

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:

UPG ENTERPRISES, LLC *et al.*,¹

Debtors.

Chapter 11

Case No. 26-15734

Hon. Daniel R. Fine (Joint Administration Requested)

NOTICE OF FILING

PLEASE TAKE NOTICE that on September 23, 2026, we caused to be filed with the Clerk of the United States Bankruptcy Court for the Northern District of Illinois – Eastern Division, **DECLARATION OF JOHN SORDILLO, CHIEF RESTRUCTURING OFFICER OF THE DEBTORS IN SUPPORT OF THEIR CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS.**

[Remainder of page intentionally left blank. Signatures appear on the following page.]

¹The Debtors in these cases, along with the last four digits of each Debtor's federal EIN are as follows: UPG Enterprises, LLC (4790); UP Investment Holdings LLC (8445); UPI LS LLC (6446); UPI MakUSA LLC (1401); UPG Metal Services LLC (8496); GenX Leasing Partners LLC (4464); UP Central Office LLC (0397); UP Equipment Holdings LLC (0431); Metalex LLC (6707); UPG Fabrication LLC (9021); National Metalwares Holdings LLC (2789); National Metalwares L.P. (9247); Sidecar NM LLC (4555); Chicago Steel Holdings LLC (0967); Douglass Logistics LLC (6025); Lexington Steel LLC (2209); Maksteel Transport LLC (9011); Maksteel USA LLC (6796); and UPG Flat Roll Group LLC (7515). The Debtors' mailing address is 1400 16th St., #250, Oak Brook, IL 60523.

Dated: September 23, 2026

VEDDER PRICE, P.C.

/s/ Michael M. Eidelman

Michael M. Eidelman (No. 6197788)
William W. Thorsness (No. 6290913)
Brooke H. Blackwell (No. 6329454)
222 N La Salle St., Suite 2600
Chicago, Illinois 60601
Telephone: (312) 609-7500
Facsimile: (312) 609-5005
Email: meidelman@vedder.com
wthorsness@vedder.com
bblackwell@vedder.com

-and-

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

Derek C. Abbott (No. 3376)
Matthew O. Talmo (No. 6333)
Tamara K. Mann (No. 5643)
Liam Davis (No. 7563)
Cicely Berzack (No. 7547)
1201 N. Market Street, 16th Floor
Wilmington, Delaware 19801
Telephone: (302) 658-9200
Facsimile: (302) 658-3989
Email: dabbott@morrisnichols.com
mtalmo@morrisnichols.com
tmann@morrisnichols.com
ldavis@morrisnichols.com
cberzack@morrisnichols.com

Proposed Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:

UPG Enterprises, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 26-15734 (DRF)

(Joint Administration Requested)

**DECLARATION OF JOHN SORDILLO, CHIEF RESTRUCTURING
OFFICER OF THE DEBTORS IN SUPPORT OF THEIR
CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS²**

I, John Sordillo, declare under penalty of perjury (the “Declaration”):

1. I am the Chief Restructuring Officer of UPG Enterprises LLC (“UPG,” and together with its affiliated debtors and debtors in possession, the “Debtors,” and together with its direct and indirect Debtor and non-Debtor subsidiaries, “UPG & Subsidiaries”). I submit this Declaration in support of the chapter 11 petitions and first-day motions filed by the Debtors.

2. Except as otherwise indicated, all facts in this Declaration are based upon my personal knowledge, and, particularly with respect to those events that occurred prior to my employment with the Debtors and the Non-Debtor Operating Group (defined *infra* note 4), my discussions with the Debtors’ employees, management, board of directors, and advisors, my

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN are as follows: UPG Enterprises, LLC (4790); UP Investment Holdings LLC (8445); UPI LS LLC (6446); UPI MakUSA LLC (1401); UPG Metal Services LLC (8496); GenX Leasing Partners LLC (4464); UP Central Office LLC (0397); UP Equipment Holdings LLC (0431); Metalex LLC (6707); UPG Fabrication LLC (9021); National Metalwares Holdings LLC (2789); National Metalwares L.P. (9247); Sidecar NM LLC (4555); Chicago Steel Holdings LLC (0967); Douglass Logistics LLC (6025); Lexington Steel LLC (2209); Maksteel USA LLC (6796); Maksteel Transport LLC (9011); and UPG Flat Roll Group LLC (7515). The Debtors’ mailing address is 1400 16th St., #250, Oak Brook, IL 60523.

² It is the Debtors’ intention that this Declaration qualifies as the Case Management Summary required by Rule 9090-2.B. of the Local Rules of this Court. To the extent information required by Rule 9090-2.B. is not continued within the narrative of this Declaration, it is attached hereto as **Exhibit A**.

review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or my experience, knowledge, and familiarity with the Debtors' businesses and operations.

3. In June 2026, I was appointed Chief Restructuring Officer of UPG & Subsidiaries. As Chief Restructuring Officer, I am familiar with the Debtors' day-to-day operations, businesses and financial affairs, and books and records.

4. I have approximately 31 years of experience in financial advisory assignments, and operational turnarounds and I am currently a Senior Managing Director with GlassRatner Capital & Advisory LLC. I hold an undergraduate degree from Pace University and a law degree from Brooklyn Law School.

5. Prior to my appointment as Chief Restructuring Officer of UPG & Subsidiaries, I was (a) managing principal at Broadview Business Advisors LLC; (b) managing director at CBIZ Corporate Recovery and Litigation Support Services; (c) managing director at Loughlin Management Partners; (d) a partner at Deloitte Financial Advisory Services LLP; (e) a partner at Ernst & Young; (f) a principal at TD Bank Financial Group; and (g) a senior restructuring advisor at AlixPartners LLC.

6. On September 22 and 23, 2026 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). To minimize the adverse effects on their business and facilitate a sale of substantially all of the Debtors' assets in the chapter 11 cases, the Debtors also filed motions seeking certain "first day" relief (the "First Day Motions").

7. I am over 18 and authorized to submit this Declaration on behalf of the Debtors. If called, I would testify competently as set forth herein. This Declaration is organized as follows:

- Part I provides an overview of the Debtors' business operations;
- Part II describes the Debtors' prepetition corporate and capital structure;
- Part III describes the circumstances leading to the filing of these chapter 11 cases and the Debtors' path forward;
- Part IV describes the Debtors' proposed debtor-in-possession financing and proposed sale and wind-down process; and
- Part V lists each of the First Day Motions and verifies the facts contained in each.

I. The Debtors' History and Business Operations

8. The Debtors can trace their beginnings back to 1968, to a family-run flat-rolled steel distributor and based in Bedford Park, Illinois called Lexington Steel. Lexington Steel specialized in flat-rolled steel processing and distribution, offering services such as slitting, cut-to-length, toll processing³, logistics, packaging, shipping, and warehousing. In 2020, Lexington Steel was indirectly acquired by UPG f/k/a Union Partners I LLC, which was founded by Paul Douglass and Christopher Hutter (the "Owners").

9. UPG is headquartered in Oak Brook, Illinois, and acts as a holding company overseeing a diversified portfolio of industrial businesses, including Lexington Steel, that it has acquired over the years. The Debtors, currently consisting of brands such as Lexington Steel, Douglass Logistics, Maksteel, Metalex, and others are a diverse set of industrial companies focused on steel processing and production, manufacturing, distribution, and logistics.

³ Toll processors use specialized equipment, facilities, and technical expertise to turn customer-supplied raw materials into finished or semi-finished products for a fee, while the customer retains ownership of the materials.

10. The Debtors' businesses are presently divided into groups overseen by a group of holding companies (the "Corporate Group") with UPG and Debtor UP Investment Holdings LLC ("UPI") at the top: (1) a flat roll group that processes carbon steel into flat sheets or coils (the "Flat Roll Group") and (2) a fabrication group that manufactures finished steel components (the "Fabrication Group," and together with the Flat Roll Group, the "Operating Groups").⁴ Across all of their groups, the Debtors employ approximately 282 individuals. On a consolidated basis, it is estimated that the Debtors have book-value assets in excess of \$75 million and liabilities in excess of \$100 million. Attached hereto as **Exhibit B** is an organizational chart that depicts the structure of the UPG & Subsidiaries, including the Corporate Group, Operating Groups and the Non-Debtor Operating Group.

A. The Corporate Group

11. The Corporate Group consists of holding companies with no operations and minimal employees. Certain of the Corporate Group Debtors are used as leasing vehicles for both equipment and leased premises utilized in the Operating Groups' business operations.

B. The Flat Roll Group

12. The Flat Roll Group Debtors run both toll processing and direct sales businesses that specialize in coil processing of hot-rolled, cold-rolled, galvanized, stainless, and painted flat-rolled carbon steel. The Flat Roll Group's capabilities include tension leveling of high-strength and stainless grade steel, multi-blanking, and strain extension. Three entities

⁴ The Debtors are affiliated with another operating group, the electrical group, which manufactures electrical steel laminations (the "Electrical Group" or the "Non-Debtor Operating Group"). This group processes and fabricates electrical-grade steel and non-oriented laminations, with capabilities including coil slitting and blanking, stamping, lamination, assembly, and finishing electrical steel components and operates through four operating entities—Mapes & Sprowl Steel LLC, UPG Electrical LLC, Cortran LLC, and Carter Motor Company LLC—across two facilities in Elk Grove Village, Illinois and Monroe, Wisconsin. These companies are not currently Debtors or otherwise a part of these chapter 11 cases at this time.

comprise the Flat Roll Group's operations: Debtors Chicago Steel Holdings LLC, Lexington Steel LLC, and Maksteel USA LLC at facilities at 700 Chase St., Gary, Indiana and 5875 Weller Court SW, Wyoming, Michigan.

13. Lexington Steel LLC and Chicago Steel Holdings LLC operate out of a 250,000 square-foot leased facility in Gary, Indiana. Lexington Steel LLC operates a direct sales business out of this facility while Chicago Steel Holdings LLC primarily operates as a toll processing brand. The dual structure of the Indiana facility's operations allows Chicago Steel Holdings LLC to process steel for several of Lexington Steel LLC's direct-sale competitors. The largest end markets for Chicago Steel Holdings LLC and Lexington Steel LLC are racking and store displays and stamping.

14. Maksteel USA LLC operates as a flat-rolled steel service center out of an 80,000 square foot facility in Wyoming, Michigan leased after a sale-leaseback. Maksteel USA LLC's business is anchored by a multi-blanking line. End markets for steel processed by Maksteel USA LLC include appliance and automotive applications.

15. Beyond steel processing, the Flat Roll Group provides additional services to efficiently meet the needs of its customers. For instance, the Flat Roll Group has in-house logistics capabilities through temperature-controlled storage space for its finished products as well as Debtor Douglass Logistics LLC's trucking capabilities. The Flat Roll Group offers additional logistics solutions via partnerships with third party trucking companies and rail services.

C. The Fabrication Group

16. The Fabrication Group is a steel processing and fabrication platform operating through Debtors National Metalwares, L.P. and Metalex, LLC, at facilities in Aurora, Illinois, and Libertyville, Illinois. The Fabrication Group manufactures and fabricates value-added

metal products and tubular components, including perforated and expanded metal, safety grating, rail components, welded steel tubing, and fabricated tubular assemblies.

17. National Metalwares, L.P. is a vertically integrated manufacturer, fabricator, and finisher of welded steel tubing and tubular components operating out of the Aurora, Illinois facility. National Metalwares, L.P. produces mechanical steel tubing from flat rolled steel using its three in-house tube mills. The majority of the steel tubing that National Metalwares, L.P. produces becomes a value-added OEM part. End products manufactured by National Metalwares, L.P. are used by lawn and garden, furniture, education, and transportation OEMs.

18. Metalex, LLC is a manufacturer of expanded metal, perforated metal, safety grating, and rail products operating out of the Libertyville, Illinois facility. Metalex, LLC primarily serves filtration and rail OEMs with about sixty percent of its business coming from filtration products and twenty-five percent from rail and safety grating products.

D. Historical Revenues by Division (in Thousands)

Division	2021	2022	2023	2024	2025
Corporate Group	\$40,680	\$55,210	\$39,842	\$28,214	\$2,086
Flat Roll Group (US)	\$365,888	\$365,568	\$375,126	\$202,231	\$81,555
Fabrication Group	\$87,116	\$98,954	\$72,451	\$66,677	\$64,321
Total (excl. Canada)	\$493,684	\$519,733	\$487,420	\$297,122	\$147,962

II. The Debtors' Corporate and Capital Structure

A. Corporate Structure

19. UPG at times offered management and shared services, but is now a holding company that conducts its steel manufacturing and processing business along with its affiliate UPI, a limited liability company organized under the laws of Delaware in 2017, which is a holding

company that indirectly owns all, or a majority, of the equity in most of the entities in the Operating Groups except Debtor Sidecar NM LLC, which is directly owned by the Owners (but is managed by UPI).

B. Capital Structure

20. The Debtors' primary funded debt obligations were under the White Oak Facility and the Wintrust Facility (each as defined below). Each of these facilities maps generally to one of the Debtors' Operating Groups.⁵

21. Additionally, due to the Debtors recent lack of liquidity, the Owners, through Firehorse Capital, LLC ("Firehorse") have provided subordinated secured prepetition loans to fund an independent governance process and professional restructuring expertise to enable the Debtors to prepare for and commence this chapter 11 filing (the "Prepetition Bridge Facility").

1. Flat Roll Group: White Oak Facility

22. On December 31, 2024, Debtors Maksteel USA LLC, Chicago Steel Holdings LLC, Lexington Steel LLC, and non-Debtor Maksteel Holdings LLC (collectively, the "White Oak Borrowers"), as well as Debtor UPG Flat Roll Group LLC and non-Debtor Maksteel Holding Corp. (collectively, the "White Oak Guarantors," and together, with the White Oak Borrowers, the "White Oak Loan Parties") entered into a loan and security agreement (the "White Oak Facility") with White Oak Commercial Finance, LLC as administrative agent (in such capacity, the "White Oak Agent") and various lenders from time to time party thereto (the "White Oak Lenders"). The White Oak Loan Parties were permitted to borrow funds from the White Oak Lenders based on the White Oak Loan Parties' Eligible Accounts, Eligible Inventory, and the

⁵ Much like the Debtors' Operating Groups, the Non-Debtor Operating Group had entered into a revolving credit, security and guarantee agreement with FGI Worldwide LLC as administrative agent and lender (the "FGI Lender"). As the Non-Debtor Operating Group is not a part of these chapter 11 cases at this time, the FGI Lender is not included in this description and the FGI Lender is not considered one of the Prepetition Lenders herein.

Eligible Fixed Assets (as such terms are defined in the White Oak Facility) less certain deductions described in the White Oak Facility, subject to the other requirements of the White Oak Facility.

23. Under the terms of the White Oak Facility, subject to satisfaction of certain conditions, the White Oak Loan Parties were permitted to borrow up to \$90,000,000 from the White Oak Lenders and must repay all borrowed amounts by December 31, 2028, unless such amounts become due or payable on an earlier date pursuant to the terms of the White Oak Facility.

24. As of the Petition Date, the White Oak Agent has valid, perfected, first-priority liens in the White Oak Loan Parties' assets except any Excluded Property (as defined in the White Oak Facility). As of the Petition Date, there is approximately \$50,424,614.73 in principal and interest outstanding under the White Oak Facility, plus all other "Obligations" (as defined in the associated loan documents), which includes amounts attributable to non-Debtor Maksteel Holdings LLC on account of the operations of its Canadian subsidiary, Maksteel Holdings ULC.

2. Fabrication Group: Wintrust Facility

25. On August 22, 2022, Debtors Metalex, LLC, National Metalwares, L.P., UPG Fabrication LLC, National Metalwares Holdings LLC, and Sidecar NM LLC (collectively, the "Wintrust Borrowers") entered into a loan and security agreement (the "Wintrust Facility," and together with the White Oak Facility, the "Prepetition Facilities") with Schaumburg Bank & Trust Company, N.A. as administrative agent (in such capacity, the "Wintrust Agent") and various lenders from time to time party thereto (the "Wintrust Lenders," and together with the White Oak Lenders, the "Prepetition Lenders"). Under the terms of the Wintrust Facility, the Wintrust Lenders provided the Wintrust Borrowers with two different sources of funding: (1) a term loan in the amount of \$4,274,650 and (2) a revolving loan in an amount not to exceed \$35,000,000 under which the Wintrust Borrowers were permitted to borrow funds from the Wintrust Lenders based

on the Wintrust Borrowers' Eligible Accounts, Eligible Warehouse Inventory, and Eligible In-Transit Inventory (as such terms are defined in the Wintrust Facility) less certain deductions described in the Wintrust Facility, subject to the other requirements of the Wintrust Facility.

26. Under the Wintrust Facility, the Wintrust Borrowers must repay the amounts borrowed under the term loan by August 22, 2027. Similarly, the amounts borrowed under the revolving loan were to be repaid by March 31, 2026.

27. As of the Petition Date, the Wintrust Agent and Wintrust Lenders had valid, perfected, first-priority liens in the Wintrust Borrowers' personal property. As of the Petition Date, there is approximately \$7,520,357.86 in principal and interest outstanding under the Wintrust Facility, plus all other "Obligations" (as defined in the associated loan documents).

3. The Prepetition Bridge Facility

28. The Prepetition Bridge Facility consists of loans made by Firehorse pursuant to that certain *Fourth Amended and Restated Promissory Note* dated as of September 17, 2026, in the amount of \$4,984,214.59 (collectively, as previously defined, the "Prepetition Bridge Facility"). All of the Debtors, and certain non-debtor affiliates, are obligors under the Prepetition Bridge Facility.⁶

29. The loans made pursuant to the Prepetition Bridge Facility were secured by all of the assets of the Debtors, but, pursuant to an *Intercreditor and Subordination Agreement*, subordinated to the liens and obligations to the Prepetition Lenders under the Prepetition Facilities.

⁶ Firehorse also made a bridge loan to the Non-Debtor Operating Group pursuant to that certain *Emergency Credit Agreement* dated as of January 28, 2026, in the original principal amount of \$3,915,000. As with the Prepetition Bridge Facility, this bridge loan was subordinate to the lenders of the Non-Debtor Operating Group, the FGI Lenders.

4. Unsecured and Trade Claims

30. Due to funding and cash-flow issues described earlier, the Debtors have become delayed in paying trade and other creditors on a timely basis. Because of that, as of the Petition Date, the Debtors owed approximately \$530,000 in priority claims (mostly taxes owed to governmental entities) and approximately \$11 million on account of trade and other unsecured debt.

31. Additionally, as described in more detail below, the Debtors are also involved in numerous pending litigation matters, with the total amounts claimed in the pending litigation in excess of \$30 million (which may include some overlap with the trade creditors as described above). Finally, in early 2026, UPG received a Civil Investigative Demand from the United States Department of Justice related to eighteen (nine for each round) Payroll Protection Program loans (the “PPP Loans”) taken out by various Debtors, the Non-Debtor Operating Group, and former affiliates (the “CID Entities”) during the COVID-19 pandemic and subsequently forgiven. The total amount forgiven of the eighteen loans is approximately \$26 million.

III. Events Leading to the Commencement of the Chapter 11 Cases

A. Liquidity Challenges

32. After acquisition of Lexington Steel in 2020, the Debtors undertook a number of initiatives to better integrate the Debtors’ various subsidiaries to reduce costs and increase revenues.

33. To that end, in 2021, the Debtors engaged a renowned management consulting firm to implement controls, processes, and procedures at the Debtors’ various operating companies, at a total cost in excess of \$14 million to the Debtors. Unfortunately, the engagement to streamline the companies’ infrastructure did not have the intended benefits.

34. While 2022 and 2023 were mostly profitable years for the Debtors' businesses, the Debtors suffered a series of significant setbacks in 2024, which led the Debtors to where they are today.

35. First, a significant contract between the Flat Roll Group and a large automotive manufacturer in Chattanooga turned negative due to various internal and external factors, and efforts to renegotiate this contract to enable a return to profitability were unsuccessful. The termination of this contract resulted in losses exceeding \$15 million to UPG & Subsidiaries.

36. Also in 2024, the Debtors lost a significant portion of their sales infrastructure due to changes implemented by executive leadership hired the prior year. This caused further erosion in the Debtors' sales across all of their operating groups.

37. Finally, in 2024, the Debtors' prior lender, who had been banking with Debtor UPG since 2015, sought to end its relationship with the Debtors. This forced the Debtors to refinance loans for their businesses and placed one of their operating groups (the structural steel group that is no longer with the Debtors) into receivership.

38. The financial setbacks suffered by the Debtors in 2024 have led to their current situation. To address the Debtors' liquidity challenges, the Owners have directly or indirectly put nearly \$60 million into the Debtors and Non-Debtor Operating Group since 2024 to maintain operations, preserve jobs and facilitate restructuring efforts.

39. Despite this financial support, the Debtors' ability to operate at (or even near) capacity and utilize vendors and suppliers have diminished in a vicious cycle.

40. More recently, the Prepetition Lenders have constrained borrowing and implemented borrowing base reserves. These changes to the Prepetition Facilities have exacerbated the Debtors' liquidity challenges. As a result, many of the Debtors' key suppliers of

material necessary for operations are on cash in advance or on hold until the amounts owed are satisfied. The Debtors are now left in a position where accounts payable must be reviewed daily in order to determine which vendors and suppliers must be paid in order to continue operations, on top of their struggle to make payroll for 282 employees.

41. As the Debtors' liquidity issues continue to worsen, the prospects of its ability to continue operations and maintain relationships with its essential vendors and suppliers further diminish.

B. Litigation

42. In addition to decreased access to liquidity due to operational deficiencies and borrowing constraints, the Debtors' fragile liquidity position is also under pressure due to over 20 pending litigation matters involving various Debtors. These pending litigation matters stem from a diverse set of disputes, including unpaid amounts under equipment and vehicle leases, unpaid amounts under real property leases, personal injury claims, and unpaid vendor invoices. The total amounts claimed in the pending litigation against the Debtors are over \$30 million. Certain of the litigation also include claims against the Owners, either directly or through alter ego claims, for purported conduct when acting on behalf of the Debtors.

C. Restructuring Efforts Prior to Petition Date

43. Beginning in November 2025, the Debtors entered into a series of forbearance agreements regarding the Wintrust Facility and White Oak Facility. These forbearance agreements permitted continued borrowings by the borrowers under each of the Wintrust Facility and White Oak Facility. However, the continued borrowings under the forbearance agreements did not provide the Debtors with sufficient liquidity for funding its non-operating expenses.

44. With the need for additional liquidity, on June 24, 2026, the Owners and Managers of UPG and UPI appointed Thomas J. Allison as an independent manager (the “Independent Manager”) and the sole member of a special committee (the “Special Committee”) of both of those Debtors. Additionally, prior to the Petition Date, the Owners delegated all fiduciary oversight and governance of the Debtors to the Independent Manager to implement a restructuring including commencement of chapter 11 cases.

45. Given the Debtors’ precarious financial position, the Owners thought it best to bring in an independent manager and professional advisors that could appropriately guide the Debtors and to run an independent process to maximize the value of the Debtors’ estates, primarily by marketing and selling the Debtors’ Operating Groups.⁷ Pursuant to the documents appointing the Independent Manager and constituting the Special Committee, the Special Committee had the full powers and responsibilities of the members and managers of those Debtors to:

- a. review and analyze strategic and restructuring alternatives including, without limitation, commencement and consummation of court supervised process under chapter 11 of the Bankruptcy Code for UPG, UPI, and their subsidiaries;
- b. undertake, supervise and direct any actions to effectuate or consummate such alternatives on behalf of UPG, UPI, and their subsidiaries;
- c. negotiate and consummate any sales or other disposition of the assets, property or interests of UPG, UPI, and their subsidiaries in connection with a Bankruptcy or such alternatives, including sales of assets equity or other property or interests to third parties including transactions with the Owners and any of their affiliates, and including one or more sales or other dispositions under Section 363 of the Bankruptcy Code;
- d. negotiate and consummate any financings or other incurrence of debt, whether secured or unsecured by the assets, property or interests of UPG, UPI, and their

⁷ Prior to the Petition Date, the Debtors also marketed the Electrical Group. After locating only a single buyer for one of the facilities operated by the Electrical Group despite extensive marketing, the Debtors acquiesced to the buyer’s desire for an out-of-court transaction via an Article 9 foreclosure sale by the FGI Lender. This foreclosure sale is anticipated to occur soon, and is the reason why this Non-Debtor Operating Group is not a part of these chapter 11 cases at this time. If, for whatever reason, these companies do not continue to pursue the Article 9 foreclosure sale, UPG and UPI reserve the right to file voluntary petitions for some or all of the Electrical Group.

subsidiaries, including financings with the Owners and any of their affiliates in connection with a Bankruptcy (such as debtor-in-possession financings) or such alternatives;

- e. investigate, negotiate, settle or otherwise liquidate claims asserted, or that could be asserted, against UPG, UPI, and their subsidiaries;
- f. investigate, negotiate, commence, settle or otherwise assert claims or actions on behalf of UPG, UPI, and their subsidiaries against third parties, including the investigation of claims, if any, with respect to the Owners and any of their affiliates; and
- g. take any such other actions that the Special Committee deems necessary, appropriate or desirable in order to fulfill its duties and responsibilities in connection with the evaluation of a Bankruptcy or any such alternatives or otherwise to accomplish the foregoing.

46. In turn, and in accordance with the Special Committee's mandate, the Independent Manager appointed me as Chief Restructuring Officer with the authority to explore strategic alternatives for the Debtors with the assistance of GlassRatner Advisory & Capital Group LLC ("GlassRatner"). At approximately the same time, the Debtors engaged Morris, Nichols, Arsht & Tunnell LLP ("Morris Nichols") as bankruptcy counsel and SC&H Capital ("SC&H") as investment banker to assist that effort.

47. In July 2026, SC&H commenced outreach to potential buyers. During the prepetition marketing process, SC&H contacted approximately 267 buyers, of which 86 executed confidentiality agreements. Potential buyers that executed confidentiality agreements received access to a confidential information memorandum that contained a detailed overview of the Debtors' business operations, assets, commercial arrangements, and historical financial results. SC&H maintained a dialogue with these potential buyers throughout the process and facilitated discussions between potential buyers and the Debtors' management.

48. After diligence, 10 interested parties submitted letters of interest ("LOIs"). The LOIs representing the highest value for the Debtors' assets required that the Debtors

consummate the sale through a chapter 11 sale process in order to realize the values stated in the LOIs. As such, the Debtors began to negotiate with these potential buyers to develop the terms of an agreement to serve as a stalking horse.

49. While a stalking horse has not been officially appointed, the Debtors, with the assistance of their advisors and investment banker, have commenced the process of compiling a list of prospective purchasers, that will continue to evolve throughout these cases. SC&H is preparing and distributing marketing materials including a confidential information memorandum, additional due diligence materials, and establishing an electronic data room (“Data Room”) for buyers to adequately perform diligence and assess a potential Sale. The Debtors and their advisors commit to working with all interested parties and any additional parties to provide all necessary diligence and continue to actively seek potential interested purchasers.

IV. Debtors’ Goals for These Chapter 11 Cases

50. The Debtors filed these chapter 11 cases to pursue a value-maximizing sale transaction and complete an orderly winddown. To facilitate these goals, the Debtors have obtained debtor-in-possession commitments from Firehorse (the “DIP Lender”), an affiliate of the Owners and the provider of the prepetition Bridge Loan Facility, the proceeds of which will fund the Debtors’ operating expenses and expenses related to the chapter 11 cases. The Debtors have filed or will file substantially contemporaneously herewith a motion to approve bid procedures for a sale process under section 363 of the Bankruptcy Code. The Debtors believe that conducting a supplemental postpetition marketing and sale process with the help of their advisors and

consummating a sale transaction for substantially all the Debtors' assets is the best way to maximize the value of the Debtors' estates for the benefit of all the Debtors' stakeholders.

V. First Day Motions

51. In my capacity as Chief Restructuring Officer, I believe that the relief requested in the First Day Motions is necessary and essential to ensuring that the Debtors' immediate needs are met, and that the Debtors (and other constituencies) will not suffer immediate and irreparable harm as a result of the commencement of these chapter 11 cases. My opinion as to the necessity of the First Day Motions is based upon my firsthand experience as Chief Restructuring Officer, and my review of various materials and information provided to me by the Debtors and Debtors' advisors, as well as discussions had in connection therewith. In considering the necessary first-day relief, the Debtors' advisors and I were cognizant of the level of cash on hand and the limitations imposed by the DIP budget and, in light of these limitations, narrowed the relief requested at the outset of the chapter 11 cases to only those matters that require urgent relief to preserve value during the pendency of these cases.

52. The Debtors have a critical need to use the DIP Facility proceeds and the cash collateral to operate their business and preserve their going-concern value. The Debtors require cash to satisfy obligations to vendors and employees incurred in the ordinary course of business. The Debtors negotiated at arms' length with Firehorse to reach an agreement on the DIP Facility, pursuant to which the Debtors, subject to Court approval, will be provided with a secured superpriority postpetition financing facility from the DIP Lender. I believe that the terms and amount of the proposed DIP Facility will permit the Debtors to meet their business and other obligations in connection with these chapter 11 cases.

53. Based on my experience, and in my business judgment, I believe that the terms of the DIP Facility are reasonable to the Debtors and appropriate under the circumstances.

As explained above, the DIP Facility is necessary as it will provide the Debtors with liquidity to administer these chapter 11 cases, without which the Debtors' ability to successfully prosecute these chapter 11 cases will be jeopardized, to the detriment of all of the Debtors' stakeholders. Further, I believe that the absence of the DIP Facility would cause immediate and irreparable harm to the Debtors' estates, their creditors and other stakeholders, by compromising the Debtors' ability to, among other things, maintain their business relationships and pay vendors that are providing necessary services and materials to the Debtors.

54. I have reviewed each of the following First Day Motions (including the exhibits and schedules thereto) and am familiar with the content and substance contained therein:

- *Debtors' Motion for Entry of an Order Directing Joint Administration of Chapter 11 Cases;*
- *Debtors' Application for Entry of an Order (I) Approving the Retention and Appointment of Epiq Corporate Restructuring, LLC as the Claims and Noticing Agent to the Debtors, Effective Nunc Pro Tunc to the Petition Date, and (II) Granting Related Relief;*
- *Debtors' Motion for Entry of an Order (I) Authorizing Debtors to Seal Certain Personally Identifiable Information for Individuals and (II) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (I) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Services, (II) Approving Proposed Adequate Assurance of Payment to Utility Providers and Authorizing Debtors to Provide Additional Assurance, (III) Establishing Procedures to Resolve Requests for Additional Assurance, and (IV) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Their Existing Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Their Bank Accounts and Existing Business Forms, (D) Implement Changes to the Existing Cash Management System as Necessary, (II) Extending the Time to Comply with the Requirements of 11 U.S.C. § 345(b) and the U.S. Trustee's Operating Guidelines, and (III) Granting Related Relief;*

- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Pay Certain Prepetition Employee Obligations and (B) Maintain Employee Benefits Programs and (II) Granting Related Relief;*⁸ and
- *Debtors' Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, and 507, (I) Authorizing the Debtors to Obtain Secured Priming Post-Petition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Authorizing the Use of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling Final Hearing, and (VII) Granting Related Relief.*

The facts set forth in each First Day Motion are true and correct to the best of my knowledge and belief with appropriate reliance on other advisors, and I can attest to such facts.

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

September 23, 2026

/s/ John Sordillo

John Sordillo, Chief Restructuring Officer
UPG Enterprises LLC

⁸ As set forth in more detail in the motion, the Debtors have prefunded their employees' payroll and there are technically no outstanding wages owed to employees or payroll taxes due to governmental entities as of the Petition Date.

Exhibit A
Additional Rule 9090-2 Disclosures

UPG Enterprises LLC, et .al.			
Locations			
As of June 2026			
Entity Name	Division	Address	Notes
Chicago Steel Holdings LLC	Flat Roll	700 Chase St, #100, Gary, IN 46404	Lease
Douglass Logistics LLC	Flat Roll	700 Chase St, #100, Gary, IN 46404	Lease
Lexington Steel LLC aka LexCentral	Flat Roll	700 Chase St, #100, Gary, IN 46404; lease is at Bedford Pa	Lease
Maksteel USA LLC aka MakWyoming	Flat Roll	5875 Weller Ct SW, Wyoming, MI 49509	Lease
MakWest (CA)	Flat Roll	3851 S Santa Fe Ave, Vernon, CA 90058	Lease
Metalex LLC	Fabrication	700 Liberty Drive, Libertyville, IL 60048	Lease
UPG Fabrication LLC	Fabrication	700 Liberty Drive, Libertyville, IL 60048	Lease
National Metalwares Holdings	Fabrication	1400 16th Street Sutie 250, Oak Brook IL 60523	Lease
National Metalwares L.P.	Fabrication	900 N. Russell Ave, Aurora, IL 60506	Lease
Sidecar NM LLC	Fabrication	1400 16th Street Sutie 250, Oak Brook IL 60523	Lease
MHIG LLC	Fabrication	1400 16th Street Sutie 250, Oak Brook IL 60523	Lease
UP Investment Holdings LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
UPG Enterprises LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
UPI LS LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
UPI MAKUSA LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
UPG Metal Services LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
GenX Leasing Partners LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
UP Central Office LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease
UP Equipment Holdings LLC	Corporate	1400 16th St #250, Oak Brook, IL 60523	Lease

UPG Enterprises LLC, et .al.

Directors

Name	Job Title	2025 Total Compensation	2026 Total Compensation
Bill Douglass	President	\$ 401,375.00	\$ 413,416.25
Stephen Mori	President	\$ 436,499.96	\$ 372,185.96
Christopher Hutter	Manager	Unknown at this time	Unknown at this time
Paul Douglass	Manager	Unknown at this time	Unknown at this time

UPG Enterprises LLC, et .al.			
Assets Summary			
As of June 2026			
Division	Asset Category	Assets	
Fabrication	Machinery & Equipment	The bulk of the list — presses (Minster, Bruck, Briggs, Cincinnati), press brakes, laser cutters (Mitsubishi), slitters/recoilers/uncoilers, mills, expanders, levelers, welders, forklifts/lift trucks, cranes/hoists, air compressors, racking, safety guarding systems (Wintriss, Lazarsafe/Protech), and many machine rebuilds/overhauls	
Fabrication	Tooling & Dies	Stamping dies, punch/die sets, perf tooling ("P-series" dies), die rebuilds/overhauls, blade replacements, die blocks/holders — mostly small-dollar, high-volume tooling items tied to specific press/part numbers	
Fabrication	Computers	Laptops/desktops (EliteBook, ProDesk, ZBook), servers, software licenses (SAP, ShopVue, Microsoft Office, MeasureLink), scanners/printers (Zebra, Honeywell), network/IT infrastructure (cameras, UPS, cabling, phone systems)	
Fabrication	Furniture & Fixtures	Office furniture, desks, cubicles, conference tables, lockers, break room remodels, copiers	
Flat Roll	Machinery & Equipment	Facility, Shop & Support Equipment, Coil Processing & Production Lines, Stamping Presses & Press Brakes, Air Compressors, Forklifts & Powered Industrial Trucks, Coil Handling Equipment, Cranes, Hoists & Overhead Material Handling, Scales & Weighing Equipment	
Flat Roll	Computers	IT / Software / Systems	

Exhibit B

Organizational Chart

