclusive Periods will effectively delay the end of this chapter 11 case. This delay will continue to erode the value available for distribution when (or if) a plan is ultimately confirmed. This value erosion will come in two forms (a) additional interest on general unsecured claims,[6] and (b) additional professional fees.

27. While the Debtor seeks a sixty (60) day extension of the Exclusive Periods, there is no reason to believe it will file a plan by December 23, 2026, rather than seek further extensions. The Debtor has solicited Plan Sponsor Alternative Bids for over four months without receiving an actionable offer, and the Motion provides no basis to believe another two months will change that. *See* Mot. ¶¶ 5, 19, 20. Even if the Debtor files a plan, it will still need additional time to solicit votes and obtain confirmation, during which it can continue marketing for a plan sponsor because bids remain open until the confirmation order becomes final and non-appealable. *See* Notice of Extended Bid Deadline. Thus, the requested extension serves only to delay the plan process, increase postpetition interest obligations to unsecured creditors and professional fees, and reduce residual value available to equity.

28. The Debtor's suggestion that exclusivity will avoid the "additional expense" of competing plan processes is also unpersuasive. Any plan proposed at this stage must provide for payment in full of general unsecured creditors, with interest, and distribution of remaining assets

[6] The Debtor has represented that the estate is solvent and that general unsecured claims will be paid in full. In a solvent estate, unsecured creditors are entitled to postpetition interest. *See In re Hertz Corp.*, 120 F.4th 1181, 1203–04 (3d Cir. 2024) (holding that solvent debtors must pay unimpaired creditors postpetition interest at the equitable rate, which may be the contract rate, before making distributions to equity holders). Interest therefore accrues on general unsecured claims from the Petition Date and must be paid before equity receives anything. With a claims pool estimated at approximately $36 million, the postpetition interest accruing is significant.

to equity holders. Moreover, the possibility of competing plans does not necessarily result in duplicative expenses, and any incremental costs must be weighed against the costs of further delay and the benefits of moving toward confirmation.

III. The Equity Committee Has No Consent Rights Over the Plan Process, and the Debtor Must Act to Benefit the Estate as a Whole

29. The Motion's central premise is that the Motion should be approved due to the Debtor's ongoing "collaboration" with the Equity Committee. *See* Mot. ¶¶ 7, 37. According to the Debtor, the Equity Committee agreed not to oppose the Motion after the Debtor expressed "support" for transaction alternatives that "have the support of the Equity Committee." *See* Mot. ¶¶ 6, 19, 33. The silence of one constituency, obtained on the strength of the Debtor's promise of support, does not satisfy the Debtor's burden to prove cause with affirmative evidence. *See Borders*, 460 B.R. at 821 (holding that the party seeking to extend exclusivity bears the burden of establishing cause through affirmative evidence). The Committee, which represents the creditors whose claims the Debtor says it will pay in full, objects. While Bankruptcy Code section 1121 protects the Debtor's opportunity to formulate and propose a plan, it does not give the Equity Committee the ability to extend the Debtor's exclusivity in order to protect that committee's preferred transaction.

30. The Equity Committee has no consent rights over the plan process. An official committee's statutory role is to consult with the debtor, investigate its affairs, participate in the formulation of a plan, and advise its constituents. *See* 11 U.S.C. § 1103(c). Nothing in the Bankruptcy Code gives the Equity Committee the right to consent to, or to veto, the Debtor's plan timeline, and no order entered in this Chapter 11 Case confers such a right.

31. Nor can the Equity Committee block confirmation. If a class of equity holders is impaired and rejects the plan, the Court may confirm the plan over its dissent so long as the plan

does not discriminate unfairly and is fair and equitable. *See* 11 U.S.C. § 1129(b)(1), (b)(2)(C). A plan that pays creditors in full and distributes all remaining value to equity holders, with nothing flowing to any junior interest is confirmable notwithstanding the Equity Committee's opposition, provided that the applicable requirements of section 1129 are satisfied. A consensual plan is a worthy goal, but it is not a prerequisite to confirmation and is no reason to deny every other stakeholder the ability to propose a plan now.

32. The Debtor's concern that a plan filed now would foreclose a future value-maximizing transaction is also misplaced. If a credible plan sponsor or buyer emerges with real value for the estate, that proposal can be presented, evaluated, and implemented through the plan process, including by amendment of a plan on file. The Debtor has made clear that it will continue to accept bids for the Remaining Assets and Plan Sponsor Alternatives through the Extended Bid Deadline. *See* Notice of Extended Bid Deadline. Exclusivity is not required to receive or evaluate such a proposal.

33. Holding the case open to pursue a speculative transaction supported by a single constituency is not the purpose of exclusivity. The Debtor acknowledges that the exclusive periods exist to give a debtor time to formulate a plan "supported by some or all of a debtor's key constituents." *See* Mot. ¶ 23. A debtor that has the ability to file and confirm a plan but delays doing so to continue negotiating with its most junior constituency while the creditors ahead of it wait to be paid is not building consensus among its key constituents. It is using the plan process, and the estate's resources, to advance the interests of a single class.

34. For these reasons, the Committee requests that the Court deny the Motion.

RESERVATION OF RIGHTS

35. The Committee reserves all rights with respect to the Motion (including, without limitation, any order approving the same), and expressly reserves and preserves all rights to modify or supplement this Objection or to raise any additional objections to the relief requested in the Motion at or prior to the hearing with respect to the same.

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CONCLUSION

WHEREFORE, for the foregoing reasons, the Committee respectfully requests that the Court: (i) sustain this Objection; (ii) deny the Motion; and (iii) grant such other relief as the Court deems necessary or appropriate.

Date: November 13, 2026
Wilmington, Delaware

MCDERMOTT WILL & SCHULTE LLP

/s/ David R. Hurst

David R. Hurst (I.D. No. 3743)
Andrew A. Mark (I.D. No. 6861)
The Brandywine Building
1000 N. West Street, Suite 1400
Wilmington, Delaware 19801
Tel: (302) 485-3900
Email: dhurst@mcdermottlaw.com
amark@mcdermottlaw.com

- and -

Darren Azman (admitted *pro hac vice*)
Kristin K. Going (admitted *pro hac vice*)
Lindsay C. Barca (admitted *pro hac vice*)
One Vanderbilt Avenue
New York, New York 10017-3852
Tel: (212) 547-5400
Email: dazman@mcdermottlaw.com
kgoing@mcdermottlaw.com
lbarca@mcdermottlaw.com

Counsel to the Official Committee of Unsecured Creditors