Docket #0003 Date Filed: 2/16/2026

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
Vanderbilt Minerals, LLC,[1]	Case No. 26-60110(WAK)
Debtor.	

DECLARATION OF DEAN VOMERO, THE CHIEF RESTRUCTURING OFFICER OF DEBTOR VANDERBILT MINERALS, LLC, IN SUPPORT OF FIRST DAY MOTIONS OF DEBTOR AND DEBTOR IN POSSESSION

I, Dean Vomero, hereby declare under penalty of perjury, that:

1. I am the Chief Restructuring Officer of Vanderbilt Minerals, LLC (the "Debtor"), the debtor and debtor in possession in the above-captioned chapter 11 case. I was appointed as Chief Restructuring Officer of the Debtor in May 2025.

2. I am also currently a Managing Director at Applied Business Strategy LLC ("ABS"), which I co-founded, and currently serve as the Chief Restructuring Officer of Berlin Station LLC and Burgess Biopower LLC, whose joint plan of reorganization will become effective upon Federal Energy Regulatory Commission approval (estimated to be within one month) of an underlying settlement agreement. I have over 30 years' experience advising distressed companies, including executive officer or strategic advisor positions including: Commercial Vehicle Group Inc. (Vice President of Strategy, Mergers and Acquisitions), Chief Restructuring Officer for two different large food companies, MIR Scientific LCC (Chief Restructuring Officer), an international manufacturer of commercial vehicle components (Interim Chief Financial Officer), Three Five Systems (Interim Chief Financial Officer), Coyne

[1] The Debtor is Vanderbilt Minerals, LLC (EIN 13-1432885). The Debtor's noticing address in this chapter 11 case is 33 Winfield Street, Norwalk, Connecticut 06855.

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Textile Services (Chief Restructuring Officer), Annie's Homegrown (Interim Chief Financial and Operating Officer), Parts Depot (Chief Restructuring Officer), Epic Resorts (Interim Chief Financial Officer) and Bliss Technologies (Vice President of Strategy).

3. I have also served as financial advisor or expert witness in several bankruptcy and non-bankruptcy situations. Prior to founding ABS, I held positions at Bridge Associates, Ernst & Young and PricewaterhouseCoopers, where I advised large companies in performance improvement and strategic issues. I received a Bachelor of Science in Business Administration in Accounting from John Carroll University. I am an inactive Certified Public Accountant and Certified Professional Forecaster.

4. In March 2025, R.T. Vanderbilt Holding Co., Inc. ("Holdings") and Jones Day jointly engaged ABS to provide financial advice and analysis regarding intercompany transactions and transfers among affiliated entities (the "Initial Engagement"). On May 24, 2025, the Debtor engaged ABS to serve as the Debtor's Chief Restructuring Officer and the Initial Engagement came to an end. Since that date, I have served as the Debtor's Chief Restructuring Officer.

5. As part of my role at the Debtor, I am generally familiar with the Debtor's history, day-to-day operations, business and financial affairs and books and records and the Debtor's restructuring efforts.

6. On February 16, 2026 (together, the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of New York (the "Court") and commenced this chapter 11 case (this "Chapter 11 Case"). An organizational chart for the Debtor and its non-debtor affiliates is attached hereto as Exhibit A.

7. To minimize the adverse effects of filing for chapter 11 protection and to enhance its ability to consummate a successful restructuring and confirm a chapter 11 plan, the Debtor has filed several pleadings requesting various kinds of "first day" relief (collectively, the "First Day Motions") concurrently with the filing of this declaration (this "Declaration"). I am generally familiar with the contents of each First Day Motion (including the exhibits and other attachments to such motions) and, to the best of my knowledge, insofar as I have been able to ascertain after reasonable inquiry, believe the relief sought in each First Day Motion: (a) is necessary to enable the Debtor to operate in chapter 11 with minimum disruptions; (b) is important to the Debtor's achievement of a successful restructuring; and (c) best serves the Debtor's estate and creditors' interests. Further, it is my belief that the relief sought in the First Day Motions is narrowly tailored and necessary to achieve the goals identified above.

8. I submit this Declaration in support of: (a) the Debtor's petition for relief under chapter 11 of the Bankruptcy Code and (b) the First Day Motions. Except as otherwise indicated, all statements set forth in this Declaration are based upon: (a) my personal knowledge; (b) information supplied to me by other members of the Debtor's management team, members of the non-debtor affiliates' management teams, the Debtor's professionals or non-debtor affiliates' professionals; (c) my review of relevant documents; or (d) my opinion based upon my experience and knowledge of the Debtor's operations and financial conditions. If called upon to testify, I could and would testify to the facts set forth in this Declaration. I am authorized by the Debtor to submit this Declaration.

9. Part I of this Declaration provides a summary overview of the Debtor's history and operations. Part II describes the talc-related litigation facing the Debtor. Part III describes the Debtor's prepetition marketing process and proposed postpetition sale process. Part IV

contains a description of the Debtor's capital structure. Part V sets forth relevant facts in support of the First Day Motions.

Part I

The Debtor's History and Operations

10. The Debtor mines, processes and distributes worldwide industrial minerals – primarily various clays – that are used in pharmaceutical, agriculture, personal care, coating, adhesive, construction, industrial and household products. The Debtor operates mines and processing facilities in New York, North Carolina, South Carolina and Nevada, mines in Arizona and California and has approximately 125 full-time employees. The Debtor is headquartered in Norwalk, Connecticut.

11. The Debtor's predecessor-in-interest, R.T. Vanderbilt Company, Inc. ("RTVC"), was founded in New York City in 1916 by Robert T. Vanderbilt. Initially, RTVC's business focused on mining clay for use in the manufacture of paper products. By the 1920s, however, RTVC had shifted to producing mineral fillers for use in the rubber industry.

12. Around that time, RTVC established Vanderbilt Research Laboratories in Norwalk, Connecticut, where RTVC eventually moved its headquarters and remains based today. In 1920, RTVC organized its Specialties Department, which focused on research and development of new uses for clay and pyrophyllite minerals, and, in 1922, RTVC expanded into ceramics through contracts with pottery manufacturers engaged in the production of ceramic plumbing fixtures. From that point on, RTVC quickly began expanding into the product lines that comprise the Debtor's and its affiliates' businesses today.

13. The Debtor's products are used in a wide variety of products that people use on a daily basis spanning toothpaste to automotive brake components. The Debtor sells to over 800

customers in approximately 60 countries. Annual revenues in 2025 were $64.3 million, of which 42.3% were export sales. The Debtor owns over 70 unique brands and utilizes a combination of internal sales and a global distribution network of approximately 50 distributors to sell its products. The Debtor's largest customer and largest supplier is an affiliated entity, Vanderbilt Chemicals, LLC ("VC").

14. The Debtor operates six unique businesses under one legal entity including: (a) surface mining and processing of kaolin clay at its Dixie Clay Division ("Dixie"); (b) surface mining and processing of pyrophyllite at its Standard Minerals Division ("SMD"); (c) resale of third-party disbursing agents and xanthan gum under the Debtor's brands; (d) mining/crushing of bentonite clays at five Debtor mines and saponite/hectorite at VC's mine in Lyles, Arizona (the "Lyles Mine") at its Western Division; (e) formulation, branding and resale of VEEGUM® family products, which are highly engineered mixtures of Western Division and third-party minerals and additives produced by VC; and (f) underground mining and processing of wollastonite at its Gouverneur Minerals Division ("GMD").

15. The Debtor outsources most administrative functions, such as accounting, human resources and information technology to an affiliated entity, Vanderbilt Global Services, LLC ("VGS"), while Holdings is responsible for the Debtor's insurance policies, maintains certain operating and capital leases important to the Debtor's operations and pays certain expenses.

A. The Dixie Clay Division

16. Dixie mines and process kaolin clay, which is used as a functional filler in rubber, paint, paper and plastics and is a key ingredient in ceramics, with uses in refractories, glassware, electrical insulators and fiberglass. In fact, the difference between hard rubber and soft rubber is based on the type of clay in the formula – hard or soft.

17. Dixie operates two open-pit mines, one hard clay and the other soft clay, and a processing facility and owns over 3,000 acres of land in Bath Township, South Carolina. The clay is mined by a third party intermittently. Each intermittent mining process generally results in the production of a six-to-twelve-month stockpile. The clay is then dried and processed to remove impurities through an air-floating process. Afterward, the clay is packaged in either bags, 2,000-pound supersacks or loaded in bulk onto trucks. The Debtor sells the clay under several brands.

18. Dixie accounted for 10.8% of the Debtor's 2025 annual revenues. Dixie sells over half its products to VC who, in turn, uses the clay in products sold to the rubber and plastics industry. Approximately 27 of the Debtor's employees work for Dixie.

B. The Standard Mineral Division

19. SMD, located on 1,500 acres in Robbins, North Carolina, operates two pyrophyllite mines, the Glendon Mine and the Robbins Mine. Glendon Mine produces uniquely high-grade refractory grade pyrophyllite, much of which is used in the European automotive market. The Robbins Mine produces filler-grade pyrophyllite primarily used in drywall joint compounds. SMD clays are marketed under the trademark PYRAX®. SMD mines then stockpiles the clays, which are then crushed, blended, dry-ground and air-classified (for particle size) at a mill in Robbins. Thirty-six of the Debtor's employees work for SMD. SMD accounted for 21.4% of the Debtor's 2025 annual revenues.

C. Resale Products

20. The Debtor has a significant resale business, representing 17.9% of the Debtor's 2025 annual revenues. The Debtor purchases products from third party suppliers and resells

those products under the Debtor's own brands. The Debtor's resale brands are DARVAN®, VANZAN® and ACTIVE-8®.

21. DARVAN® is primarily used as a disbursing agent. The Debtor has approximately a dozen unique DARVAN® brands with each individual brand designed for a specific end-market or application.

22. VANZAN® is a xanthan gum designed for applications such as reconstituable powders, dry powder formulations and tablet coatings. The Debtor has approximately five unique brands of VANZAN® with each brand designed for a specific end-market or application. Customers often pair VANZAN® products with the Debtor's VEEGUM® family of products in formulating products.

23. ACTIVE-8®, is a drier accelerator used to improve dry times in solvent-borne paints and coatings. This brand accounted for only a small portion of the Debtor's 2025 annual revenues and is likely to be discontinued in 2026. This product is produced by and purchased from VC.

D. The Western Division

24. Approximately seven of the Debtor's employees work for the Western Division, mining large stockpiles of ore from the Debtor's bentonite deposits in California and Nevada. These western mines contain deposits of various forms of bentonite clay. Each bentonite deposit has unique characteristics – for example different colors or pH – making the varying deposits useful for different types of end products.

25. The Western Division also makes saponite/hectorite from the Lyles Mine. This mineral is critical to the formulation of several VEEGUM® family products.

26. After extraction, the minerals from the western mines are shipped to the Debtor's crushing facility in Beatty, Nevada, where they are crushed, packaged into 2,000-pound sacks and shipped to VC's processing facility in Murray, Kentucky. As explained below, VC processes those minerals into VEEGUM® products and sells the finished product back to the Debtor.

27. The minerals mined by the Western Division are used exclusively in the production of the VEEGUM® family of products. These minerals are not sold to third parties.

E. The VEEGUM® Family of Products

28. VEEGUM® family of products are integral to the Debtor's business, representing 30.3% of the Debtor's 2025 annual revenues. The Debtor exports approximately two-thirds of its VEEGUM® products. Nearly all the Debtor's projected growth, through new product introductions, expansion of sales resources and other process improvement is attributable to the VEEGUM® family of products.

29. VC produces the VEEGUM® family of products using those minerals at an approximately 50,000-square-foot, single-purpose, highly automated advanced manufacturing facility within VC's vast chemical plant campus in Murray, Kentucky. Afterward, VC sells the finished VEEGUM® products exclusively to the Debtor, who resells those products.

30. VEEGUM® product formulas combine unique blends of minerals and other additives. VEEGUM® is comprised of three unique product families: VEEGUM®, VANNATURAL® and VAN GEL®.

31. The VEEGUM®-branded products are shipped to a third-party supplier for irradiation (to remove microbes) to conform with industry or customer standards – in particular pharmaceutical, cosmetic and personal care. VEEGUM® consists of approximately a dozen

variants. For example, VEEGUM® D is used in dental applications to ensure toothpastes stand up on toothbrushes, release flavors and rinse well. For another example, VEEGUM® K is well suited for acidic pH pharmaceutical suspensions and lotions and creams.

32. The VAN GEL® product family is designed more for industrial use because it is not irradiated. For example, VAN GEL® B is used in household and institutional alkaline cleaners, polishes and caustic cleaners.

33. VANNATURAL® is bentonite clay and is used as a pure and natural suspension stabilizer, emulsion optimizer and rheology modifier that allows suspension concentrates to be formulated for high stability, low viscosity and good fluidity for ecological and organic skincare products and cosmetics.

F. The Gouverneur Division

34. In 1947, RTVC entered into a 99-year lease and royalty agreement with the McLear family, who owned property that included significant talc deposits in Gouverneur, New York. In the summer of 1947, RTVC formed the Gouverneur Talc Company and, by October 1948, the Gouverneur Talc Company commenced production of NYTAL® talc. Initially, the Gouverneur Talc Company produced five grades of tremolitic talc: NYTAL 100 and 200, which were primarily used in ceramics, and NYTAL 300, 400 and 500, which were primarily used in paint. In 1974, the Gouverneur Talc Company acquired the assets of International Talc Company, which added additional talc reserves and mining operations in Gouverneur that were integrated into the Gouverneur Talc Company. As discussed in further detail in Section II.A, below, RTVC ceased mining and producing talc in 2008.

35. In 1976, RTVC acquired significant deposits of newly discovered high purity wollastonite ore from property near the Gouverneur Talc Company and began mining

wollastonite in 1977. The Debtor is one of only two continuous domestic miners of wollastonite in the United States.

36. Today, GMD owns more than 2,300 acres of land in Gouverneur, New York, where it currently operates an underground wollastonite mine and a milling operation. The wollastonite is mined, dried and processed into two different types of products carrying the VANSIL® brand. The first type is an acicular wollastonite, which is defined by a high aspect ratio "needle"-like appearance, while the second type is a wollastonite powder produced to varying sizes.

37. The acicular product is produced at the highly specialized Netzsch Mill, which produces needle-like dimensions, beneficial in certain coating applications. The Netzsch Mill is critical to the GMD operation and is owned by a non-debtor affiliate company, Advanced Milling Technology ("AMT"). The Debtor currently leases this equipment from AMT pursuant to the AMT Equipment Lease Agreement (discussed in further detail in Section I.G below).

38. Wollastonite is used in ceramic products like wall tiles, dinnerware and bathroom fixtures; in paints and industrial coatings; as a filler and reinforcing agent in plastics; and as a plant health additive in horticulture. Sales of VANSIL® products comprised approximately 17.3% of the Debtor's 2025 annual revenues, of which approximately 11% is sold to VC. Approximately 40 of the Debtor's employees work at GMD.

G. Vanderbilt Minerals, LLC

39. As of 2012, RTVC operated two discrete businesses. To modernize its corporate structure, RTVC engaged in a series of restructuring transactions (the "Restructuring Transactions") that separated the chemicals and mining businesses and resulted in, among other things, the creation of the Debtor. The Debtor is the legal successor to historic RTVC, contains

RTVC's historic mining business and is a wholly owned subsidiary of Holdings, which was first incorporated in 2012 in connection with the Restructuring Transactions. The Debtor has no subsidiaries of its own. The Debtor's offices are separate, and across the street, from Holdings. The Debtor maintains its own bank accounts, books and records and management structure while outsourcing typical back-office and other functions, such as human resources, accounting and information technology to a third-party affiliate. As a result of the Restructuring Transactions, the Debtor's assets included, among other things, the Dixie Clay Division, the Gouverneur Division, the Standard Mineral Division, the Western Division, Resale Product Brands and the trade names and formulas for the VEEGUM® family of products and liabilities associated with those businesses.

40. In connection with the Restructuring Transactions, the Debtor entered into a series of intercompany services agreements with certain of its affiliates, two of which were amended or amended and restated in July 2025, two of which were amended or amended and restated in December 2025 and three of which were terminated in January 2026. Subsequently, in January 2026, the Debtor entered into two additional intercompany services agreements with non-debtor VC and one with non-debtor AMT. There are six intercompany services agreements still in effect (collectively, and as modified, amended or amended and restated, the "Intercompany Agreements"):

- On January 1, 2013, the Debtor entered into that certain Management Services Agreement with Holdings (the "Initial Management Services Agreement"), which was subsequently amended and restated on July 9, 2025 and further amended on December 23, 2025 (as amended and amended and restated, the "A&R Management Services Agreement"). Under the A&R Management Services Agreement, Holdings provides "management, consulting and advisory services, including in connection with strategy planning and [the Debtor]'s ongoing business operations in the ordinary course." The Debtor pays Holdings a $750,000 annual fee (the "Amended Annual Management Fee"), which the Debtor may set

off against amounts owing by Holdings to the Debtor. Pursuant to the A&R Management Services Agreement, the Debtor also reimburses Holdings for the Debtor's "allocable portion" of Holdings' total expenses, plus Holdings' out-of-pocket expenses incurred in connection with the A&R Management Services Agreement, including, for example, capital lease and insurance obligations incurred on behalf of the Debtor.

- On January 1, 2013, the Debtor entered into that certain Intercompany Services Agreement with VGS (the "Initial VGS Services Agreement"), which was subsequently amended on July 9, 2025 and amended and restated on December 23, 2025 (as amended and restated, the "A&R VGS Services Agreement"). Pursuant to the A&R VGS Services Agreement, VGS provides services to the Debtor including accounting, finance, treasury, tax, human resources, information technology, customer service, purchasing, and product quality and product risk services. The cost for these services is agreed by the parties in advance of each calendar year.

- On January 1, 2013, the Debtor entered into that certain Intercompany Services Agreement with VC (the "VC Services Agreement"). Pursuant to the VC Services Agreement, VC provides services to the Debtor including purchasing and supply chain support, regional sales support, international consumer support and legal support. In turn, the Debtor provides research and development services to VC. The cost for these services is agreed by the parties in advance of each calendar year, and VC bills the Debtor quarterly for the costs incurred during the preceding quarter. On January 19, 2026, the Debtor delivered a notice to VC terminating the VC Services Agreement in light of the parties' entry into the VC Supply Agreement and the VC Reverse Supply Agreement. The VC Services Agreement will terminate without further action of the parties on February 18, 2026.

- On January 16, 2026, the Debtor entered into that certain Supply Agreement with VC (the "VC Reverse Supply Agreement"). Pursuant to the VC Supply Agreement, VC purchases raw materials from the Debtor that it processes and uses to manufacture VEEGUM® products at cost. Those VEEGUM® products are then sold to the Debtor pursuant to the VC Supply Agreement (defined below). The VC Reverse Supply Agreement also governs the sales, marketing and distribution of the Debtor's kaolin clay and VANSIL® products, done by VC for primarily the rubber and plastics markets that are served by VC, not the Debtor. VC is the Debtor's largest single customer, accounting for 8.7% of 2025 annual revenues, purchasing primarily VANSIL® and Dixie products.

- On January 16, 2026, the Debtor entered into that certain Supply Agreement with VC (the "VC Supply Agreement"). Pursuant to the

VC Supply Agreement, the Debtor purchases VEEGUM® products from VC after VC purchases certain raw materials from the Debtor under the VC Reverse Supply Agreement, which products the Debtor then resells to third parties. Pursuant to the VC Supply Agreement, the Debtor also purchases certain products for resale but this portion of the Debtor's revenue is not significant. VC has agreed to produce VEEGUM® products exclusively for the Debtor, and may only supply such products to a third party with the Debtor's written consent. Purchases of VEEGUM® family products from VC exceeded $15.0 million in 2025.

- On January 16, 2026, the Debtor entered into that certain Equipment Lease Agreement with AMT (the "AMT Equipment Lease Agreement"). Pursuant to the AMT Equipment Lease Agreement, AMT leases certain mining machinery and ancillary equipment to the Debtor at GMD.

41. In addition to the Intercompany Agreements, the Debtor and Holdings are party to that certain Intercompany Promissory Note, originally dated as of January 1, 2013 and amended and restated on July 9, 2025 and January 9, 2026 (as amended and restated, the "Holdings Promissory Note"). Pursuant to the Holdings Promissory Note, which matures on January 1, 2037, the principal amount owed by Holdings to the Debtor is approximately $27.9 million as of the Petition Date, with interest accruing at 4% per annum and amortized at approximately $3.0 million per year. Payments of both principal and interest are due quarterly, with Holdings and the Debtor each maintaining the express right to set off any amounts owed under the Holdings Promissory Note against amounts owed to Holdings by the Debtor under the A&R Management Services Agreement or any other agreement between the Debtor and Holdings.

F. The Investigation Into the Intercompany Matters

42. On September 15, 2025, in order to further strengthen its corporate governance, the Debtor's Board of Managers (the "Board") unanimously adopted resolutions (the "Special Committee Resolutions"): (a) appointing Ben Pickering as Independent Manager,

(b) constituting Mr. Pickering as sole member of an Independent Special Committee, and (c) delegating specific powers, authorities and privileges to the Independent Special Committee.

43. Specifically, pursuant to the Special Committee Resolutions, the Board delegated to the Independent Special Committee the authority to, on behalf of the entire Board, review and monitor the transactions and relationships between Holdings and the other affiliated entities (collectively, the "Intercompany Matters"), identify and address potential conflicts of interest in relation to the Intercompany Matters, request and review reports from management regarding the Intercompany Matters and represent and negotiate on behalf of the Debtor with respect to any resolution regarding the Intercompany Matters. As part of its mandate, the Independent Special Committee was authorized to perform an independent review of prior, potential and existing Intercompany Matters (the "Investigation").

44. As of October 23, 2025, the Independent Manager retained Katten Muchin Rosenman LLP as his independent counsel with respect to, among other things, the Investigation. In connection with the Investigation, the Special Committee has conducted extensive factual and legal analysis to determine whether the Debtor holds any potentially valuable and viable claims or causes of action against any of its equity holders, affiliates, directors, managers or officers (collectively, the "Related Parties").

45. Following the conclusion of the Investigation, the Special Committee and its counsel engaged in negotiations with Debtor's non-debtor affiliates regarding a full and final resolution of any claims held by or against the Debtor on account of the Intercompany Matters. The parties' agreement resolving such claims is the subject of a settlement agreement between the Debtor, Holdings and certain of Holdings' subsidiaries, as more fully described in the *Motion of Debtor at the Sole Direction of Independent Manager and Sole Member of the Independent*

Special Committee of the Debtor for Entry of an Order (I) Approving the Global Settlement Between the Debtor and R.T. Vanderbilt Holding Co., Inc. and Certain of Its Subsidiaries; and (II) Granting Related Relief (the "Settlement Motion").

Part II

The Talc-Related Litigation

A. Historical Talc Mining

46. RTVC's began producing industrial talc in 1948. In 1974, RTVC additionally acquired certain assets (but not the liabilities) of International Talc Company. RTVC sold talc primarily to the ceramic industry for tile and whitewares in addition to selling talc to paint companies. RTVC discontinued sales of five of the grades of talc it obtained from International Talc in 1977 and stopped selling talc altogether in 2008 in response to several factors, including increased litigation, increased costs of production and decreased product demand. Talc produced by RTVC was a blend of minerals, including non-asbestiform tremolite, non-asbestiform anthophyllite, talc, lizardite/antigorite and quartz.

47. The federal Occupational Safety and Health Administration ("OSHA") created confusion with respect to talc, when, in 1972, it adopted a regulation that identified six minerals, including tremolite and anthophyllite, as falling within the definition of asbestos, without recognizing the distinction between the two "growth habits" of these minerals – asbestiform and non-asbestiform. To rectify this error, RTVC approached the government and, in 1974, OSHA confirmed that the 1972 standard regulated only the asbestiform varieties of tremolite and anthophyllite. Nevertheless, the lack of clarity continued after the original OSHA asbestos standard was passed and, prior to 1985, some of RTVC's customers were cited by OSHA for violating the standard.

48. OSHA recognized the two growth habits for tremolite and anthophyllite when it updated its standard in 1986; nevertheless, OSHA purported to regulate both forms under the new standard. RTVC later sought and won relief from the new 1986 standard and, in 1990, the United States Secretary of Labor issued a retroactive stay of the 1986 OSHA standard as it related to non-asbestiform tremolite and anthophyllite. Ultimately, RTVC's lawsuit against OSHA led to a hearing and a final ruling by OSHA in June 1992 that excluded non-asbestiform tremolite and anthophyllite from the standard.

49. Since promulgation of its July 1992 standard, OHSA's position has remained that the type of non-asbestiform tremolite and non-asbestiform anthophyllite found in the industrial talc produced by RTVC is not regulated as asbestos. RTVC's regulatory efforts were pursued at considerable expense to RTVC in the belief that, by demonstrating its industrial talc products did not contain asbestos-related disease, RTVC could protect itself from unfounded claims of asbestos-related injuries.

50. In addition, RTVC's talc mines were regulated by the federal Mine Safety and Health Administration ("MSHA"), not OSHA. MSHA routinely conducted air and product sampling in RTVC's talc mines and, since 1985, reported finding no detectable asbestos in the air or in talc coming out of the Gouverneur mine.

B. Talc-Related Litigation

51. Starting in the 1980s, RTVC was named as a defendant in asbestos exposure litigation relating to talc production – generally, such complaints would name numerous defendants, including RTVC. RTVC's expectation was that, after OSHA clarified the asbestos standard in 1992, there would be little or no further litigation talc-related asbestos litigation. Indeed, RTVC's expectations were, initially, realized as the number of cases (which previously

had not been substantial) decreased for several years after OSHA changed its regulation in 1992. To the extent that RTVC was named in lawsuits filed in the 1980s and into the 1990s, such lawsuits were dismissed or settled for relatively small sums. Starting in the mid-2000s, however, both the number of claims and the settlement amounts began to materially increase.

52. Generally, RTVC had been successful in defending against talc-related asbestos claims. Two cases, in 2006 and 2007, resulted in adverse verdicts. In 2010 and 2012, RTVC received defense verdicts on two cases that went to trial and had another plaintiff's verdict overturned on appeal in 2012. After the Restructuring Transactions, the Debtor was RTVC's successor and, thus, became responsible for defending lawsuits asserting claims based on RTVC's talc production.

53. Despite the fact that RTVC was never prevented by any regulatory body from mining or selling its industrial talc after 1992, and despite generally favorable outcomes in the litigation, plaintiffs continuously pursued claims based on RTVC's talc production in asbestos-related talc litigation. In fact, the number of cases pending against RTVC (and, now, the Debtor) – after fluctuating for years – began to increase considerably in 2019 and has grown significantly since then. The Debtor finished 2019 with 307 cases pending against it, and as of the Petition Date there are more than 1,400 cases pending. As of the Petition Date, the Debtor and RTVC had settled more than 1,250 cases, while more than 4,500 cases have been dismissed. As the caseload against the Debtor has mounted, so, too, have defense and indemnity costs:

Year	Approximate Defense and Indemnity Costs[2]
2025	$8.0 million
2024	$6.6 million

[2] The Debtor tracks indemnity costs on an accrual basis and defense costs on a cash basis. This recordkeeping approach does not affect aggregate expenditures.

Year	Approximate Defense and Indemnity Costs[2]
2023	$7.5 million
2022	$3.5 million
2021	$6.1 million
2020	$3.4 million
2019	$2.9 million
2018	$3.7 million
2017	$4.4 million
2016	$1.8 million
2015	$1.1 million
2014	$1.2 million
2013	$8,000
2012	$0
2011	$10,000
2010	$0
2009	$386,000
2008	$0
2007	$500,000
2006	$0
2005	$50,000

54. Beginning in the 2020s, juries began awarding prohibitive verdicts in talc cases. In 2023, a jury returned a $20 million verdict against the Debtor and a co-defendant and in favor of the plaintiff, with the jury apportioning 50% of that verdict to the Debtor. The case was settled while the trial judge was considering whether to award punitive damages. Then, in 2024, a jury returned a $15 million verdict against the Debtor, with punitive damages later awarded by the trial judge in the amount of $7.5 million. The Debtor posted bond of approximately $3.8 million in that matter in order to proceed with an appeal, which remains pending as of the Petition Date, and the posting of that bond had a significant negative impact on the Debtor's

financial strength. Two additional adverse verdicts were returned against the Debtor in 2025, including one in August 2025 that resulted in a $12.25 million judgment being entered against the Debtor, further straining liquidity.

55. From 1956 to 1986, RTVC purchased hundreds of millions of dollars of product liability insurance. Some of this coverage was "claims made" coverage, which was exhausted. The rest was "occurrence-based" coverage. RTVC sold talc during the entire period that the insurers sold their policies to RTVC. These policies were issued on an occurrence basis, did not contain asbestos exclusions and obligated the carriers to cover the types of losses claimed in the talc actions. Various insurers who sold policies to RTVC during that time have paid defense costs and indemnity since the first actions were filed against RTVC (and, now, the Debtor), up to and including the present day. As some of those insurance policies exhausted, other insurers have provided coverage under excess policies. A significant amount of insurance coverage remains available for present and future claims, which covers both the Debtor and non-debtor Holdings.

56. Notwithstanding available insurance coverage, the Debtor has suffered negative financial impacts from the cases culminating in adverse verdicts, resulting both from defense costs incurred in connection with the trials and the obligations to pay the judgments (some which of which are stayed), and from increased defense costs associated with the growing case count. These negative financial impacts necessitated the filing of this Chapter 11 Case. Although the Debtor believes it should ultimately prevail in all pending litigation, defense, settlement and indemnity costs continue to decimate liquidity. In addition, litigation is inherently uncertain, and there remains risk that the Debtor may face additional liability arising from one or more pending actions.

Part III

The Debtor's Prepetition Marketing Efforts and Proposed Postpetition Sale Process

57. In August 2025, the Debtor retained Greenhill & Co. Inc. ("Greenhill") as its investment banker to commence a marketing process to solicit interest in (i) providing financing to the Debtor and (ii) a transaction to sell all or the majority of the Debtor's assets. Greenhill has focused on a marketing process geared toward (a) identifying and negotiating with potential lenders and/or stalking horse bidders; and (b) soliciting potential bidders for either an in-court or out-of-court sale process. Quickly, however, it became apparent that the Debtor was unlikely to succeed in financing its business or monetizing the majority of its assets through an out-of-court process. As discussed in greater detail in the *Motion of the Debtor and Debtor in Possession for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtor's Assets, (B) Authorizing the Debtor to Enter into the Stalking Horse Agreement and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtor's Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* (the "Bidding Procedures Motion") and the declarations filed in support thereof, the Debtor's sale efforts have continued up until the Petition Date and will continue during the pendency of this Chapter 11 Case.

Part IV

The Debtor's Current Capital Structure

A. Secured Obligations

58. The Debtor does not have any secured funded debt.

B. Trade Debt

59. As of the Petition Date, the Debtor had approximately $1 million in trade debt outstanding.

C. Accrued Expenses Related to Talc Litigation

60. As of the Petition Date, the Debtor had accrued approximately $117.2 million in talc-related indemnity and defense costs.

D. Capital Lease Obligations

61. The Debtor is not a direct obligor on account of any capital lease obligations. Holdings, however, is party to a capital lease agreement that covers certain equipment used in the operation of the Debtor's mines and facilities, as well as equipment utilized by the Debtor's non-debtor affiliates. The Debtor and Holdings are party to a sublease agreement for the equipment utilized by the Debtor, which sublease was subsequently assigned to the equipment lessor as collateral for the prime lease, allowing the Debtor to perform under the lease.

E. Capital Stock

62. The Debtor is a wholly owned subsidiary of Holdings. The Debtor has no subsidiaries.

Part V

First Day Motions[3]

63. Concurrently with the filing of this Chapter 11 Case, the Debtor filed the First Day Motions, requesting various forms of relief. The Debtor anticipates that the Court will conduct a hearing soon after the Petition Date, at which time it will hear and consider many of the First Day Motions on an interim or final basis.

64. Generally, the First Day Motions have been designed to meet the goals of (a) preserving and protecting the Debtor's chapter 11 estates, including by paying certain claims of vendors and employees, (b) obtaining necessary debtor-in-possession financing to immediately provide the Debtor's estate with sufficient liquidity to fund the Chapter 11 Case and continue to operate and stabilize its business and (c) establishing procedures for the smooth and efficient functioning of the Debtor's estate. I believe that the relief sought in each of the First Day Motions is tailored to meet the goals described above and, ultimately, will be critical to the Debtor's ability to monetize assets successfully.

65. The First Day Motions include:

a. *Motion of the Debtor and Debtor in Possession for Entry of an Order (I) Authorizing It to File a List of the Top Law Firms with Talc Claims Against the Debtor in Lieu of the List of the 20 Largest Unsecured Creditors; (II) Approving Certain Notice Procedures for Represented Talc Claimants; (III) Approving the Form and Manner of Notice of Commencement of This Case; and (IV) Redact Personally Identifiable Information* (the "Noticing Motion");

b. *Application for Entry of an Order Authorizing the Appointment of Kurtzman Carson Consulting, LLC dba Verita Global as Claims and Noticing Agent*

[3] The descriptions of the relief requested in the First Day Motions are for summary purposes. Where there is ambiguity between the descriptions of the relief requested in the First Day Motions and the descriptions included in this Declaration, the First Day Motions shall control.

Effective as of the Petition Date (the "Application to Appoint Verita As Claims and Noticing Agent");

c. *Motion of the Debtor and Debtor in Possession for Interim and Final Orders (I) Authorizing the Debtor to Pay Prepetition Employee Wages, Benefits and Related Items and (II) Granting Certain Related Relief* (the "Employee Wages and Benefits Motion");

d. *Motion of the Debtor and Debtor in Possession for Interim and Final Orders Authorizing Them to Pay Certain Prepetition Taxes and Fees* (the "Taxes Motion");

e. *Motion of the Debtor and Debtor in Possession for Entry of Interim and Final Orders (I) Authorizing the Debtor to Pay Prepetition Claims of (A) Certain Critical Vendors, Lien Claimants and 503(b)(9) Claimants; and (II) Granting Related Relief* (the "Critical Vendors Motion");

f. *Motion of the Debtor and Debtor in Possession for Interim and Final Orders (I) Authorizing the Debtor to (A) Continue Its Insurance and Surety Bond Programs and (B) Satisfy Related Obligations; (C) Obtain, Renew, Amend, Supplement, Modify, Extend, Purchase and/or Replace Insurance Policies and/or Surety Bonds; (D) Continue to Pay Brokerage and Administrative Fees and (E) Satisfy Related Obligations; and (II) Granting Related Relief* (the "Insurance Motion");

g. *Motion of the Debtor and Debtor in Possession for Interim and Final Orders (I) Establishing Adequate Assurance Procedures with Respect to Its Utility Providers and (II) Granting Related Relief* (the "Utilities Motion");

h. *Motion of the Debtor and Debtor in Possession for Entry of Interim and Final Orders (I) Approving the Continued Use of the Debtor's Cash Management System and (II) Granting Related Relief* (the "Cash Management Motion"); and

i. *Motion of the Debtor and Debtor in Possession Pursuant to Sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), 503, 507 and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014 and Local Rules 2002-1, 4001-2, 7007-1 and 9013-1 for Interim and Final Orders (I) Authorizing the Debtor to Obtain Postpetition Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "DIP Financing Motion").[4]

[4] The DIP Financing Motion is the subject of separate declarations in support thereof and, as a result, is not summarized herein.

A. Administrative Pleadings

i. The Noticing Motion

66. The Debtor seeks entry of an order (i) authorizing the Debtor to file a list of the 15 law firms with the most significant representations of parties pursuing talc claims against the Debtor based on the volume of claims or other related factors (a "Top Talc Counsel List"), in lieu of a list of creditors that hold the 20 largest unsecured claims against the Debtor; (ii) approving certain notice procedures for creditors (collectively, the "Represented Talc Claimants") who are claimants in talc-related personal injury lawsuits or other proceedings involving the Debtor and are represented by counsel; (iii) approving the form and manner of notice of the commencement of this Chapter 11 Case; and (iv) authorizing the Debtor to redact personally identifiable information for individual creditors.

67. I believe it is appropriate for the Court to approve the use of the Top Talc Counsel list in lieu of a list of creditors that hold the 20 largest unsecured claims against the Debtor because (without admission of the Debtor as to the viability of any such claims), if even some of the talc-related claims are liquidated in the amounts asserted, they would constitute the largest unsecured claims against the Debtor.

68. I further believe it is appropriate to approve modified notice procedures for the Represented Talc Claimants to provide notices directly to their counsel, given that such procedures would provide for more efficient and effective service of notices in this Chapter 11 Case.

69. I further believe it is appropriate for the Court to approve the form and manner of the Case Commencement Notice, which includes notice of the Section 341 Meeting, as well as procedures for serving the Case Commencement Notice. I understand that the Case

Commencement Notice is in compliance with applicable requirements, and believe that the procedures for its service are adequate for providing notice to the Debtor's stakeholders.

70. I further believe it is appropriate for the Court to approve the redaction of personally identifiable information for individuals listed on the Debtors' creditor list, including, but not limited to, the home and email addresses of any individual, including any of the Debtors' employees and individual creditors, because such information can be used to perpetrate identity theft or to locate survivors of domestic violence, harassment or stalking.

ii. The Application to Appoint Verita as Claims and Noticing Agent

71. The Debtor recognizes that the large number of creditors and other parties in interest involved in this Chapter 11 Case may impose heavy administrative and other burdens upon the Court and the Clerk's Office. To relieve the Court and the Clerk's Office of these burdens, the Debtor will seek the entry of an order (a) appointing Kurtzman Carson Consulting LLC dba Verita Global ("Verita") as the Debtor's noticing and claims agent in this Chapter 11 Case and (b) approving the terms of Verita's employment and retention. Verita may, among other things: (x) prepare and serve all notices required in the Debtor's Chapter 11 Case, including notice of the commencement of this Chapter 11 Case; (y) maintain a copy of the claims register; and (z) assist with the mailing and tabulation of ballots in connection with any vote to accept or reject any plan or plans proposed in this Chapter 11 Case.

72. The Debtor submits that Verita's rates are competitive and reasonable given Verita's quality of services and expertise. Verita employs leading industry professionals with significant experiences in overseeing administrative aspects of large, complex chapter 11 cases, such as this Chapter 11 Case. Verita's professionals have experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11

cases and experience in matters of this size and complexity. Verita and its professionals have acted as official claims and noticing agent and/or administrative advisor in many large bankruptcy cases, both in this district and other districts nationwide. I believe that Verita is well qualified to perform the services contemplated in its retention application. The Debtor anticipates separately filing an application to retain Verita as an administrative advisor along with the retention applications for the Debtor's other professionals shortly after the Petition Date.

B. Pleadings Regarding Business Operations of the Debtor

i. The Employee Wages and Benefits Motion

73. As of the Petition Date, the Debtor employs approximately 125 full-time and part-time employees, including one independent contractor. Two unions, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 4979 and The United Steelworkers International Union on behalf of its Local Number 00478 represent approximately 29 hourly employees at the Debtor's Gouverneur, New York and 21 hourly employees at the Debtor's Beech Island, South Carolina facilities, respectively.

74. The continued and uninterrupted support of the Debtor's employees is essential to the success of the Chapter 11 Case. The employees perform a variety of functions critical to the Debtor's day-to-day operations. Moreover, the employees' skills, specialized knowledge and understanding of the Debtor's operations, as well as their relationships with customers, vendors and other third parties, are essential to the Debtor's business and maximizing the value of the Debtor's assets in the sale process. Accordingly, the Debtor has filed the Employee Wages and Benefits Motion to enable it to continue to pay and provide benefits to its employees in the ordinary course of business.

75. As of the Petition Date, many employees of the Debtor were owed or had accrued various sums for wages, salaries, commissions, non-insider incentive compensation, contractual compensation and other accrued compensation, employee benefits, including workers' compensation, reimbursable business expenses and payroll deductions. I believe that, without the requested relief, Debtor's relationships with their Employees would be immediately impaired and the irreparable harm to workforce morale sure to attend any delay or disruption in the wages, commissions and benefits provided to Employees – at the very time when the dedication, confidence and cooperation of those Employees is most critical – would clearly imperil the Debtor's chances of consummating a successful going-concern transaction. Such a development would adversely impact the Debtor's workforce, hindering the Debtor's operations and their ability to maximize value for stakeholders. The loss of valuable employees and the resulting need to recruit new personnel to replenish the Debtor's workforce would be distracting and counterproductive at this critical time.

76. Under the circumstances, the Debtor must do its utmost to retain its workforce by, among other things, continuing to honor all wage, benefit and related obligations, other employee obligations that accrued prepetition. In addition, bolstering the morale of the Debtor's employees and ensuring their uninterrupted availability will (i) maintain the "business as usual" atmosphere needed to continue high quality production, (ii) preserve the Debtor's relationships with vendors and, crucially, customers, as the Debtor's employees act as the Debtor's "face to the world" and (iii) enable the Debtor to maximize the value of its assets in connection with the postpetition sale process.

77. The Debtor seeks to minimize the negative impacts of this Chapter 11 Case on its employees that would result if prepetition employee obligations are not paid when due.

The Debtor, therefore, seeks authority to pay and honor certain claims and obligations (i) accruing prepetition in an aggregate amount not to exceed $556,000 on an interim basis and $1,225,213 on a final basis and (ii) on a postpetition basis in the ordinary course of business.

78. For these reasons, among others, I believe (i) the payment of certain prepetition wage and benefit obligations and (ii) the continuation of certain employee-related programs and benefits on a postpetition basis as set forth in the Employee Wages and Benefits Motion to be essential to the Debtor's efforts to maximize value for its stakeholders in this Chapter 11 Case.

ii. The Taxes Motion

79. The Debtor, in the ordinary course of its business, incurs various tax and other liabilities to governmental entities, taxing authorities and brokers (collectively, the "Taxing Authorities"), including, among others: (i) sales and use taxes; (ii) regulatory and licensing taxes and fees; (iii) foreign taxes and fees; (iv) property taxes and (v) certain other miscellaneous taxes, assessments, registrations and fees (collectively, the "Prepetition Taxes"). The Debtor also incurs various customs duties, fees for business licenses and permits and various other fees and assessments (collectively, the "Prepetition Fees," and together with the Prepetition Taxes, the "Prepetition Taxes and Fees"), in connection with the operation of its business, including any necessary regulatory expenses, fees, permits and approvals. The Debtor pays Prepetition Taxes and Fees in six states on a biennial, annual, quarterly, bi-monthly, monthly and as-needed basis, depending on the jurisdiction and type of tax or fee being.

80. The Debtor believes that it has ample business justifications to pay the Prepetition Taxes and Fees. It is my understanding that: (i) certain of the Prepetition Taxes and Fees do not constitute property of the Debtor's chapter 11 estate; (ii) certain of the Prepetition Taxes and Fees constitute priority claims that are unavailable as a source of recoveries for general unsecured

creditors in any liquidation scenario; and (iii) the failure to pay certain of the Prepetition Taxes and Fees may impact the Debtor's ability to conduct business in certain jurisdictions, result in the attachment of liens or cause the Debtor's directors and responsible officers to face personal liability. Stated simply, absent payment of the amounts requested herein, the Debtor may face serious disruptions and distractions as it seeks to administer this Chapter 11 Case. Therefore, to prevent immediate and irreparable harm that would result from such disruptions and distractions, the Debtor seeks authority to pay these claims.

81. The Debtor's payment of the Prepetition Taxes and Fees is necessary to forestall the obstacles to the smooth functioning of the Debtor's business operations that likely would result from a failure to make necessary payments. Accordingly, the Debtor seeks authorization to pay the Prepetition Taxes and Fees in an aggregate amount not to exceed $150,000 on an interim basis and $315,000 on a final basis.

iii. The Critical Vendors Motion

82. In the ordinary course of business, the Debtor engages vendors and suppliers (the "Critical Vendors") to provide various goods and services essential to the production, storage, labeling and distribution of their products and the administration of their business operations. A substantial portion of the claims held by Critical Vendors (the "Critical Vendor Claims") are general unsecured claims; however, certain of the Critical Vendor Claims may be entitled to priority under section 503(b)(9) of the Bankruptcy Code (the "503(b)(9) Claims"). Moreover, the Debtor routinely transacts with a number of third parties who may assert various liens (the "Lien Claims"), including, mechanics', warehouseman and shippers' liens, against the Debtor's property if the Debtor fails to pay amounts owed for goods and/or services provided by such third parties.

83. The following table summarizes the claims that the Debtor is seeking to pay upon entry of the orders granting the Critical Vendor Motion:

Claim Category	Estimated Interim Amount	Estimated Final Amount
Critical Vendor Claims	$325,000	$650,000
Lien Claims	$25,000	$75,000
503(b)(9) Claims	$175,000	$350,000
Total Claims	**$525,000**	**$1,075,000**

84. In many instances, the Critical Vendors provide unique services or specialized goods that could not be easily or quickly obtained from another vendor or are sole source providers. For example, as discussed above, the Debtor's resale business is a meaningful portion of annual revenues. The Debtor exclusively resells under its own brand names products produced by a third party. This segment of the Debtor's business is critical to ongoing profitability. These products in many instances would require approval and testing by the ultimate end-user even if an alternative were found. The Debtor also utilizes a number of aftermarket and original equipment manufacturers and other service providers in its mineral production processes to maintaining mining and processing equipment and such products and services would be difficult and, in some cases, impossible, to obtain from a substitute source in a timely and efficient manner.

85. The remote locations of many of the Debtor's operations results in a dependency on many single-sourced, local, smaller suppliers, the replacement of which would result increased cost and likely result in supply disruption. Although the Debtor may be able to obtain

certain services or goods provided by the Critical Vendors from alternative sources, the Debtor does not believe reasonable and sufficient time remains available to engage alternate providers. The occurrence of any issues with the Debtor's vendors and servicers could result in delayed production or delivery of adequate supplies necessary to bring the Debtor's products to market.

86. The loss of one or more of the Critical Vendors, or a delay or inability to secure an alternative source of their goods and services could have a material negative impact on the Debtor's revenue, business operations and financial condition. To preserve the value of its business for the benefit of all stakeholders, the Debtor needs to be able to assure its customers, vendors, services providers and employees that, notwithstanding the filing of this Chapter 11 Case, it will continue to operate in the ordinary course of business.

87. Accordingly, I believe that the payment of the Critical Vendor Claims, Lien Claims, and 503(b)(9) Claims in the ordinary course is necessary for the Debtor's successful administration of this Chapter 11 Case and is warranted based on the facts and circumstances of this Chapter 11 Case.

iv. The Insurance Motion[5]

88. In the ordinary course of the Debtor's business, the Debtor maintains (through Holdings) numerous insurance policies name with third-party insurers that provide excess and primary insurance coverage for, among other things, product, property, auto, director and officer liability and ocean cargo insurance (collectively, the "Insurance Policies"). Through the Insurance Motion, the Debtor seeks entry of an order: (i) authorizing, but not directing, the Debtor, in its sole discretion, to (a) continue its Insurance Policies and Surety Bond Program and

[5] Capitalized terms otherwise undefined in the subsection shall have the meanings ascribed to them in the Insurance Motion.

(b) satisfy (1) any insurance premiums (including amounts owed under the Debtor's premium financing agreements), (2) Insurance Deductibles, (3) premiums for the Surety Bonds and (4) any other related payments, fees and obligations under the Insurance Policies and Surety Bond Program, including those that were incurred or accrued prepetition; (c) obtain, renew, amend, supplement, modify, extend, purchase and/or replace the Insurance Policies and Surety Bonds in the ordinary course of business on a postpetition basis; (d) continue to pay fees to Holders for the Insurance Brokers and Surety Broker and (e) satisfy any prepetition obligations related thereto; and (ii) granting certain related relief.

89. Holdings finances certain premiums owed under its insurance policies and excess coverage policies, including those for which the Debtor is a named insured, pursuant to a premium finance agreement (the "Premium Finance Agreement") between Holdings and First Insurance Funding. Holdings pays the obligations under the Premium Finance Agreement in installments, and the Debtor pays Holdings its allocated portion of those amounts in accordance with the A&R Management Services Agreement.

90. Other than the premiums financed through the Premium Finance Agreements, the Debtor reimburses Holdings its allocated share of the Insurance Premiums. Additionally, depending on the Insurance Policy, Holdings may be required to pay various deductibles either annually or per-incident or retention amounts (collectively, the "Insurance Deductibles"), which costs are then allocated to the Debtor in accordance with the A&R Management Services Agreement. As of the Petition Date, the Debtor does not believe there are any Insurance Premiums or Insurance Deductibles outstanding.

91. The Insurance Brokers represent the Debtor in its efforts to secure commercial insurance coverage. The Insurance Brokers provide advice on the Debtor's overall insurance

portfolio, coverage limits, premiums and risk profile within the Debtor's industry. Holdings pays Marsh for these services, and the Debtor reimburses Holdings for its allocated share, while the Debtor pays CAC directly.

92. Additionally, in the ordinary course of business, the Debtor participates in the Surety Bond Program under which the Surety Bonds are issued by Fidelity and Deposit Company of Maryland, the Guarantee Company of North America and Hartford Fire Insurance Company (collectively, the "Sureties") to certain third parties (e.g., governmental units or other public agencies) to secure the Debtor's payment or performance of certain obligations (e.g., mining operations). To obtain the Surety Bonds, Holdings pays premiums to, and enters into general indemnity agreements with, the Sureties. The costs are then allocated to the Debtor in accordance with the A&R Management Services Agreement. As of the Petition Date, the Debtor does not believe that there are any outstanding premiums or other amounts owed to the Sureties on account of the Surety Bonds.

93. I believe that continuation of the Insurance Policies and the Surety Bond Program and satisfying all obligations related thereto (including, without limitation, Insurance Premiums (including payments under the Premium Finance Agreements), Insurance Deductibles and Surety Bond premiums) is essential to the Debtor's operations and preservation of the going-concern value during the Chapter 11 Case. It is also essential to the Debtor's operations that the Insurance Polices be maintained on an ongoing and uninterrupted basis because, without such insurance, the Debtor and its estate immediately would be exposed to potentially catastrophic liability. If the Debtor fails to continue to fulfill its obligation to pay allocated expenses to Holdings under the A&R Management Services Agreement, there is a risk that Holdings may cease paying such obligations on the Debtor's behalf, or remove the Debtor as a named insured

on the applicable Insurance Policies. Doing so would seriously damage the Debtor's ability to operate as a going concern and could jeopardize the Debtor's ongoing sale process. Further, it is in the best interests of creditors and the estate to continue to utilize the services of Marsh and to pay Insurance Brokerage Fees.

v. The Utilities Motion

94. Through the Utilities Motion, the Debtor seeks entry of an order: (i) prohibiting utility companies currently providing, or which will provide, services to the Debtor (collectively, the "Utility Companies") from otherwise altering, refusing or discontinuing services to, or discriminating against, the Debtor; (ii) establishing procedures for determining requests for additional assurance for the Utility Companies; (iii) determining that the Utility Companies have received adequate assurance of payment for future utility services; and (iv) granting certain related relief.

95. The Debtor currently uses various electric, natural gas, sewage, trash, telephone, internet and other services of the same general type or nature (collectively, the "Utility Services") provided by approximately 18 Utility Companies. The Debtor estimates that its average monthly obligations to the Utility Companies on account of services rendered total approximately $195,430. The Debtor further estimates that its average annual obligations to the Utility Companies on account of services rendered total approximately $2.35 million.

96. Because the Utility Companies provide services essential to the Debtor's operations, any interruption in Utility Services could prove damaging. For example, the Debtor's ability to process product and conduct warehouse operations is contingent on access to electric Utility Services. Additionally, the internet and telecommunication Utility Services are essential for conducting sales and marketing the Debtor's products. The telecommunication Utility

Services are also essential for coordinating with the Debtor's various shipping and handling service providers, as well as internal forecasting, demand planning and purchasing. The temporary or permanent discontinuation of Utility Services could irreparably disrupt the Debtor's business operations and, as a result, fundamentally undermine the ability of the Debtor to maximize the value of its estate for the benefit of creditors.

97. The Debtor intends to pay any postpetition obligations to the Utility Companies in a timely fashion and in the ordinary course, as it has generally done prior to the Petition Date. The Debtor anticipates having sufficient funds to satisfy postpetition obligations to the Utility Companies from funds available under the Debtor's postpetition credit facility.

98. I understand that, under the Bankruptcy Code, a utility may alter, refuse or discontinue a chapter 11 debtor's utility service if the utility does not receive from the debtor or the trustee adequate "assurance of payment" within 30 days of the Petition Date. The Debtor seeks an order of this Court authorizing it to provide adequate assurance to Utility Companies by depositing approximately $97,715 into a segregated account within 20 days of the Petition Date (the "Adequate Assurance Deposit"). The Adequate Assurance Deposit equals approximately two weeks of the Debtor's estimated aggregate monthly utility expenses, net of any prepetition deposits or other similar forms of adequate assurance of payment already provided to the Utility Companies. I believe that the Adequate Assurance Deposit, in conjunction with the Debtor's cash flow from operations, cash on hand and anticipated access to debtor in possession financing, demonstrates the Debtor's ability to pay for future Utility Services in accordance with prepetition practice and constitutes sufficient adequate assurance to the Utility Companies.

99. I also understand that if any Utility Company believes additional assurance is required, it may request such assurance under procedures set forth in the proposed order.

vi. Cash Management Motion

100. By the Cash Management Motion, the Debtor requests entry of an order (i) approving the Debtor's continued use of (a) their current Cash Management System (as defined below) and (b) the Debtor's existing Bank Accounts (as defined below) business forms and checks, including authorizing the Debtor to open and close Bank Accounts (as defined below); (ii) authorizing all Banks (as defined below) participating in the Cash Management System to honor certain transfers and charge bank fees and certain other amounts; (iii) continuing to engage in the Intercompany Transactions (as defined below); and (iv) granting such other relief as may be appropriate.

101. Pursuant to the A&R VGS Services Agreement, VGS manages and performs all accounting and treasury services on behalf of the Debtor. In the ordinary course of business, VGS (on behalf of the Debtor) maintains seven bank accounts in the Debtor's name (the "Bank Accounts"), including one account that is a restricted cash collateral account that secures certain reclamation obligations of the Debtor. The remaining six accounts receive customer payments, fund continued operations, pay vendors and transfer funds to the payroll processor to pay employees (collectively, the "Cash Management System").

102. The Debtor's bank accounts are maintained at JPMorgan Chase Bank, N.A. ("JPM") and Wells Fargo Bank, N.A. ("Wells Fargo" and, together with JPM, the "Banks"). Both of the Banks are party to uniform depository trust agreements with the U.S. Trustee.

103. The smooth operation of the Debtor's businesses requires the continuation of the Cash Management System during the pendency of this Chapter 11 Case. Moreover, as a practical matter, it would be difficult, expensive, disruptive and administratively burdensome to require the Debtor to close all of its existing bank accounts and open new, segmented debtor-in-

possession bank accounts at the very outset of this Chapter 11 Case as required by the operating guidelines promulgated by the Office of the United States Trustee. Preserving a "business as usual" atmosphere and avoiding the unnecessary distractions that inevitably would be associated with any substantial disruption of the Cash Management System will (a) facilitate the Debtor's stabilization of its postpetition operations and (b) maximize value for stakeholders by allowing the Debtor to continue its operations without disruption.

104. Thus, under the circumstances, maintaining the existing Cash Management System is not only essential, but is in the best interest of creditors and other parties in interest. The Debtor therefore will request authority for the continued use of (a) its current Cash Management System, (b) its existing bank accounts (as well as authorization for the Debtor to open and close bank accounts (including as necessary or appropriate in connection with the DIP Financing (as defined in the DIP Financing Motion))) and (3) its business forms and checks. The Debtor also will seek authorization from the Court for the Banks involved in the Debtor's Cash Management System to honor certain transfers and charge certain bank fees and other amounts as further described in the motion.

105. In the ordinary course of business, the Debtor's affiliates provide various services pursuant to certain agreements described more fully in Section I.E above and engage in various intercompany transactions with the Debtor (for example, the Debtors' sale of VEEGUM® raw materials to VC and VC sale of finished VEEGUM® raw materials after processing described more fully in Section I.E) (the "Intercompany Transactions").

106. These Intercompany Transaction create payment obligations owing to and from the Debtor. Until July 2025, the Debtor kept track of all accounts payable owing to and accounts receivable owing from non-debtor affiliates without netting those accounts. Beginning in August

2025, after completing a historical global netting process with its non-debtor affiliates, the Debtor nets its non-debtor affiliates' accounts payable and receivable in the ordinary the course of business.

107. Continuation of the Intercompany Transactions during these cases is necessary to ensure that Debtor can continue to operate its business in the ordinary course. The Debtor requires many of the goods and services provided by its non-debtor affiliates, such as legal, accounting and human resources services and finished VEEGUM® products, to operate its business. The Debtor will continue to maintain records as it done since August 2025 such that Intercompany Transactions can be properly accounted for.

[*Remainder of page intentionally left blank.*]

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

Dated: February 16, 2026
Syracuse, New York

/s/ Dean Vomero
Dean Vomero
Chief Restructuring Officer

Exhibit A

Organizational Chart

Vanderbilt Minerals, LLC and Non-Debtor Affilaites

