

KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)
Yusuf Salloum (admitted *pro hac vice*)
333 West Wolf Point Plaza
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
patrick.nash@kirkland.com
yusuf.salloum@kirkland.com

*Co-Counsel to the Debtors and
Debtors in Possession*

COLE SCHOTZ P.C.
Michael D. Sirota, Esq.
Warren A. Usatine, Esq.
Felice R. Yudkin, Esq.
Daniel J. Harris, Esq.
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
Telephone: (201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com
fyudkin@coleschotz.com
dharris@coleschotz.com

*Co-Counsel to the Debtors and Debtors in
Possession*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

STG LOGISTICS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 26-10258 (MEH)

(Jointly Administered)

**DECLARATION OF
THOMAS HIGBIE IN SUPPORT
OF THE DEBTORS' DISCLOSURE STATEMENT FOR,
AND CONFIRMATION OF, THE SECOND AMENDED JOINT PLAN
OF REORGANIZATION OF STG LOGISTICS, INC. AND ITS DEBTOR
AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

I, Thomas Higbie, hereby declare as follows under penalty of perjury:

1. I am a Partner in the Restructuring and Special Situations Group at PJT Partners LP ("PJT"). PJT is a global investment banking firm listed on the New York Stock Exchange, and has its principal offices at 280 Park Avenue, New York, New York 10017. PJT is

¹ The last four digits of Debtor STG Logistics, Inc.'s tax identification number are 8624. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://dm.epiq11.com/STGLogistics>. The location of the Debtors' service address in these chapter 11 cases is: 5165 Emerald Parkway, Dublin, Ohio 43017.

the investment banker to the above-captioned debtors and debtors in possession (collectively, the “Debtors”).²

2. I submit this declaration (this “Declaration”) in support of final approval of the *First Amended Disclosure Statement Relating to the First Amended Joint Plan of Reorganization of STG Logistics, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No 618] (as may be modified, amended, or supplemented from time to time, the “Disclosure Statement”) and confirmation of the *Second Amended Joint Plan of Reorganization of STG Logistics, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 804] (as may be modified, amended, or supplemented from time to time, the “Plan”).³

3. Although PJT is expected to be compensated for its work as the Debtors’ investment banker in these chapter 11 cases, I am not being compensated separately for this Declaration or testimony.⁴ Except as otherwise indicated, the statements set forth in this Declaration are based upon: (a) my personal knowledge of the Debtors’ operations, finances, and restructuring initiatives; (b) information I learned from my review of relevant documents; (c) information provided to me by the Debtors, the Debtors’ management team, and/or the Debtors’ other advisors; (d) information provided to me by the employees of PJT working directly with me or under my supervision; or (e) my experience as a restructuring professional. If I were called upon to testify, I could and would testify competently to the statements set forth herein. I

² On March 5, 2026, the Court entered an amended order approving the retention of PJT as the Debtors’ investment banker in these chapter 11 cases [Docket No. 359].

³ Capitalized terms used but not defined herein have the meanings ascribed to them in the Plan, the Disclosure Statement, and/or the Bidding Procedures (as defined below), as applicable.

⁴ Pursuant to PJT’s engagement letter with the Debtors, PJT will be entitled to receive certain fees in connection with the transactions described herein and in the Plan [Docket No. 359, Ex. 1].

am over the age of eighteen years and am authorized to submit this Declaration on behalf of the Debtors.

Professional Background and Qualifications

4. PJT is a leading global financial advisory firm with more than 1,200 employees in sixteen offices in the U.S., Europe, and Asia. The firm offers integrated advisory services for mergers and acquisitions, restructuring and special situations, and fund placement. PJT is an industry leader in advising companies and creditors in all aspects of complex restructurings and bankruptcies. The firm has extensive experience providing financial advisory and investment banking services to financially distressed companies, including the representation of both debtors and lenders in reorganizations and restructurings, both out of court and in chapter 11 proceedings. PJT is a registered broker-dealer with the United States Securities and Exchange Commission, is a member of the Securities Investor Protection Corporation, and is regulated by the Financial Industry Regulatory Authority.

5. As noted above, I am a Partner in the Restructuring and Special Situations Group at PJT. Prior to joining PJT in June 2023, I was a senior member of the investment team at The Forest Road Company and CEO of its broker dealer subsidiary, Forest Road Securities (“Forest Road”), where I led M&A, capital markets, and restructuring transactions. Prior to my time at Forest Road, I spent sixteen years in distressed debt and special situations investing. In 2006, I received my Bachelor of Business Administration from the University of Michigan Ross School of Business.

6. I have nineteen years of industry experience leading public and private financing transactions, including DIP financings, rescue financings, rights offerings, exchange offers, and other restructuring and strategic liability management transactions, as well as advising companies,

creditors, and sponsors in restructurings and special situations. I have significant experience participating in, conducting, and overseeing marketing and sale processes for distressed companies and evaluating the value of businesses in the context of restructuring transactions. I have also worked across numerous industries, including transportation, logistics, industrials, automotive, aerospace, power, utilities, oil and gas, media, telecom, consumer, retail, financials, and real estate. I have been involved in a number of restructurings, including the following publicly disclosed transactions: Everstream Solutions LLC, Lehman Brothers, Washington Mutual Bank, General Growth Properties, Extended Stay, Delphi Corporation, Visteon Corporation, Jack Cooper Ventures, Republic Airways, American Airlines, US Concrete, Genco Shipping, Eagle Bulk, Overseas Shipholding Group, Eitzen Chemical, Hornbeck Offshore, GulfMark Offshore, Dayton Superior Corp., Core Scientific, Intelsat SA, and Puerto Rico Electric Power Authority.

The Debtors' Postpetition Sale and Marketing Process

7. I understand that, pursuant to the RSA, the Debtors pursued a dual track process to effectuate either: (i) a comprehensive balance sheet recapitalization through a chapter 11 plan that would equitize all or a portion of the DIP Claims, the FLFO Term Loan Claims, and the FLSO Term Loan Claims (the "Recapitalization Transaction"); or (ii) a sale of all, substantially all, or any portion of the Debtors' assets or reorganized equity to the highest or otherwise best bidder(s) (the "Sale Transaction") if such sale process would yield a more value maximizing result than the Recapitalization Transaction.

8. On the Petition Date, the Debtors, with the assistance of PJT, commenced a marketing and sale process (the "Marketing Process") to enable interested third parties to evaluate a potential acquisition of some or all of the Debtors' assets. PJT continued the Marketing Process until the original Court-established bid deadline (April 17, 2026 at 4:00 p.m., prevailing Eastern

Time) (the “Bid Deadline”).⁵ Pursuant to the Bidding Procedures, the Debtors extended the Bid Deadline to (April 22, 2026 at 4:00 p.m., prevailing Eastern Time) (the “Extended Bid Deadline”) and, with PJT’s assistance, continued the Marketing Process until the Extended Bid Deadline. I led the PJT team responsible for the Marketing Process and oversaw PJT’s efforts in respect of the process, including the outreach to and engagement with Potential Counterparties (as defined below), and the review and analysis of the indications of interest and bids received by the Debtors. Although third parties were permitted to submit non-binding indications of interest at any time under the Bidding Procedures, all bids, including those relating to such indications of interest, were required to be submitted by the Extended Bid Deadline. An auction was scheduled to occur on April 24, 2026, in the event necessary.

9. PJT’s initial outreach was broad, conducted in a manner to reach an appropriate set of potentially interested parties, and consistent with PJT’s typical marketing approach under similar circumstances. PJT, in consultation with the Debtors and their other advisors, identified an initial list of potential financial and strategic parties across the globe (collectively, the “Potential Counterparties”) based on a number of factors, including their experience and potential interest in participating in a transaction, their potential capacity to consummate a transaction, their familiarity with the Debtors’ industry and operations, and the PJT team’s industry knowledge and experience. The Ad Hoc Group’s advisors reviewed the initial list and added several Potential Counterparties. The Official Committee of Unsecured Creditors (the “UCC”) subsequently reviewed the list of

⁵ On January 28, 2026, the Debtors filed a bidding procedures motion [Docket No. 199] to establish procedures to govern the Marketing Process that would allow for a fulsome sale process to develop to potentially identify a more value-maximizing transaction than the Recapitalization Transaction. On March 3, 2026, the Court entered the *Order (I) Approving the Bidding Procedures and Auction(s), (II) Approving Stalking Horse Bid Protections, (III) Scheduling Bid Deadlines and Auction(s), (IV) Approving the Form and Manner of Notice Thereof, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Granting Related Relief* [Docket No. 351] (the “Bidding Procedures Order,” and the procedures attached as Exhibit 1 thereto, the “Bidding Procedures”). PJT assisted the Debtors in the development of the Bidding Procedures.

Potential Counterparties and did not submit any additional parties. Following consultation with the advisors to the Ad Hoc Group and the UCC, the initial list of Potential Counterparties included sixty parties, including thirteen strategics and forty-seven financial sponsors. Subsequently, the Debtors received inbound interest from an additional eight Potential Counterparties, of which two were strategics and six were financial sponsors.

10. Forty-two of the Potential Counterparties entered into non-disclosure agreements with the Debtors and/or received access to a virtual data room containing additional information regarding the Debtors' business, including their operations, finances, and long-term outlook. Potential Counterparties had the opportunity to request additional information and further access to due diligence information from the Debtors. The Debtors, with the assistance of PJT, had various communications with certain Potential Counterparties and engaged with existing and newly-interested parties, including through numerous introductory and follow-up telephone calls and video conferences.

11. The Debtors received nine preliminary indications of interest from Potential Counterparties, including two indications of interest for all or substantially all of the Debtors' assets or reorganized equity and seven indications of interest for less than the entire enterprise. Seven of the Potential Counterparties that submitted indications of interest (the "IOI Counterparties") progressed to the advanced due diligence stage,⁶ where they were provided more detailed information on the Debtors' business and financial projections, including trial balance data, Company business plan forecasts, and customer sales details. The IOI

⁶ Two of the Potential Counterparties that submitted indications of interest did not progress to the advanced diligence stage; one party retracted their indication of interest, which was for a single business segment, and the Debtors decided not to proceed with another party due to the low value applied to a single business segment and the Debtors' concerns about that party's ability to obtain financing. Additionally, one late indication of interest, for less than the entire enterprise, was received on April 7, 2026. However, this party did not progress to the advanced diligence stage due to the low valuation applied to a single business segment.

Counterparties were also provided with the opportunity to participate in telephone conferences with, and ask questions of, the Debtors' management team and financial advisor AlixPartners, LLP, and again given the opportunity to request additional due diligence information. Thereafter, PJT continued to facilitate the Marketing Process, including by responding to due diligence requests from the IOI Counterparties.

12. By March 20, 2026, four of the IOI Counterparties had declined to continue to participate in the Marketing Process. The three remaining IOI Counterparties (collectively, the "Remaining Counterparties") included one financial buyer for the Debtors' entire enterprise, one financial buyer for the Debtors' Freight Force, Inc. business segment, and one financial buyer for the Debtors' drayage business segment. In an effort to procure a bid that was higher or otherwise better than the Recapitalization Transaction, PJT continued to engage with the Remaining Counterparties in the days and weeks that followed, including by providing additional due diligence materials, participating in further telephone, video, and in-person meetings, and agreeing to the Extended Bid Deadline at the request of one Remaining Counterparty to provide additional time for that party to decide whether or not to submit a bid.

13. Based on discussions with the Remaining Counterparties, on April 22, 2026, the Debtors, with the assistance of PJT and their other advisors decided to forego an auction and pursue consummation of the Recapitalization Transaction. In total, the Marketing Process lasted 100 days, and no Potential Counterparty has objected to the Debtors' pursuit of the Recapitalization Transaction on the basis of requiring additional time beyond the Extended Bid Deadline to complete due diligence.

14. The Marketing Process was a highly visible, court-supervised process. The Marketing Process was discussed at the first day hearing at length,⁷ the Debtors published notice of the sale by auction in the *New York Times* to further publicize the Marketing Process,⁸ the Disclosure Statement extensively described the Marketing Process,⁹ and the Marketing Process was discussed extensively in multiple news sources throughout the course of these chapter 11 cases.¹⁰

15. Based on my experience and participation in the Marketing Process, I believe that the timeframe and scope was appropriate to adequately survey the market and engage with potential buyers. I do not believe that additional marketing of the Debtors' business would have produced a better outcome for the Debtors.

RSA-Implied Plan Valuation

16. The RSA implies a total enterprise value and total equity value for the Post-Effective Date Debtors pro forma for the Recapitalization as of an assumed Effective Date of May 28, 2026. The RSA-implied Post-Effective Date Debtors' enterprise value ("Enterprise Value") is approximately \$452 million. The RSA-implied Post-Effective Date Debtors' equity value

⁷ See, e.g., First Day Hearing Tr. 24:1-16, 27:1-7, 46:12-21, 61-62:10-1, 114:1-5, 116:8-20, Jan. 13, 2026.

⁸ See *Proof of Publication* [Docket No. 381].

⁹ See, e.g., Disclosure Statement, Art. VI.C.

¹⁰ See, e.g., Octus, *STG Plan Would Hand Control of Reorganized Debtors to FLFO Lenders From Double-Dip Drop-Down LME; Restructuring Remains Subject to Outcome of Double-DIP Litigation*, (March 16, 2026), https://app.octus.com/v3#/items/intel/17631?item_id=371444; Debtwire, *STG Logistics files toggle plan giving equity to senior lenders, unsecured creditors recovery only in a sale* (March 16, 2026), <https://debtwire.ionanalytics.com/content/1004460703?source=news>; Loadstar, *STG Logistics – the deal that broke the intermodal playbook* (March 16, 2026), <https://theloadstar.com/stg-logistics-the-deal-that-broke-the-intermodal-playbook/>; Debtwire, *STG gets bidding procedures order setting adjusted dates* (March 4, 2026), <https://debtwire.ionanalytics.com/content/1004455622?source=news>; Tomassian, Laurie, *STG order reflects extended sale timeline and minority lender concessions* (March 3, 2026), https://9fin.com/news/05a2066f-d256-4386-a278-67e673c92bbc?utm_campaign=website&utm_medium=email&utm_source=sendgrid.com; TipRanks, *The Rise of STG: Ambition, Scale, and the Cost of Momentum* (Feb. 22, 2026), <https://www.tipranks.com/news/the-rise-of-stg-ambition-scale-and-the-cost-of-momentum>; Octus, *STG Logistics Files Motion to Approve Bidding Procedures With Flexible Stalking Horse Framework, Targets March 20 Auction Date*, (Jan. 28, 2026), https://app.octus.com/v3#/items/intel/17631?item_id=363005.

(“Equity Value”)—calculated by taking the RSA-implied Enterprise Value less the estimated debt outstanding as of the assumed Effective Date of May 28, 2026—is approximately \$260 million.

17. PJT’s estimates of Enterprise Value and Equity Value are based on the value implied by the negotiated treatment of the DIP claims under the Plan. The DIP claims are estimated to be \$150 million.¹¹ Pursuant to the Plan, DIP claims will receive distributions of (i) \$100 million of Takeback Debt and (ii) 19.2% of the Reorganized Equity. Therefore, \$50 million of the DIP claims are converting into 19.2% of the Reorganized Equity, implying an Equity Value of approximately \$260 million. Post-emergence, the capital structure is expected to include \$100 million of Takeback Debt and \$92 million¹² of Takeback Equipment Financing Debt, which, when added to Equity Value, imply an Enterprise Value of approximately \$452 million.

The Recapitalization Transaction Is the Best Currently Available Option for the Debtors

18. The Marketing Process did not yield any higher or better alternatives to the Recapitalization Transaction. The Recapitalization Transaction that served as the baseline restructuring option during these chapter 11 cases was the result of hard-fought negotiations with the Ad Hoc Group, certain additional holders, and the Debtors’ existing equity sponsors (as set forth in my earlier declaration).¹³ I observed that the Debtors and these parties acted in good faith and negotiated the Recapitalization Transaction at arm’s length to achieve a value-maximizing

¹¹ \$150 million is comprised of \$125 million funded during the case, plus \$25 million expected to be funded at emergence. Fees and accrued interest are excluded from the calculations above as the DIP lenders have agreed to waive these claims.

¹² The estimated Takeback Equipment Financing Debt represents the Debtors’ advisors’ best estimate, at the time of filing, of the undiscounted balance of such financings, *pro forma* for renegotiated Takeback Equipment Financing Agreements. This represents an estimate while the Company continues to analyze the impact of the negotiated agreements which may change the balances disclosed herein.

¹³ *See Declaration of Thomas Higbie in Support of Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to use Cash Collateral, (III) Granting Liens and Providing Superiority Administrative Expense Claims, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [Docket No. 20], ¶ 9.

outcome for all stakeholders. The Debtors' assets were subject to an extensive Marketing Process. As such, the Recapitalization Transaction contemplated by the Plan and the RSA represents the best and highest-value transaction currently available to the Debtors under the facts and circumstances of these chapter 11 cases. Given all of the above, the Recapitalization Transaction stands as the Debtors' best currently available option to emerge from bankruptcy as a viable enterprise, and therefore I believe that consummating the Recapitalization Transaction is a sound exercise of the Debtors' business judgment.

[Remainder of page left intentionally blank.]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: May 17, 2026

/s/ Thomas Higbie

Thomas Higbie
Partner
PJT Partners LP