

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

In re:	)	Chapter 11
	)	
GO LAB, INC., <i>et al.</i> , ¹	)	Case No. 25- 10557
	)	
Debtors.	)	(Joint Administration Requested)

**DECLARATION OF MATTHEW O'MALIA IN SUPPORT OF CHAPTER 11
PETITIONS AND FIRST DAY PLEADINGS**

I, Matthew O'Malia, pursuant to 27 U.S.C. § 1746, declare under penalty of perjury as follows:

1. I am the chief executive officer ("CEO") and president of GO Lab, Inc. ("GO-Inc."), one of the above-captioned debtors and debtors in possession (the "Debtors").

2. I am a licensed and practicing architect with a primary focus on and substantial experience in the construction of energy efficient and sustainable housing.

3. Along with Joshua Henry, PhD, I am one of the two co-founders of the Debtors.

4. Over the last two and a half months, the Debtors' board members, management, advisors and employees have worked tirelessly with the companies' stakeholders to address the Debtors' unsustainable debt levels and liquidity crisis. We have succeeded in achieving a consensual, pre-arranged restructuring of the Debtors' finances. Over 25 creditors entered into restructuring support agreements in support of a chapter 11 Plan. Funded by a \$10 million DIP Facility,² the Plan provides for a \$19 million Exit Facility provided by a group of the Debtors' bondholders. The proposed restructuring is supported by all or substantially all of the Debtors'

¹ The Debtors in these Chapter 11 Cases are the following entities (the last four digits of each Debtor's respective federal tax identification number, if any, follow in parentheses): GO Lab, Inc. (0447) and GO Lab Madison, LLC (6162). The Debtors' corporate headquarters are located at 1 Main Street, PO Box 119, Madison, ME 04950.

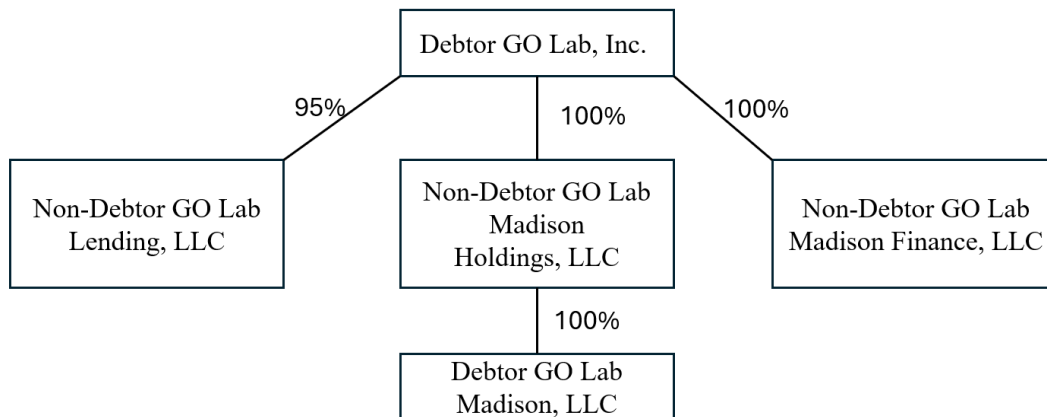
² Undefined terms in this introduction carry the meanings given them herein, below.

secured lenders, mechanic's lienholders and trade creditors, and will enable the Debtors to emerge from bankruptcy in under 90 days and eliminate over \$100 million in debt.

I. OVERVIEW

5. GO-Inc. is the sole member of two subsidiaries – non-Debtors GO Lab Holdings, LLC (“GO-Holdings”) and GO Lab Madison Finance, LLC (“GO-Finance”) – and the majority owner of a third subsidiary, non-Debtor GO Lab Lending, LLC (“GO-Lending”). GO-Holdings is the sole member of Debtor GO Lab Madison, LLC (“GO-Madison,” and together with GO-Inc, the “Debtors”, and together with GO-Holdings, GO-Finance and GO-Lending, the “Subsidiaries”).

The corporate structure is summarized in the following chart:



6. The ownership of GO-Inc. is held in common stock (approx. 18.5%), preferred stock (approx. 78.2%), and warrants (approx. 3.3%) across approximately 140 different investors (the largest, fully diluted ownership percentage is approx. 12.6%).

7. I have a similar role in each of the Subsidiaries, and I am familiar with the day-to-day operations as well as the business and financial matters, books and records, and employees of the Debtors.

8. Except as otherwise indicated, all statements in this declaration (the “Declaration”) are based upon (a) my knowledge as CEO; (b) my review of relevant documents, including the Debtors’ books and records, (c) information supplied to me by other members of the Debtors’ management team and/or third-party advisors, (d) my opinion based on my experience and knowledge of the Debtors’ operations and financial affairs, and (e) my experience and knowledge concerning the manufacturing and construction industries generally.

9. As the CEO, I participated in the decision to cause the Debtors to file voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code, §§ 101-1532 (the “Bankruptcy Code”). Ultimately, the Debtors’ boards of directors and/or managing member authorized the bankruptcy filings and the Debtors filed these cases (the “Chapter 11 Cases”) on March 25, 2025 (the “Petition Date”).

10. To minimize any adverse effects on their business as a result of the commencement of the Chapter 11 Cases, the Debtors have filed certain contemporaneous motions seeking “first day” relief (collectively, the “First Day Motions”).

11. The goals of the First Day Motions, among other things, are to: (a) continue with the Debtors’ operations in the ordinary course of business while operating in chapter 11 with minimal disruption; (b) maintain the confidence and support of key constituencies; and (c) establish procedures for the smooth and efficient administration of these Chapter 11 Cases. I have reviewed the First Day Motions, and I believe that the relief they request is necessary to avoid immediate and irreparable harm to the Debtors’ businesses, estates, employees and other stakeholders from the filing of the Chapter 11 Cases.

12. I am authorized to submit this Declaration on behalf of the Debtors in support of the First Day Motions, and to provide additional background regarding the events leading to the filing of the Chapter 11 Cases and the Debtors' efforts to maintain the value of their businesses.

13. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge, my review of relevant documents, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents, or opinion.

I. GENERAL BACKGROUND

14. As discussed above, the Debtors commenced the Chapter 11 Cases on this date by filing voluntary chapter 11 petitions in the United States Bankruptcy Court for the District of Delaware (the "Court").

15. The Debtors continue to operate their business and manage their property as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

A. Overview

16. The Debtors, through their operating entity GO-Madison, are a start-up manufacturer of high-performing, dry-process wood fiber construction insulation, and the only such manufacturer in North America.

17. Founded in 2017, the Debtors utilize clean softwood residuals (wood waste from saw mills and chips from low-value, small-diameter trees), which the Debtors refine into fiber, dry and then process into three different commercial products: TimberBatt (insulation for wall cavities, ceiling joints, rafters, attics, and demising walls); TimberFill (loose fill and dense pack

insulation for attics and stud cavities); and TimberBoard (continuous interior and exterior, above-grade insulation).

18. The Debtors operate out of their plant and headquarters located at 1 Main Street, Madison, Maine 04950 (the “Madison Facility”) and have 54 full-time employees. As of the Petition Date, the Debtors have almost completed construction and retrofitting of the Madison Facility, a former paper mill, into a state-of-the art wood fiber insulation plant.

19. The Debtors are the only manufacturer of wood fiber insulation in the United States (there are currently over ten such manufacturers in Europe). Once construction is complete, they will be poised to tap what is expected to be a massive U.S. market for high-performing, price-competitive and sustainable building insulation.

20. Before they could bring their product to market, however, the Debtors suffered a series of financial setbacks arising from cost overruns and delays in the construction of the Madison Facility. After extensive negotiations with their secured lenders, mechanic’s lienholders, and trade creditors, the parties reached agreement regarding a prearranged restructuring set forth in the *Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization* (the “Plan”) filed concurrently herewith.

21. The Plan, together with the debtor in possession financing facility (the “DIP Facility”) and exit facility provided by certain of the Debtors’ prepetition bondholders (the “Exit Facility”), will permit the Debtors to right-size their capital structure in line with the Debtors’ financial projections, enable the Debtors to emerge from bankruptcy as a viable entity and take their product to market.

22. The Debtors and their advisors have spoken with dozens of creditors, their counsel and other stakeholders and received unanimous support for the agreed Plan (including from

substantially all trade creditors and holders of two-thirds of the Green Bonds) through telephone conversations, email exchanges and over 25 restructuring support agreements signed up with substantially all major stakeholders. The Debtors are aware of no constituents who oppose the agreed Plan.

23. In addition to serving the best interest of creditors, the Debtors' successful reorganization pursuant to the Plan means the preservation of more than fifty (50) full time jobs, and the creation of an estimated additional sixty-six (66) jobs when the Debtors are fully operational, that are of critical importance to the small town of Madison, Maine.

B. The Subsidiaries

24. GO-Madison is the operating entity and owns substantially all assets of the Debtors, including the Madison Facility. The Debtors formed non-Debtors GO-Lending and GO-Finance to meet certain regulatory requirements applicable to certain tax-exempt financing (discussed below). The sole asset of GO-Lending is the Leverage Loan (as defined and discussed below), and the sole asset of GO-Finance is a debt service reserve fund opened in connection with the Green Bonds (the "Debt Service Reserve Fund"). The sole asset of non-Debtor Holdings is the membership interest in GO-Madison.

C. The Market for Wood Fiber Building Insulation

25. It is well recognized that the manufacture of traditional building insulation – fiberglass, mineral wool and foam – relies heavily on fossil fuels and leaves a substantial carbon footprint. Over the last 20 years, building codes have been driving higher levels of insulation usage throughout the country, and in the last 15 years, there has been significantly increasing market and regulatory incentives for the production of sustainable building materials.

26. In response, European manufacturers developed a new form of building insulation using wood fiber. In addition to having thermal, acoustic, fire-resistant and other qualities that are comparable or superior to traditional insulation, the manufacture of wood fiber insulation has a unique building science advantage given its permeability and moisture management characteristics and, as manufactured by the Debtors, sustainability characteristics (the Debtors' products are carbon negative).

27. Due to high production costs and relative limited availability of raw materials (softwood forests and timber waste), European wood fiber insulation sells for 15-20% more than traditional insulation. It is widely regarded as a premium product and an effective insulator that is safe and environmentally sound, accounting for nearly \$800 million in annual sales.

28. Despite its popularity in Europe, wood fiber insulation is not widely used in the United States. There are no U.S.-based manufacturers of wood fiber insulation (other than the Debtors). The cost of shipping European wood fiber insulation – which is already priced as a premium product – makes it cost-prohibitive for most projects in the U.S.

29. Dr. Henry and I believe there is a substantial market opportunity in the United States for the Debtors' products, particularly given wood fiber insulation's proven track-record in Europe, its compatibility with wood frame construction, which is above 95% of the U.S. residential market, the growing interest among consumers for sustainable building materials, and the ability to produce wood fiber insulation at lower cost due to the lower energy costs and greater availability of raw materials in the U.S. as compared to Europe (*i.e.* soft wood forests and timber waste).

30. The total U.S. market for insulation products to the construction industry will reach approximately \$12.2 billion in 2025, with residential and commercial markets reaching \$4.1 billion and \$4.0 billion in 2025. The Debtors' maximum production capacity at the Madison Facility

(approximately \$170 million per year) would account for approx. 2% of the residential and commercial markets.

31. Composed of wood waste from sustainably managed forests, the Debtors' products are unique in the market in that they are carbon storing and arrive on jobsites with a carbon-negative footprint. In contrast to 95% of the insulation used in the U.S., which is made with non-biogenic materials, the Debtors' products are non-toxic, safe and biodegradable. As such, the Debtors' products are well-positioned to benefit from public policy and regulation aimed at fostering the use of carbon-negative building materials, including without limitation (as examples), the Zero Energy Ready Homes Tax Credit, the MASS Save program, and the USDA BioPreferred Program.

D. History of the Debtors

32. In 2017, Dr. Henry and I formed GO-Inc. to become the first U.S. manufacturer of wood fiber building insulation.

33. In 2019, GO-Inc. obtained a seed capital investment of approximately \$12.5 million in the form of convertible instruments (the "Seed Investment"). The Debtors utilized the proceeds of the Seed Investment as well as various unsecured loans to purchase used manufacturing equipment and acquire a 600,000-sq. ft. shuttered paper mill in Madison, Maine.

34. In 2021, the Debtors obtained funding pursuant to a "Series A" equity offering of approximately \$27.5 million which, combined with the Seed Investment which converted to equity upon the funding of the Series A, comprised a total Series A investment of approx. \$40 million. In 2022, the Debtors broke ground on the construction of the Madison Facility, converting the shuttered paper mill into a wood fiber insulation plant. The construction was financed, at least initially, through the Series A equity offering and certain tax-favored loans, discussed below.

35. In 2023, the Debtors began manufacture and sale of the first product line, TimberFill, and then in February of 2024 began manufacture and sale of the second production line, TimberBatt. The sale of TimberBoard, which is the most market differentiated product, and expected to be the largest revenue contributor and have the highest margin of the Debtors' three products, has been delayed pending completion of its continuous board line (the "Board Line") at the Madison Facility (the "Board Line Construction"). When completed, the Madison Facility will have the capacity to manufacture product generating approx. \$170 million in revenue.

E. Assets of the Debtors

36. The assets of the Debtors will be fully identified in their bankruptcy schedules. The following chart provides a summary.

GO-Inc. Assets	Go-Madison Assets
100% of the membership interests in GO-Lending, GO-Holdings, and GO-Finance	Madison Facility (real estate, improvements and fixtures)
Bank accounts	Substantially all of the Debtors' Equipment (at Madison Facility)
Three (3) vehicles	Bank accounts
Limited equipment at Madison Facility	Inventory
Intellectual property	Accounts Receivable

37. In 2024, GO-Inc. was approved for a federal Advanced Energy Project Credit under section 48C of the Internal Revenue Code in the amount of approx. \$16.8 million, based upon the costs associated with equipment purchase, shipping, engineering and installation of its Board Line at the Madison Facility. Subject to IRS approval, the Debtors are entitled to claim the tax credit when GO-Madison places the Board Line in service for federal income tax purposes.

F. Capital Structure

38. The Debtors have undertaken a series of financings and equity offerings to fund capital expenditures and operations. As of the Petition Date, certain mechanic's lienholders (Cianbro and Gilman, defined below) held first priority liens on GO-Madison's real property and fixtures, while the Bondholders and SEDC held first priority liens *pari passu* on substantially all other GO-Madison assets. The Series B Holders (defined below) held a first priority lien on substantially all GO-Inc. assets other than a single bank account that had been pledged to Open Prairie (defined below), and which has a balance of approximately \$400.00.

a. Secured Debt – GO-Madison

i. Green Bonds

39. To finance the construction of the Madison Facility, GO-Madison and the Finance of Authority of Maine ("FAME") entered into a Loan Agreement dated December 1, 2021 (the "FAME Loan Agreement") in connection with FAME's issuance of the Revenue Bonds (GO Lab Madison, LLC Project), Series 2021 (Green Bonds) (the "Green Bonds") in the aggregate principal amount of \$85,000,000. Pursuant to that certain Indenture of Trust dated December 1, 2021 (the "Trust Indenture"), FAME assigned its interests under the FAME Loan Agreement and related instruments to UMB Bank, N.A. (as successor to Citibank, N.A.) (the "Bond Trustee").

40. In addition, GO-Madison entered into a Security Agreement dated as of December 1, 2021 (the "Bond Security Agreement") and Mortgage Deed, Security Agreement and Financing Statement, dated December 23, 2021 (the "Bond Deed Mortgage") and GO-Holdings entered into Membership Interest Pledge Agreement dated December 1, 2021 (the "Bond Pledge Agreement", and together with the Bond Security Agreement, Bond Deed Mortgage, the FAME Loan Agreement, the Trust Indenture, and all other documents and agreements entered into by the

Debtors in connection with the Green Bonds, the “Bond Documents”), pursuant to which GO-Madison granted FAME and the Bond Trustee (as FAME’s assignee) a security interest on all of its assets, including without limitation the Madison Facility and all personal property. and GO-Holding pledged its membership interest in GO-Madison to the Bond Trustee (each as further described the Bond Documents) (collectively, the “Bond Collateral”).

41. The Bond Trustee perfected its security interest and mortgage on the Bond Collateral by filing UCC financing statements against GO-Madison and GO-Holdings with the Delaware Secretary of State and recording the Bond Deed Mortgage on December 23, 2021 with the Somerset County Register of Deeds.

42. As of the Petition Date, the outstanding balance of GO-Madison’s obligations under the FAME Loan Agreement and other obligations related to the Green Bonds was approximately \$85 million.

ii. QLICI Loans

43. Concurrently with the Green Bonds, GO-Madison entered into certain qualified low income community investment loans (the “QLICI Loans”) evidenced by that certain Loan Agreement, by and between GO-Madison and the MCD Subsidiary CDE 16, LLC (“MCD 16”) and MHIC NE CDE II Subsidiary 64 LLC (“MHIC,” and with MCD 16, the “QLICI Lenders”) and certain promissory notes by GO-Madison in favor of the QLICI Lenders in the aggregate amount of approx. \$23 million.

44. The transaction was structured, in part, as a \$17.3 million loan utilizing capital of GO-Inc. (the “Leverage Loan”) from GO-Lending to GO Lab Investment Fund, LLC (“GLIF”), a subsidiary of Wells Fargo Community Investment Holdings, LLC (“Wells Fargo”), which used

the proceeds of the Leverage Loan, together with approximately \$6.7 million in tax credit equity related to tax credits to be received by Wells Fargo, to fund the QLICI Loans.

45. GO-Madison granted security interests to the QLICI Lenders in connection obligations under the QLICI Notes (collectively, the “QLICI Mortgage”) and certain reserve accounts at Mascoma Bank and Eastern Bank (such accounts, the “NMTC Separate Accounts”).

46. The outstanding balance under the QLICI Loans is approximately \$23 million. Although structured as a loan, all payments made by GO-Madison on the QLICI Loans flow back to GO-Lending and its parent, GO-Inc., net of fees and charges due the QLICI Lenders, via the Leverage Loan.

iii. 2024 SEDC Loan

47. On December 30, 2024, GO-Madison entered into a Commercial Promissory Note (the “2024 SEDC Note”) in favor of Sommerset Economic Development Corporation (“SEDC”) in the amount of \$2,990,000 (the “2024 SEDC Loan”). The 2024 SEDC Loan is secured pursuant to that certain Mortgage Deed, dated December 30, 2024, pursuant to which SEDC received a mortgage on the Madison Facility (the “SEDC Lien”). The SEDC Loan is forgivable under certain terms, including (as described in the 2024 SEDC Note) a Capital Raise Success (as defined in the 2024 Intercreditor Agreement (defined below)) and payment in full of the 2019 SEDC Note (as defined below).

48. As of the Petition Date, the outstanding principal balance of the 2024 SEDC Loan is approximately \$2,990,000.

iv. 2024 Intercreditor Agreement

49. Pursuant to an Intercreditor Agreement originally dated December 23, 2021, and as subsequently modified on December 30, 2024 (the “2024 Intercreditor Agreement”), SEDC and

the Bondholders hold first priority liens on the Bond Collateral shared *parri passu* in respect of the 2024 SEDC Loan and Green Bonds, respectively. The QLICI Loans and the QLICI Mortgage are subordinate in liens and payment to the 2024 SEDC Loan and the Green Bonds. However, the QLICI Lenders may exercise their remedies with respect to the NMTC Separate Accounts without the consent of the Bond Trustee.

v. FNB Loan

50. On May 17, 2023, GO-Madison entered into a Promissory Note dated March 17, 2023, in favor of First National Bank Belfast (“FNB”) in the amount of \$288,000 (the “FNB Loan”). FNB was granted a security interest in a Liebherr LX550XP Industrial Lift (the “Front Loader”). As of the Petition Date, the outstanding balance of the FNB Loan was approximately \$251,000.

b. Secured Debt – GO-Inc.

i. Open Prairie Loan

51. GO-Inc. is a party to that certain Loan and Security Agreement, dated December 9, 2021, pursuant to which GO-Inc. borrowed the original principal amount of \$3 million from Open Prairie (the “OP Loan”). In connection with the OP Loan, GO-Inc. granted Open Prairie a security interest (the “Open Prairie Security Interest”) on its membership interest in GO-Holdings and that certain Reserve Account at KeyBank (the “KeyBank Account”). .

52. As of the Petition Date, the aggregate principal outstanding under the OP Loan was approx. \$1,540,371.

ii. Bridge Loans

53. In 2024, GO-Inc. entered into a series of Secured Promissory Notes in favor of eleven separate lenders (the “Bridge Lenders”) in connection with certain bridge loans (the “Bridge”).

Loans”). In connection with the Bridge Loans, GO-Inc. granted the Bridge Lenders a security interest in all assets of GO-Inc., including goods, inventory, equipment, investment property, instruments, and general intangibles (the “Bridge Loan Security Interest”).

54. As of the Petition Date, the outstanding aggregate balance under the Bridge Loans was approximately \$3.4 million.

iii. Series B Senior Loans

55. In 2024, GO-Inc. entered into two secured convertible promissory notes (the “Series B Senior Loans”) in favor of Saint-Gobain Delaware Corporation (“Saint-Gobain”) and D.R. Horton (a/k/a D.R. Opportunities I, Inc.) (“D.R. Horton,” and together, the “Series B Holders”):

- (i) Secured Convertible Promissory Note dated April 26, 2024 in the original principal amount of \$10,000,000.00 in favor of Saint-Gobain; and
- (ii) Secured Convertible Promissory Note dated May 20, 2024 in the original principal amount of \$1,000,000.00 in favor of D.R. Horton.

56. In connection with the Series B Senior Loans, GO-Inc. granted Saint-Gobain, as agent for the Series B Holders (the “Series B Agent”), a security interest in all assets (the “GO-Inc. Collateral”), including without limitation, goods, inventory, equipment, investment property, instruments, general intangibles, accounts and proceeds and products thereof. Saint-Gobain perfected the liens of the Series B Holders by filing a UCC financing statement.

57. As of the Petition Date, the outstanding aggregate balance under the Series B Loans was approximately \$11.7 million.

iv. 2024 Subordination Agreements

58. On April 24, 2024, the Bridge Lenders and the Series B Agent entered into a Subordination and Intercreditor Agreement (the “Subordination Agreement”), pursuant to which

the Bridge Lenders agreed to subordinate their security interests to the liens of the Series B Holders. On April 26, 2024, GO-Inc., Open Prairie and the Series B Agent entered into an Intercreditor Agreement (the “2024 GO-Inc. Intercreditor Agreement,” and together with the Subordination Agreement, the “2024 Subordination Agreements”). Pursuant to the 2024 GO-Inc. Intercreditor Agreement, Open Prairie agreed, among other things, that the liens and security interest of the Series B Holders are senior to the liens and security interest of Open Prairie with respect to all collateral securing the OP Loan.

c. Unsecured Loans – GO Inc.

59. In addition to its secured debt obligations, GO-Inc. received unsecured loans in the original principal amount of approx. \$7.4 million, in the aggregate, from SEDC, Anthony Maderal, the Maine Rural Development Authority, FAME, the Kennebec Valley Council of Governments, the Town of Madison, and the Small Enterprise Growth Fund d/b/a Maine Venture Fund.

d. Trade Debt – Go Madison

60. As of the Petition Date, GO-Madison had unsecured trade debt of approximately \$7.3 million. In addition, two trade creditors – Cianbro Corporation and Gilman Electrical Supply – have asserted mechanic’s liens against GO-Madison totaling over \$15,000,000, as discussed further below.

G. Events Leading to the Filing of the Chapter 11 Cases

61. The Debtors’ financial distress arose from unbudgeted cost increases and delays with the construction of the Madison Facility, which remains incomplete. Inflation and supply-chain issues caused by the pandemic resulted in substantial cost-overruns, particularly with respect to the price of steel and electrical components. In addition, there were unexpected engineering problems associated with retrofitting the paper mill that resulted in substantial change orders.

Altogether, the cost overruns on the project exceeded \$30 million and prevented completion of the Board Line Construction. Two of the contractors on the project, Cianbro Corporation (“Cianbro”) and Gilman Electrical Supply (“Gilman”), recorded mechanic’s liens against GO-Madison in excess of \$15,000,000.

62. In response to the cost overruns, the Debtors drastically reduced their operating expenses, including by limiting marketing and personnel expenses otherwise budgeted for launching and providing on the ground support for TimberBatt and TimberFill to divert capital to completion of the construction. The production start for TimberBatt was delayed due to working capital limitations, and the production ramp and sales for TimberFill was initially hindered as the Debtors received feedback from contractors in the field, fine-tuned their manufacturing processes, and in select cases, shipped replacement product. Finally, as noted above, the Board Line Construction is not complete, which prevented the Debtors from launching their largest expected revenue producer, TimberBoard, and receiving related income.

63. The cost-overruns and delays severely strained the Debtors’ operating capital. In 2023 and 2024, the Debtors solicited a “Series B” equity offering with the goal of raising an additional \$60 million to complete construction of the Madison Facility, fund operations and launch the TimberBoard line. The Debtors were successful only in raising an additional \$31 million of Series B funding.

64. On September 6, 2024, the Debtors and the Bond Trustee entered into a Standstill and Forbearance Agreement (the “Forbearance Agreement”). Among other terms, the Forbearance Agreement required the Debtors to engage an investment banking firm and meet certain capital raise and sale milestones, with a new capital deadline of November 20, 2024 and a sale deadline of December 20, 2024. In September 2024, the Debtors’ board appointed an independent director,

and retained Jefferies LLC (“Jefferies”) as investment banker. Jefferies immediately launched a data room and began an exhaustive effort to market the Debtors’ assets and identify sources of new capital, soliciting proposals from over 190 interested parties.

65. In the meantime, the Debtors received an indication of interest (“IOI”) from a potential purchaser (the “Potential Purchaser”) in September 2024. The Debtors received a forgivable loan (*i.e.*, the 2024 SEDC Loan) in December 2024 to address the growing liquidity challenges and to fund operations through while working with the Potential Purchaser towards a transaction close, targeted for February 2025.

66. However, in early February 2025, the Potential Purchaser informed the Debtors it was no longer able to pursue closing on a transaction.

67. The Debtors, through their principals and advisors, began negotiations with the Bondholders, FAME, the Series B Senior Lenders, the QLICI Lenders, SEDC, trade creditors and other stakeholders, regarding a restructuring.

68. To fund operating expenses through the Petition Date and allow the Debtors to continue paying employees and professionals, the Bondholders permitted the Debtors to make certain draws on the Debt Service Reserve Fund.

69. The extensive discussions culminated in a series of restructuring support agreements (the “Restructuring Support Agreements”) with:

- (1) The certain of the Bondholders (the “Consenting Bondholders”);
- (2) The QLICI Lenders;
- (3) SEDC;
- (4) Cianbro and Gilman, who hold mechanic’s lien claims against the Madison Facility;
- (5) Nearly all trade creditors with claims above the \$25,000 convenience class in the Plan; and

- (6) Saint Gobain and D.R. Horton, which hold senior secured liens against GO-Inc.

70. Moreover, the Debtors have had extensive discussions with substantially all of the major constituents in the case and are not aware of any party that objects to the agreed Plan.

71. The Restructuring Support Agreements were the product of arm's-length negotiations, and lay the groundwork for an agreed-upon plan for restructuring of the Debtors' indebtedness and equity. The terms of the proposed restructuring are set forth in a combined disclosure statement and joint chapter 11 plan of reorganization (the "Combined Disclosure Statement and Plan")³ filed concurrently herewith.

72. By way of summary, the Restructuring Support Agreements provide for: (a) post-petition financing in the amount of \$10 million (the "DIP Facility") that will, in part, ensure funding of ordinary operations and the expenses of the Chapter 11 Cases; (b) conversion of the DIP Facility into a term loan upon the effective date of the Plan; (c) new debt financing to be provided by the Consenting Bondholders and such other bondholders that may become Participating Bondholders (as defined in the Plan) in an amount projected to be not less than \$19 million; (d) payments to GO-Madison's trade creditors in an equal to the greater of (i) \$25,000 and (ii) 10% of such creditor's allowed claim; (e) payment of the Mechanics' Lien Claimants' claims in discounted amounts; and (f) cancellation of all of the Debtors' outstanding equity interests and issuance of new equity interests, which will ultimately result in Participating Bondholders and the Series B Holders against GO-Inc. holding, respectively, 94.5% and 5.5% of the GO-Inc. stock subject to the dilutions set forth in the Plan.

³ The Combined Disclosure Statement and Plan will be referred to as the "Disclosure Statement" for purposes of 11 U.S.C. § 1125 and the "Plan" for all other purposes.

73. The Plan, combined with the DIP Financing, will permit the Debtors to right-size their capital structure and enable the Debtors to emerge from bankruptcy as a viable and competitive enterprise. Critically, the holders of Claims in the voting classes have agreed to support the Plan in numbers believed to exceed those required for confirmation.

74. The Debtors, in consultation with the lender under the DIP Facility and the Supporting Creditors, have determined that it is in the best interests of all parties in interest that the Plan be confirmed as expeditiously as is possible. Accordingly, the Debtors have filed a motion of even date herewith for entry of an order: (i) authorizing the filing of a combined plan and disclosure statement; (ii) determining, on an interim basis, the adequacy of the Disclosure Statement; (iii) scheduling a hearing (the “Combined Hearing”) to consider approval of the Disclosure Statement on a final basis and confirmation of the Plan; (iv) establishing procedures for the solicitation of votes and approving solicitation materials; and (v) granting related relief (the “DS Approval and Procedures Motion”).

75. In the DS Approval and Procedures Motion, to be heard at the second day hearing, the Debtors propose procedures to govern approval of the Disclosure Statement and solicitation of votes on the Plan.

II. FIRST DAY MOTIONS

76. The Debtors have filed a number of First Day Motions which address issues necessary to operate during the Chapter 11 period. The Debtors have also requested that the Court conduct a hearing as soon as possible to hear the First Day Motions (the “First Day Hearing”). A description of each of the First Day Motions is provided below.

A. Debtors' Motion for Order Authorizing Joint Administration of the Debtors' Chapter 11 Cases.

77. In this motion (the "Joint Administration Motion"), the Debtors request, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 1015-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the entry of an order directing consolidation of these Chapter 11 Cases for procedural purposes only.

78. I believe that the joint administration of the Chapter 11 Cases will save the Debtors and their estates substantial time and expense because it will remove the need to prepare, replicate, file, and serve duplicative notices, applications, and orders. Further, I believe that joint administration will relieve the Bankruptcy Court of entering duplicative orders and maintaining duplicative files and dockets. The United States Trustee for the District of Delaware (the "U.S. Trustee") and other parties in interest will similarly benefit from joint administration of the Chapter 11 Cases, sparing them the time and effort of reviewing duplicative pleadings and papers.

79. I believe that joint administration will not adversely affect creditors' rights because the Joint Administration Motion requests only the administrative consolidation of the estates, and does not seek substantive consolidation. As such, each creditor will continue to hold its claim against a particular Debtor's estate after this Joint Administration Motion is approved. Accordingly, I believe that joint administration of the Chapter 11 Cases is in the best interests of the Debtors, their estates and all parties in interest, and should be granted in all respects.

B. Debtors' Motion For Entry of Interim and Final Orders (I) Prohibiting Utility Companies From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Amounts Due; (II) Deeming Utility Providers Adequately Assured of Future Performance; (III) Authorizing the Debtors to Establish the Adequate Assurance Deposit Accounts and Pay the Adequate Assurance Deposits; (IV) Establishing Procedures for Objection to the Adequate Assurance Procedures; (V) Requiring Utility Providers to Return Deposits for Utility Services No Longer In Use; and (VI) Granting Certain Related Relief.

80. In this motion (the "Utilities Motion"), the Debtors request entry of interim and final orders: (i) prohibiting utility companies from altering, refusing or discontinuing services to, or discriminating against, the Debtors on account of prepetition amounts due; (ii) deeming utility providers adequately assured of future performance; (iii) authorizing the Debtors to establish the adequate assurance deposit accounts and pay the adequate assurance deposits; (iv) establishing procedures for objection to the adequate assurance procedures; (v) requiring utility providers to return deposits for utility services no longer in use; and (vi) granting certain related relief.

81. In connection with the operation of their business and management of their properties, the Debtors historically obtain water, sewer service, electricity, waste disposal, natural gas, telecommunication, cloud, and other similar services (collectively, the "Utility Services") from a number of utility providers or their brokers (collectively, the "Utility Providers"). A nonexclusive list of the Utility Providers and their affiliates that provide Utility Services to the Debtors as of the Petition Date (the "Utility Services List") is attached to the Utilities Motion as Exhibit "A".

82. Uninterrupted Utility Services are essential to the Debtors' ongoing business operations and, hence, the overall success of these Chapter 11 Cases. The Madison Facility locations requires electricity, telecommunications, internet, water, waste management (including sewer and trash), and other utility services to operate. Should any Utility Provider refuse or discontinue service, even for a brief period, the Debtors' business operations would be severely

impacted, and such disruption would jeopardize the Debtors' ability to administer their chapter 11 cases by adversely affecting customer goodwill and employee relations, which, in turn, would negatively affect the Debtors' revenues. Accordingly, it is essential that the Utility Services continue uninterrupted during the Chapter 11 Cases.

83. The Debtors intend to pay postpetition obligations to the Utility Providers in a timely manner in the ordinary course of business. Cash held by the Debtors, cash generated in the ordinary course of business, and cash available to the Debtors under the DIP Facility will provide sufficient liquidity to pay the Debtors' Utility Service obligations in accordance with their prepetition practice.

84. To provide additional assurance of payment, the Debtors propose to deposit into a segregated account \$42,613.59 (the "Adequate Assurance Deposit"), which represents an amount equal to approximately one half of the Debtors' average monthly cost of Utility Services, excluding those already in possession of deposits, calculated based on the Debtors' average utility expenses over the last twelve (12) months, except as otherwise indicated in the schedule attached to the Utilities Motion. The Debtors request the authority to adjust the amount of the Adequate Assurance Deposit to account for any adjustment of Utility Service between the Debtors and the applicable Utility Provider without further order of the Court.

85. The Adequate Assurance Deposit will be held in a segregated account (the "Adequate Assurance Account") for the benefit of the Utility Providers and for the duration of these Chapter 11 Cases and may be applied to any postpetition payment defaults owed to the Utility Providers by the Debtors. The Adequate Assurance Deposit will be held by the Debtors, and no liens will encumber the Adequate Assurance Deposit or the Adequate Assurance Account. The Debtors submit that the Adequate Assurance Deposit, in conjunction with the Debtors' ability to

pay for future utility services in accordance with their prepetition practices (collectively, the “Proposed Adequate Assurance”), constitutes sufficient adequate assurance to the Utility Providers in full satisfaction of Section 366 of the Bankruptcy Code.

86. To the extent the Debtors identify new or additional Utility Providers or discontinue services from existing Utility Providers, the Debtors seek authority to add or remove parties from the Utility Services List. For any Utility Provider that is subsequently added to the Utility Services List, the Debtors will serve such Utility Provider with a copy of the Court’s order regarding Utility Services, including the Adequate Assurance Procedures, and increase the Adequate Assurance Deposit by an amount equal to two weeks of the Debtors’ average cost of services from the subsequently added Utility Provider, net of any prepetition deposits, letters of credit, or surety bonds already provided to the Utility Provider in the ordinary course of business. The Debtors request that the terms of such Utility Services order and the Adequate Assurance Procedures apply to any subsequently identified Utility Provider to the same extent as if the Utility Provider was listed on the original Utility Providers List attached hereto. For any Utility Provider that is subsequently removed from the Utility Providers List, the Debtors request the authority to decrease the Adequate Assurance Deposit by an amount equal to two weeks of the Debtors’ average cost of services from such removed Utility Provider.

C. Debtors’ Motion for Interim and Final Orders: (I) Authorizing the Debtors to (A) Maintain Existing Insurance Policies, (B) Continue Payments pursuant to Premium Financing Agreement, and (C) Obtain New or Alternative Insurance Coverage in the Ordinary Course of Business; and (II) Scheduling a Final Hearing

87. In this motion, the Debtors request entry of an order (1) authorizing, but not directing, the Debtors (a) to maintain existing insurance policies, (b) to continue making payments pursuant to a premium financing agreement, and (c) obtain new or replacement insurance coverage

in the ordinary course of business; and (2) scheduling a final hearing on the relief sought herein (the “Insurance Motion”).

88. ***Insurance Policies.*** In the ordinary course of business, the Debtors maintain comprehensive insurance coverage under a number of policies (each a “Policy” and, collectively, the “Policies”). The Policies cover various sorts of liability and loss including, without limitation: (a) directors and officers liability; (b) employment practices liability; (c) commercial general liability; (d) commercial property damage; (e) commercial auto liability; and (f) commercial pollution liability. The Policies that are the subject of the Insurance Motion are listed in the schedule attached thereto Exhibit A (the “Schedule of Policies”).

89. The Policies are critical to the preservation of the value of the Debtors’ business and assets during the pendency of these chapter 11 cases. In addition to be required under various laws and contracts related to the Debtors’ operations, maintaining insurance is required for under chapter 11 of the Bankruptcy Code. *See* section 1112(b)(4)(C) (Providing that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” constitutes cause for dismissal or conversion of chapter 11 case).

90. Annual premiums and related fees under the Policies total approximately \$2,970,000. Of this amount, approximately \$2,420,000 is financed, as discussed below. As of the Petition Date, the Debtors believe they are current on all premiums and other payments necessary to maintaining coverage under the Policies.

91. The nonpayment of any premiums, deductibles, or related fees could result in one or more of the Carriers increasing future insurance premiums, declining to renew the insurance policies, or refusing to enter into new insurance agreements with the Debtors. If coverage under

any of the Insurance Policies is terminated without renewal, the Debtors and the estates may be exposed to the risk of substantial liability to the detriment of creditors and other parties in interest.

92. **Premium Financing.** The Debtors finance premium payments for thirteen (13) policies pursuant to two premium financing agreements (the “Premium Financing Agreements”) with IPFS Corporation (“IPFS”). Through the Premium Financing Agreements, the Debtors are able to spread the costs of certain coverage more evenly over time, and avoid the burdens of large lump sum premiums. The Premium Financing Agreements are an important component of the Debtors’ cash-flow management. Pursuant to the Premium Finance Agreements, the Debtors pay monthly installments in the amounts of \$201,999.28 and \$6,806.77.

93. If the Debtors are unable to continue making payments under the Premium Financing Agreements, IPFS may be entitled to cancel a number of the Insurance Policies, leading to a significant loss of coverage. In that event, the Debtors would be required to immediately find alternative coverage, very likely at significantly greater cost than that under the current arrangement.

94. The Premium Financing Agreements are critical not only to maintaining coverage under the Insurance Policies, but also to effectively managing cash flow during the pendency of these cases. It is in the best interest of the estates and creditors therefore that the Debtors be authorized to continue performing under the terms of the Premium Financing Agreements.

D. Debtors’ Application for an Order Appointing Omni Agent Solutions as Claims and Noticing Agent for the Debtors *Nunc Pro Tunc* to the Petition Date.

95. The Debtors request entry of an order, pursuant to section 156(c) of title 28 of the United States Code, authorizing the retention and appointment of Omni Agent Solutions (“Omni”) as claims and noticing agent in these Chapter 11 Cases (the “Omni Retention Application”).

96. I believe that the relief requested in the Omni Retention Application will ease the administrative burden on the Clerk of the Bankruptcy Court in connection with these Chapter 11 Cases. Moreover, the Debtors solicited engagement proposals from three court-approved claims and noticing agents to ensure selection through a competitive process. Based on all engagement proposals obtained and reviewed, I believe that Omni's rates are competitive and reasonable given Omni's quality of service and expertise and the most favorable to the Debtors.

E. Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Pay and Perform All Employee Obligations, (B) Directing Banks to Honor All Related Transfers, and (C) Granting Related Relief.

97. The Debtors have requested that this Court enter an order authorizing (a) payment of pre-petition wages, salaries and employee benefits, (b) reimbursement of employee business expenses, and (c) payment of other employee-related amounts; and authorizing applicable banks and other financial institutions to receive, process, honor and pay all checks and drafts drawn on debtors' bank accounts relating to the foregoing (the "Wage Motion").

98. As of the Petition Date, the Debtors' workforce consists of fifty-four (54) employees, all of whom are full time (the "Employees"). Thirty (30) are salaried, and twenty-four (24) are paid on an hourly basis. Debtor GO Lab, Inc. ("GO-Inc.") has nineteen (19) Employees, of whom seventeen (17) are salaried and two (2) are hourly. Debtor GO Lab Madison, LLC ("GO-Madison") has thirty-five (35) Employees, of whom thirteen (13) are salaried, and twenty-two (22) are hourly. The Employees are not unionized.

99. The continued maintenance of employee pay and benefits is essential to the ongoing and valued services of the Employees. Although the Petition Date is the first day of a new pay-period, out of an abundance of caution the Debtors also request authority to pay, on a post-petition basis any unpaid wages that may exist as of the Petition Date, including without limitation wages and salaries, federal and state withholding taxes, contributions to employee benefit plans and

payment of health insurance claims and all other employee benefits that the Debtors pay in the ordinary course of business, as well as reimbursable expenses as defined in the Wage Motion.

100. Furthermore, as a service to its employees, the Debtors withhold certain amounts from their employees' paychecks for the benefit of designated recipients for various purposes, including, without limitation, the payment of wage garnishments. The Debtors seek authority to continue withholding such amounts and paying them directly to the appropriate entity.

101. ***Wages and Salary.*** The Debtors each operate on the same payroll schedule. All Employees are paid their wages ("Wages") once every two weeks, with each paycheck covering the preceding two calendar weeks. Payroll is processed on the Wednesday of each pay-week, and directly deposited into the Employees' accounts on the Friday. All Employees have direct-deposit. Each Debtor pays its own Employees directly. As of the Petition Date, GO-Inc.'s gross payroll is approximately \$77,000. Net of withholdings, this figure becomes approximately \$50,300. As of the Petition Date, GO-Madison's gross payroll is approximately \$105,000. Net of withholdings, this figure becomes approximately \$68,500.

102. The Debtors' next upcoming pay date is March 28, 2025. The Wages paid on this date will cover the time period of March 10th through March 23rd. This entire period falls prior to the Petition Date. The Debtors request authority to continue to make their March 28 payroll payments to their Employees, and thereafter to continue to pay the Employees in the ordinary course of business.

103. The Debtors, as employers, are required by law to withhold federal, state, and local taxes from Wages (the "Employee Taxes") for remittance to the appropriate taxing authorities (the "Taxing Authorities"). Because the funds for Employee Taxes are withheld from the Employees' own wages, they do not constitute bankruptcy estate funds. In addition, the Debtors are required

to pay social security and Medicare taxes as well as additional amounts for state and federal unemployment insurance based on a percentage of gross payroll, subject to state-imposed limits (together with the Employee Taxes, the “Payroll Taxes”). By the Wage Motion, the Debtors seek authority to continue to honor and process their obligations on a post-petition basis with respect to the Payroll Taxes, including authority to pay Payroll Taxes to the Taxing Authorities, as needed.

104. ***Paid Time Off.*** The Debtors provide their Employees with paid time off (“PTO”). Employees accrue PTO during each pay period, at varying rates based on their tenure. Employees are permitted to carry accrued PTO over from year-to-year, up to a certain maximum. Twenty-four (24) of the Employees have PTO cash-out rights, which are exercisable only upon termination of employment. All together, the aggregate PTO cash-out rights of these Employees total \$23,421.13. In the Wage Motion, the Debtors request authority to continue to honor their PTO policies in the ordinary course of business, and to honor all pre-petition obligations related thereto in a manner consistent with their pre-petition practices, including without limitation by making payment to Employees, if and when appropriate, on account of their PTO cash-out rights.

105. ***Payroll Processor.*** The Debtors use Paylocity Corporation (“Paylocity”) as their payroll processor. In this capacity, Paylocity charges the Debtors a fee of \$1,433.90 per month, which is calculated as a function of the number of Employees. The Debtors’ monthly payment is due on the twentieth of the month, and covers Paylocity’s services for the preceding month. The Debtors’ next upcoming payment to Paylocity is due on March 20th, and covers Paylocity’s services provided to the Debtors in February. By the Wage Motion, the Debtors request authority to make the payment to Paylocity that is due on March 20th, and thereafter continue to pay Paylocity in the ordinary course of business (together the “Paylocity Obligations”).

106. ***Employee Benefit Plans.*** The Debtors have established certain benefit plans for eligible Employees, including without limitation medical, dental, and vision plans, workers' compensation insurance, life insurance, disability insurance, retirement plans, and other benefits, all as described in more detail below (all together, the "Employee Benefit Plans"). By the Wage Motion, the Debtors request authority to continue all Employee Benefit Plans; to pay, in the ordinary course of business, any obligations that may arise, or that may have arisen, under the Employee Benefit Plans, whether accrued pre or post-petition; and to continue to pay, in the ordinary course of business, the premiums and other charges associated with the Employee Benefit Plans, and to authorize Banks to honor any checks that were issued pre-petition relating to the Employee Benefit Plans.

- a. ***Health Insurance Plan.*** The Debtors offer medial insurance benefits to eligible Employees through a healthcare plan (the "Health Insurance Plan"). Thirty-eight (38) of the Employees participate in the Health Insurance Plan. The Debtors contribute ninety percent (90%) of each participating Employee's own annual premium, and, if applicable, twenty percent (20%) of the Employee's family members' premiums. The Health Insurance Plan is administered by Anthem Blue Cross Blue Shield ("Anthem"). Anthem's monthly charge to the Debtors for administering the Health Insurance Plan is \$38,217.44, which is calculated as a function of the number of participating Employees. The Debtors' payments to Anthem are due monthly, one month in advance. The Debtors have already paid through to the end of March 2025. By the Wage Motion, the Debtors request authority to continue to pay Anthem's charges, including any portion that may be deemed to have accrued pre-petition, to maintain the Health Insurance Plan. In

connection with the Health Insurance Plan, the Debtors have an aggregate stop-loss insurance policy (the “Stop-Loss Policy”), with a \$28,700 stop-loss limit for medical and prescription drug claims. The cost of the policy is included within Anthem’s monthly fee. As the Health Insurance Plan is a level-funding plan, the Stop-Los Policy is necessary to protect the Debtors from potentially suffering a sharp increase in their premiums owed to Anthen in the event of unexpectedly high Employee claims. The Stop-Loss Policy period is from January 1, 2025 through December 31, 2025, and the Stop-Loss Policy will come up for renewal in approximately October of this year. At present, the component of the total Anthem monthly charge attributable to the Stop-Loss Policy cost is an average of \$10,948. As with the other services covered in their monthly payment to Anthem, the cost of the Stop-Loss Policy is paid through to the end of March. The Debtors’ next payment to Principal will be due on April 1st, and will cover the month of April. The Debtors do not owe any unpaid pre-petition charges to Principal.

- b. ***Additional Insurance Benefits.*** In addition, the Debtors provide each Employee with \$50,000 of life and accidental death and dismemberment insurance (one policy covering both), as well as short term disability insurance (together, the “Additional Insurance Benefits,” and, together with the Health Insurance Plan, the “Insurance Plans”). The Additional Insurance Benefits are provided by Principal Insurance Company (“Principal”). Principal’s monthly charge to the Debtors for the Additional Insurance Benefits is \$5,618.74. The Debtors’ payments to Principal for the Additional Insurance Benefits are due monthly, one month in advance. The Debtors have already paid through to the end of March 2025.

- c. ***Employee Funded Insurance.*** In addition, the Debtors maintain certain voluntary “employee-funded” insurance benefits, including dental and vision coverage, long term disability insurance (together, the “Employee-Funded Insurance Benefits”). Employees pay for the Employee-Funded Insurance Benefits themselves. The Debtors withhold funds from participating Employees’ paychecks and make payments to the applicable providers on the participating Employees’ behalves. Because the participating Employees pay for the Employee-Funded Insurance Benefits themselves, no bankruptcy estate funds are implicated by these programs.
- d. ***Employee Assistance Program.*** The Debtors provide an “Employee Assistance Program,” which includes access to confidential 24/7 counseling services, as well as various work/life programs and legal/financial services. The Employee Assistance Program is provided by Northern Light Healthy Life EAP (“Northern Light”). Northern Light’s fee for administering the Employee Assistance Program is \$637.88 per quarter. The Debtors’ payments to Northern Light for the Employee Assistance Program are payable quarterly, in arrears. Their next payment will be payable in mid April and will cover the first quarter of 2025. The Debtors presently owe a past-due balance of \$2,925.02 to Northern Light.
- e. ***FSAs.*** The Debtors offer Employees flexible spending accounts for healthcare and/or dependent care (a “Healthcare FSA” and a “Dependent-Care FSA”, and together the “FSAs”), each administered by Paylocity. The applicable Employees fund their Healthcare FSAs using their own funds, in the form of pre-tax Wages. The Debtors withhold participating Employees’ contributions to their Healthcare FSAs from their paychecks. These Employees in turn submit claims to Paylocity

for qualifying reimbursements (including through debit cards issued to the Employees by Paylocity), and Paylocity issues payment to the Employees. Paylocity automatically causes the funds for these reimbursements to be transferred from the Debtors' bank accounts to the applicable Employees' bank accounts.

- f. ***Dependent-Care FSA.*** In contrast, the Debtors themselves fund the participating Employees' Dependent-Care FSAs up to the \$5,000 annual statutory maximum (such funding, the "Dependent-Care FSA Benefit"). Seven (7) Employees presently receive the Dependent-Care FSA Benefit. The Debtors make each Dependent-Care FSA contribution to a given participating Employee at the time when the Employee submits a claim, and the Debtors' contribution is in the amount of the claim (up to the statutory aggregate maximum of \$5,000). As of the Petition Date, the seven participating Employees together have a total of \$26,922 remaining under the aggregate statutory threshold of \$35,000. As with the Healthcare FSA, the applicable Employees submit claims to Paylocity for qualifying reimbursements, and Paylocity issues payment to the Employees. Paylocity automatically causes the funds for these reimbursements to be transferred from the Debtors' bank accounts to the applicable Employees' bank accounts.
- g. Paylocity charges the Debtors a fee of \$34 per month for administering the FSAs. The Debtors' next payment to Paylocity for this fee will be due on April 1st, and will cover the month of March. The Debtors do not owe any past-due amounts to Paylocity.
- h. ***HSA.*** The Debtors offer certain Employees the ability to contribute a portion of their pre-tax wages to a health savings account (each an "HSA") up to the IRS limit.

Only Employees who elect coverage under the “high deductible” option under the Health Insurance Plan are eligible to contribute to an HSA. The Debtors use their own funds to contribute up to \$750 per year to each applicable Employee’s HSA. Employees must use their own funds, withheld from their Wages, for any additional contributions. In each pay period, the Debtors contribute a total of \$836.65 to Employee HSAs. In 2025 the Debtors will contribute a total of \$21,752.90 to Employees’ HSAs. Paylocity administers the Debtors’ HSA program, and charges the Debtors a monthly fee of \$149.10 for doing so. The Debtors’ next payment to Paylocity for this fee will be due on April 1st, and will cover the month of March. The Debtors do not owe any past-due amounts to Paylocity.

- i. ***Workers’ Compensation Insurance.*** Under applicable law, the Debtors are required to maintain workers’ compensation insurance to provide Employees with coverage for claims arising from or related to their employment, and to satisfy the Debtors’ obligations arising under or related to any claims in connection therewith (the “Workers’ Compensation Insurance”). The Workers’ Compensation Insurance covers all Employees and is provided through Maine Employers’ Mutual Insurance Company (“MEMIC”). The Debtors’ total annual Workers’ Compensation Insurance premium for their most recent policy period was approximately \$106,200. The precise total is calculated as a function of the Debtors’ payroll. The Debtors pay MEMIC once every two weeks in conjunction with their payroll, pursuant to a “pay as you go” program.” MEMIC automatically deducts its biweekly charge from the Debtors’ bank accounts. The Debtors’ present Workers’ Compensation Insurance policy term expires on September 30, 2025.

- j. It is critical that the Debtors be permitted to continue to provide the Workers' Compensation Insurance and pay the associated premium, as not doing so would almost certainly be more costly. In addition, failure to maintain this insurance could result in the institution of administrative or legal proceedings against the Debtors and their officers and directors, and an inability of the Debtors to continue as a going concern.
- k. **COBRA.** The Debtors offer their Employees COBRA coverage under the applicable circumstances ("COBRA"). The Debtors' COBRA coverage is administered by Paylocity. Paylocity charges the Debtors a monthly fee of \$50. The Debtors' next payment to Paylocity for this fee will be due on April 1, and will cover the month of March. The Debtors do not owe any past-due amounts to Paylocity.
- l. **401(k) Plan.** The Debtors maintain a retirement savings plan for all full-time Employees in accordance with the requirements of section 401(k) of the Internal Revenue Code (the "401(k) Plan"). Employees may contribute funds to the 401(k) Plan through wage deductions up to the IRS limit. The Debtors make matching payments equal to the first 1% of each Employee's own contribution, plus half of the next 5% of each Employee's own contribution. For the Debtors' payroll dated March 14th, their matching payments were totaled \$5,455.15. By the Wage Motion, the Debtors request authority to continue their pre-petition practices with respect to the 401(k) Plan, including without limitation by continuing to make matching contributions (including any portion thereof that may be deemed to represent an obligation that accrued pre-petition), in order to avoid any disruption

to the 401(k) Plan and to ensure that the transition into bankruptcy is as seamless as possible from the Employees' perspective.

- m. Paychex ("Paychex") administers the 401(k) Plan and charges the Debtors a quarterly fee of \$2,919.68. The Debtors' next payment owed to Paychex, covering the first quarter of 2025, will be due in April 2025. The Debtors do not owe any past-due amounts to Paychex.
- n. Cetera Wealth Partners ("Cetera") provides advisory services to the Debtors in connection with the 401(k) Plan, and charges the Debtors a quarterly fee of \$2,634.87. The Debtors' next payment owed to Cetera, covering the first quarter of 2025, will be due in April 2025. The Debtors do not owe any past-due amounts to Cetera.

107. ***Reimbursable Expenses.*** The Debtors reimburse their Employees for certain ordinary-course expenses that the Employees incur within the scope of their employment, including travel, lodging, transportation, meals, and other miscellaneous expenses (collectively, the "Reimbursable Expenses"). Reimbursable Expenses incurred by Employees in furtherance of the Debtors' business are paid directly by Employees, who then submit expense reports to the Debtors in accordance with the Debtors' reimbursement policy. The Debtors believe that as of the Petition Date, all Employees have already submitted their expense reports for Reimbursable Expenses incurred before the Petition Date, and that no obligations are outstanding on account of Reimbursable Expenses. Nonetheless, out of an abundance of caution, by the Wage Motion they request authority to pay any pre-petition Reimbursable Expenses that may exist. Failing to reimburse Employees for Reimbursable Expenses would have a negative effect on Employee

morale, and would cause those employees with outstanding Reimbursable Expenses to suffer undue hardship.

108. ***Additional Withholding Obligations.*** As described above, the Debtors are legally obligated to withhold, and transmit to the Taxing Authorities, the Payroll Taxes. In addition to the items comprising the Payroll Taxes, from time to time the Debtors may be legally obligated to withhold additional amounts from a given Employee's paycheck on account of that Employee's legal obligations, including, for example, on account of tax levies or child support obligations (together with the Payroll Taxes, the "Paycheck Withholding Obligations"). By the Wage Motion, the Debtors are requesting authority to pay all of the Paycheck Withholding Obligations to the applicable authorities or third parties.

F. Debtors' Motion for Entry of Order (I) Authorizing Continued Use of Existing Cash Management System and Maintenance of Existing Bank Accounts, (II) Authorizing Continued Use of Existing Business Forms and Checks and (III) Granting Related Relief

109. In this motion (the "Cash Management Motion"), the Debtors request entry of interim and final orders: (i) authorizing, but not directing, the Debtors' continued use of their existing cash management system and maintenance of bank accounts, while waiving certain of the requirements of the investment and deposit guidelines promulgated by the Office of the United States Trustee (the "Guidelines") and, to the extent necessary, the requirements of section 345(b) of the Bankruptcy Code; (ii) authorizing the Debtors' continued use of existing business forms and checks; and (iii) providing additional relief.

110. **Cash Management System.** Each of the Debtors maintains its own centralized cash management system for all of its business operations, as described herein (the Debtors' systems together, the "Cash Management System"). Overall, the Cash Management System is comprised of integrated, centralized networks of bank accounts at several domestic, financially stable, FDIC-

insured banks, and it facilitates the timely and efficient collection, concentration, management, and disbursement of funds used by the Debtors.

111. The Debtors' Cash Management System is essential to their ability to conduct their business operations. It provides a customized mechanism that allows the Debtors to transfer funds quickly and efficiently as needed, and provides numerous important benefits, including allowing the Debtors to: (i) control and monitor corporate funds; (ii) ensure cash availability; (iii) reduce administrative expenses; and (iv) ensure timely and accurate balance and presentment information.

112. The Debtors' transition into Chapter 11 will be significantly less disruptive if they are able to maintain their Cash Management System following the commencement of the Chapter 11 Cases, continue to use their Bank Accounts pursuant to their ordinary course of business, and for all ordinary purposes, as debtor-in-possession accounts, and continue to use their Company Cards.

113. *Bank Accounts.* A list of the bank accounts (the "Bank Accounts") at the various banks (the "Banks") that are part of the Cash Management System is attached to the Cash Management Motion as Exhibit A.

114. As shown on the attached Schedules, all together the Debtors have twenty-four (24) bank accounts in total. However, most of them are seldom-used, or unused, special purpose accounts, most of which have a \$0 balance. Each Debtor has its own main operating account, each at KeyBank, N.A. ("KeyBank"), and these two accounts are by far the most significant of the Bank Accounts.

115. Debtor GO Lab, Inc. ("GO-Inc.") has two bank accounts: (i) its aforementioned main operating account at KeyBank (No. 1680); and (ii) a special-purpose account, also at KeyBank (No. 6208). The latter was established as a restricted-access reserve account to hold

collateral in connection with the Debtors' \$3 million loan from Open Prairie. This account is subject to a DACA, and the Debtors do not have access to it. Open Prairie has drawn almost all of the funds that this account once held, and as of the Petition Date a balance of only \$400 remains.

116. As mentioned, Debtor GO Lab Madison, LLC ("GO-Madison") also has its main operating account at KeyBank (No. 2233). GO-Madison also has a number of special purpose accounts, which are mostly unused, access restricted, and/or have a \$0 balance.

117. GO-Madison has seventeen (17) of these special purpose accounts at UMB Bank., N.A. ("UMB"). Only two of these have a balance: No. 693.4, which has a balance of \$647; and No. 693.5, which has a balance of \$6,435. The UMB accounts were all established as "trustee accounts" in connection with GO-Madison's issuance of the Green Bonds. With the exception of accounts 693.2, 693.3, 693.4, and 693.5, these accounts never held a balance and have never been used. In addition, non-debtor GO- Finance has an account at UMB (Acct. No. 2693). This is the Debt Service Reserve Fund. GO-Finance opened this account in connection with the issuance of the Green Bonds, and it presently has a balance of approximately \$610,000. GO-Madison may access these funds from time to time with the Green Bond holders' consent based on the Debtors' performance relative to a certain budget. Funds releases from this account are transferred to GO-Madison's operating account.

118. Next, GO-Madison has two accounts at Citibank (Nos. 5954 and 7764). These accounts were opened to hold collateral securing a letter of credit in favor of Dieffenbacher GmbH, in connection with a certain agreement into which GO-Madison entered with that company. Dieffenbacher has since largely drawn down the original balances in these accounts. Account No. 5954 presently has a balance of \$400, and No. 7764 has a balance of €31,000. Account No. 7764 is a restricted-access DACA-controlled account, to which the Debtors do not have access. The

Debtors would ordinarily have closed Account No. 5954 by this point. However, Dieffenbacher has asked the Debtors to leave it open until Account No. 7764 is closed.

119. Finally, GO-Madison has two DACA-controlled reserve accounts at local regional banks that it opened in connection with the QLICI Loans. These accounts are with Mascoma Bank (an affiliate of one of the QLICI Lenders) and Eastern Bank (a frequent partner of the other QLICI lender, the Massachusetts Housing Investment Corporation). The funds in these two accounts secure the Debtors' obligations to pay fees and interest on the QLICI Loans.

120. *Company Cards.* In addition to the Bank Accounts and systems described above, the Debtors' Cash Management System includes certain company credit cards (together, the "Company Cards"). The Company Cards are issued by Brex Inc. Employees use these cards to make purchases for the business, and Brex bills the Debtors directly for these charges. Each Debtor pays its own employees' charges.

121. By this Motion, the Debtors request authority to continue their pre-petition practices with respect to the Company Cards. The Debtors also request authority to pay any administrative or similar fees charged by Brex in connection with its administration of the Company Cards, including without limitation any portion that may have accrued pre-petition, in order to ensure that their ability to use the Company Cards continues uninterrupted. Brex presently charges the Debtors a monthly fee of \$260. If the Debtors continue to use the Company Cards post-petition, they will ensure that they do not pay any pre-petition charges unless the Court has authorized them to do so.

122. *Intercompany Transfers.* In the ordinary course of business, GO-Madison regularly transfers funds to GO-Inc. pursuant to a certain Management Services Agreement (the "MSA") between the two Debtors (the "Intercompany Transactions"). Although GO-Inc. pays its

own employees and its other expenses directly, it does not have any revenue of its own. The funds that GO-Inc. uses to satisfy its obligations are transferred up to GO-Inc from GO-Madison pursuant to the MSA. Under the MSA, GO-Inc. provides certain services to GO-Madison including executive management services, financial services, tax assistance, assistance with managing AP and AR, and similar services. GO-Inc. invoices GO-Madison on a monthly basis under the MSA and, in response, GO-Madison transfers funds in payment directly from its operating account to GO-Inc.'s operating account.

123. ***Existing Business Forms and Checks.*** As part of their Cash Management System, the Debtors maintain their prepetition Bank Accounts and utilize numerous preprinted business forms (the “Business Forms”) in the ordinary course of business. The Debtors also maintain books and records to document, among other things, their profits and expenses (collectively, the “Books & Records”). To minimize expenses to the Debtors’ estates and to avoid confusion on the part of employees, customers, and suppliers, the Debtors request that the Court authorize them to continue to use all Business Forms (including, without limitation, checks, letterhead, purchase orders, invoices, envelopes, promotional materials, and other business forms and correspondence) as such Business Forms were in existence immediately before the Petition Date – without reference to the Debtors’ status as debtors in possession – rather than requiring the Debtors to incur the expense and delay of ordering entirely new Business Forms.

124. ***Benefits of the Existing Cash Management System.*** The Debtors’ Cash Management System is similar to those commonly employed by enterprises comparable to the Debtors in economic scope and geographic reach. Indeed, large, multi-entity businesses like the Debtors use such systems because of the numerous benefits they provide, including the ability to create status reports on the location and amount of funds quickly, the ability of management to

track and control corporate funds, and the ability to ensure cash availability and to reduce administrative expenses by facilitating the movement of funds. The Debtors' Cash Management System has been in place for a significant amount of time, and the Debtor's operations are built around, and reliant upon, the existing system. Any disruption of the Cash Management System would be extremely detrimental to the Debtors' operations.

125. In addition, many of the Bank Accounts other than the two operating accounts are access restricted special purpose accounts, including accounts set up to hold collateral. The Debtors would not have the authority to move or alter these accounts or otherwise access the funds therein.

G. Motion of the Debtors for Order Authorizing the Debtors to File (I) a Consolidated Creditor Matrix, and (II) A Consolidated List of the 20 Largest Unsecured Creditors

126. In this motion, the Debtors request entry of orders (i) authorizing the Debtors to file a consolidated list of creditors (a "Creditor Matrix"); and (ii) authorizing the Debtors to file a consolidated list of their 20 largest unsecured creditors (a "Top 20 List"). Given the affiliated nature of the Debtors, the Debtors submit that permitting them to maintain a single consolidated Creditor Matrix, in lieu of a separate one for each Debtor, is warranted. Certain creditors may assert that they are creditors of more than one Debtor, and thus failure to maintain a single consolidated Creditor Matrix would result in numerous duplicate mailings. Under these circumstances, the exercise of satisfying the literal requirements of Bankruptcy Rule 1007(a) would only serve to frustrate its intended purpose. For the foregoing reasons, the Debtors also request authority to file only a single consolidated Top 20 List in lieu of separate such lists for each Debtor. The Debtors believe that such relief is appropriate under the circumstances for the efficient and orderly administration of these cases.

H. Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors in Possession to Obtain Postpetition Secured Superpriority Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Adequate Protection, (IV) Scheduling Final Hearing, and (V) Granting Certain Related Relief

127. In this motion (the "DIP Motion"), the Debtors request entry of interim and final orders (i) authorizing the Debtors to obtain senior secured superpriority postpetition financing (the "DIP Facility," and such lenders on the DIP Facility, the "DIP Lenders"); (ii) granting (a) liens and superpriority claims and (b) adequate protection to certain prepetition secured lenders; (iii) authorizing use of cash collateral; (iv) modifying the automatic stay; (v) scheduling a final hearing; and (vi) granting related relief.

128. After consultation with their advisors and other professionals, and after due deliberation, the Debtors believe that the DIP Facility and restructuring under the Plan presents the best course of action under the circumstances to preserve the value of their business. No party other than the DIP Lenders have offered to provide debtor in possession financing to date. Accordingly, the Debtors are unable to obtain adequate unsecured credit allowable as an administrative expense under section 503 of the Bankruptcy Code, or other sufficient financing under section 364(c) or (d) of the Bankruptcy Code, on equal or more favorable terms than those set forth in the DIP Loan Documents, based on the totality of the circumstances. A loan facility in the amount provided by the DIP Loan Documents is not available to the Debtors without granting the DIP Lenders superpriority claims, liens, and security interests, pursuant to section 364(c)(1), 364(c)(2), 364(c)(3), and 364(d) of the Bankruptcy Code, as provided in the Orders and the DIP Loan Documents.

129. I understand that the Debtors require the financing under the DIP Facility and the use of Cash Collateral (i) to maximize and preserve the value of their businesses while they attempt to consummate a plan of reorganization, (ii) to satisfy payroll obligations and other working capital

needs consistent with the terms set forth in the DIP Loan Documents and the Approved Budget, (iii) to pay fees and expenses related to the DIP Loan Documents and these Chapter 11 Cases, and (iv) for such other purposes as are set forth in the DIP Loan Documents. If the Debtors do not obtain authorization to borrow under the DIP Loan Documents, they will suffer immediate and irreparable harm.

130. After conducting thorough due diligence and considering all alternatives, the Debtors have concluded, in the exercise of their sound business judgment, that the DIP Facility represents the best financing available to them at this time.

131. The proposed DIP Facility is reasonable and necessary. Absent immediate and uninterrupted access to adequate financing, the Debtors will not have sufficient liquidity to sustain their business and maximize the value of the Debtors' assets. In addition, without the DIP Facility, it would be impossible to continue operations as a going concern. Among other things, the Debtors do not have sufficient liquidity to meet payroll on March 28. Without the DIP Facility, the Debtors will be unable to pay over 50 full-time employees who rely on the Debtors for their livelihoods.

132. The Debtors and the DIP Lenders engaged in extensive, arms' length negotiations with respect to the terms and conditions of the proposed DIP Facility and the use of Cash Collateral. These negotiations culminated in agreement upon the proposed financing, including the DIP Loan Agreement, attached to the proposed Interim Order as Exhibit A. Significantly, upon entry of the Interim Order, the DIP Loan Agreement allows the Debtors to request the Interim Advance from the DIP Lenders, pending this Court's entry of the Final Order. This interim commitment will ensure that the Debtors will be able to meet all their operational and administrative obligations during the early stages of these Chapter 11 Cases, including payroll on March 28, and will have adequate liquidity to operate their business.

I. The First Day Motions are Necessary and Appropriate.

133. As discussed above, I am familiar with the various types of relief requested in the Debtors' First Day Motions, including the proposed debtor-in-possession financing and all matters related to the Debtors' employees and, for the reasons set forth above, I believe that the relief requested in the First Day Motions is in the best interest of the Company and its creditors.

III. CONCLUSION

134. Accordingly, for the reasons stated herein, as well as set out in each of the first day applications and motions, the Debtors respectfully request that the First Day Motions be approved.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed this 25th day of March, 2025.


Matthew O'Malia
President and Chief Executive Officer