

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

In re:

AZZUR GROUP HOLDINGS LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10342 (KBO)

(Joint Administration Requested)

**DECLARATION OF M. BENJAMIN JONES,
CHIEF RESTRUCTURING OFFICER OF THE DEBTORS, IN SUPPORT
OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS**

I, M. Benjamin Jones, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am over the age of eighteen, have personal knowledge of the facts in this matter, or have relied in part on information and materials that personnel, agents, and advisors of Azzur Group Holdings LLC and its direct and indirect affiliates and subsidiaries that are debtors and debtors-in-possession (collectively, the “Debtors” or the “Company”)² in the above-captioned chapter 11 cases and Ankura Consulting Group, LLC (“Ankura”) have gathered, prepared, verified, and provided to me, in each case, under my supervision, at my direction, and for my use in preparing this declaration (the “Declaration”). If called upon to testify, I could and would testify competently to the facts set forth in this Declaration. In my capacity as Chief Restructuring Officer (“CRO”) of the Debtors, I have personal knowledge of, and am familiar with, the business affairs, day-to-day operations, books and records, and financial condition of the Debtors, and I am authorized to submit this Declaration. Except as otherwise stated, all facts set forth in this

¹ A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.stretto.com/Azzur>. The Debtors’ headquarters and the mailing address for the Debtors is 330 South Warminster Road, Suite 341, Hatboro, PA 19040.

² The Debtors’ corporate structure includes three (3) dormant, non-Debtor affiliates: (i) Azzur Recruiting, LLC, (ii) Azzur Gainesville LLC, and (iii) Azzur Irvine LLC.

Declaration are based on my personal knowledge, my discussions with those reporting directly to me, my review of relevant documents and contemporaneous business records regularly kept and maintained by the Debtors, or my experience and knowledge of the industry and of the Debtors' operations and financial condition, and information provided to me by management, advisors, counsel, agents, employees, or other representatives of the Debtors.

2. On March 2, 2025 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court"). To minimize the adverse effects on their businesses, the Debtors also filed motions and pleadings seeking various forms of "first day" relief (the "First Day Motions"). An organizational chart of the Company is attached to this Declaration as **Exhibit A**.

3. As a result of my role with the Debtors, I am familiar with the Debtors' day-to-day operations, business and financial affairs, books and records, and the circumstances that resulted in the commencement of these chapter 11 cases. I submit this Declaration to assist the Court and parties in interest in understanding the circumstances leading to these chapter 11 cases and in support of the First Day Motions and the Bidding Procedures Motion (as defined herein).

4. In addition to my role as CRO of the Debtors, I am a Senior Managing Director at Ankura and the Global Co-Head of Ankura's Turnaround & Restructuring Practice. I have more than twenty-five (25) years of financial restructuring, interim management, turnaround, and financial advisory experience, with a significant emphasis on the U.S. healthcare industry. I have served as president, chief restructuring officer, and chief financial officer for private and public companies. In addition, I have also played key roles in dozens of other high-profile restructurings, mergers, and acquisitions, assisting clients both in and outside of chapter 11, including, among

others, LaVie Care Centers, LLC, Gulf Coast Health Care, LLC, Balducci's New York LLC, High Ridge Brands Co., Trident Holdings, Mariner Post-Acute Networks, Centennial Healthcare, World Health Alternatives, The Penn Traffic Company, Milacron, Lionel, Caraustar Industries, Golden Books Family Entertainment, and Signature Healthcare. Before joining Ankura, I began my career at Ernst & Young, focusing on valuations and middle-market corporate finance transactions and later joined CDG Group to focus on restructurings and reorganizations. I hold a Bachelor of Science in Accounting, with distinction, from Wake Forest University.

5. Ankura is a global consulting firm with over 2,000 employees worldwide. Ankura's Turnaround and Restructuring Practice specializes in providing restructuring advisory and interim management services across a range of industries, including healthcare. Ankura's experience and service expertise includes, among other things: (i) liquidity management and enhancement, (ii) business plan development and validation, (iii) performance and profitability improvement, (iv) analysis of strategic options, (v) development and implementation of restructuring plans, (vi) negotiations and dispute resolutions, (vii) chapter 11 planning and case administration, (viii) interim management, including serving as chief restructuring officers, (ix) post-transaction business stabilization, and (x) case management services.

6. The Company initially retained Ankura to provide certain financial and restructuring advisory services under an engagement letter, dated as of December 23, 2023, which contemplated Ankura assisting the Company with, among other things: (i) due diligence on the Company, operations, and financial performance, (ii) strategies concerning existing and potential defaults under the Company's senior secured lending facility, (iii) liquidity forecasting and management, (iv) development of financial projections and models, (v) stakeholder information, communications, and negotiations, and (vi) activities led by the Company's investment banker.

7. On May 11, 2024, Azzur Group Holdings LLC's board of managers (the "Board") appointed me as the Debtors' CRO, and as CRO, I report to the Board. Ankura's engagement was again amended under a revised retention agreement dated as of January 28, 2025 to provide interim management and restructuring advisory services.

Preliminary Statement

8. The Debtors' management team, along with the Debtors' advisors, have worked tirelessly over the last several months to address various ongoing financial and operational challenges that came to a head in late 2023. As a result of such efforts, the Debtors reached agreement with Manufacturers and Traders Trust Company (the "Pre-Petition Lender" or "DIP Lender"), the Debtor's prepetition secured lender. The Debtors' management and advisors have worked diligently to secure the Pre-Petition Lender's (i) support for the prepetition sale transaction of the Azzur Labs business segment, discussed further below, (ii) the sale of certain of the Debtors' assets to the Stalking Horse Bidder (as defined herein), and (iii) commitment to provide debtor in possession ("DIP") financing in an amount sufficient to fund these chapter 11 cases. As a result of such achievements, the Debtors are now poised to enter these chapter 11 cases with a clear path towards maximizing the value of the Debtors' assets followed by an efficient and orderly wind-down of the estates through a plan of liquidation.

9. To familiarize the Court with the Debtors, their business, the circumstances of these chapter 11 cases, and the relief the Debtors are seeking in the First Day Motions, this Declaration is organized into six parts, as follows:

- i. Part I** provides an introduction to the Debtors and information on their history, corporate structure and operations;
- ii. Part II** provides an overview of the Debtors' capital structure;³

³ The financial figures presented in this Declaration are unaudited and potentially subject to change but reflect the

- iii. **Part III** provides a description of the circumstances leading to the commencement of these chapter 11 cases; and
- iv. **Part IV** provides a description of the Stalking Horse APA and the relief set forth in the Bidding Procedures Motion;
- v. **Part V** provides a description of the proposed DIP financing; and
- vi. **Part VI** provides an overview of the relief requested in the First Day Motions and sets forth the evidentiary basis for the relief requested therein.

I. DESCRIPTION OF THE DEBTORS' HISTORY, OPERATIONS AND CORPORATE STRUCTURE.

A. History

10. The Company is a partner to marquee clients across the biotechnology and pharmaceutical industries, serving companies during the entire lifecycle of drug development and providing a suite of complementary and supplemental services for clients. The Company partners with leading pharmaceutical, biotechnology, and medical device manufacturers to provide efficient and innovative solutions that help such businesses start, scale, and sustain their good practice guidelines and regulations compliance ("GxP"). Founded in 2010 and headquartered in Philadelphia, Pennsylvania, the Company has grown to serve more than 350 life science clients at eighteen locations across nine states.

11. Historically, the Company had three distinct, yet complementary life science related business units: (1) Azzur Consulting ("Azzur Consulting" or the "Consulting Business"), (2) Azzur Labs, and (3) Cleanrooms on DemandTM ("COD" or the "COD Business"). The Company's three business units offered solutions at every stage of the post-R&D drug development and commercialization lifecycle, while leveraging long-standing client relationships to create cross-selling opportunities among the business units.

Debtors' most recent review of their business. The Debtors reserve all rights to revise and supplement the figures presented in this Declaration.



B. Business Units

12. **Azzur Consulting.** Consisting of more than 260 cGMP consultants, engineers, and scientists, the Consulting Business unit provides regulatory, compliance, quality assurance, and other GxP advisory services to the life science industry. Consulting services include, but are not limited to, (i) validation and qualification, quality and compliance, and controls and automation services; (ii) information technology advisory services; (iii) technical services; (iv) training services; and (v) engineering services. Azzur Consulting serves well-established commercial clients and emerging sponsors. From 2021 to 2024, Azzur Consulting grew from approximately 135 to 160 unique clients.

13. **Azzur Labs.** Azzur Labs provided a suite of analytical lab testing services, including (i) chemistry testing, (ii) microbiological testing, (iii) microbial identification, (iv) environmental monitoring, (v) cleaning validation and verification, and (vi) critical systems/utilities testing services, for variety of end-markets and users, including universities, hospitals, and pharmaceutical companies. Azzur Labs also provided on-site, custom-tailored laboratory trainings and certain maintenance services. From 2021 to 2024, Azzur Labs grew from approximately 125 to 178 unique clients. As discussed below, this business unit was sold prior to the commencement of these chapter 11 cases.

14. **Cleanrooms on DemandTM**. The COD Business unit provides cleanrooms to small and mid-size biotechnology and large pharmaceutical clients. The Company leases open warehouse spaces, which are then subdivided into cleanrooms and provides services that meet various levels of cGMP regulations,⁴ in order to provide a controlled, sterile environment. The cleanrooms on demand model offers multi-tenant cGMP facilities with flexible cleanroom configurations, eliminating the need for in-house construction and management of cGMP facilities. In addition to cleanroom space, COD clients have access to a variety of services, such as personnel support, sterility management and environment monitoring, quality control testing, security, waste management, and access to materials storage and raw material sampling and testing. The COD Business unit supports a range of client needs, including gene therapy, cell banking, microbiome, and novel therapeutics, catering to clients seeking cost-effective manufacturing solutions, overflow capacity, or temporary cleanroom options during infrastructure development.

15. The business units were designed to be complementary, allowing the Company to serve a client's clinical and compliance needs.

16. In April 2021, Baird Capital ("Baird") invested approximately \$30.2 million in the Company in order to help the Company accelerate expanding its development of COD locations and consulting business (the "Baird Investment"). Following the Baird Investment, the Company embarked on a COD expansion project, developing cleanroom locations in North Carolina, Massachusetts, and California. The North Carolina and Massachusetts locations were opened in 2024.

⁴ Current Good Manufacturing Practice ("cGMP") compliance is a set of regulations that ensure the quality, safety, and efficacy of products manufactured in pharmaceutical, medical device, and the biotechnology industries.

II. CAPITAL STRUCTURE.

A. *Prepetition Credit Facilities*⁵

17. The Debtors are parties to that certain *Loan and Security Agreement*, by and among Azzur Group, LLC, as lead borrower,⁶ and Pre-Petition Lender, dated as of April 7, 2020 (as may be amended, modified, supplemented, extended renewed, restated, or replaced, the “Pre-Petition Loan Agreement”). The Pre-Petition Loan Agreement provides for an asset-based revolving credit facility (the “ABL Facility”) and a term loan credit facility (the “Term Loan Facility”). The obligations under the ABL Facility and Term Loan Facility are secured by a first-priority lien, subject to customary exceptions, on substantially all of the Company’s assets. As of the Petition Date, the Debtors are obligated to the Pre-Petition Lender in the aggregate amount of approximately \$62.2 million (plus accrued and unpaid interest, costs and fees).⁷

18. In addition to funded debt obligations, as of the Petition Date, the Debtors estimate that they have approximately \$23.2 million in general unsecured obligations, the majority of which is on account of leasehold obligations.

B. *Promissory Notes*

19. Debtors Azzur Cleanrooms-on-Demand Devens, LLC and Azzur Group, LLC are each party to three unsecured promissory notes (the “Promissory Notes”) with contractors pursuant to (i) that certain *Promissory Note* by and among Barker Contracting, Inc., Azzur Cleanrooms-on-Demand Devens, LLC, and Azzur Group, LLC dated as of July 11, 2024 (the “Barker Note”) in

⁵ Capitalized terms used but not otherwise defined in Sections II and III herein shall have the meaning ascribed to them in the Pre-Petition Credit Agreement.

⁶ Each of the other Debtors in these chapter 11 cases are borrowers under the Pre-Petition Credit Agreement.

⁷ The Debtors and Pre-Petition Lender also entered into a series of forbearance agreements as described in Part III below.

the original principal amount of \$1,413,958; (ii) that certain *Promissory Note* by and between Barker Contracting, Inc. and Azzur Group, LLC dated as of July 19, 2024 (the “Alameda Note”) in the original principal amount of \$1,159,383; and (iii) that certain *Promissory Note* by and among RGK Group, LLC (d/b/a Angstrom Technology), Azzur Cleanrooms-On-Demand Devens, LLC, and Azzur Group, LLC dated as of July 11, 2024 (the “Angstrom Note”) in the original principal amount of \$3,327,912.

20. These Debtors entered into the Promissory Notes to resolve certain disputes related to mechanics’ liens recorded against the Debtors’ leasehold estates and potentially the fee of the properties leased by the Debtors. As of the Petition Date, approximately \$5.2 million is owed in the aggregate on account of the Promissory Notes.

C. *Cash on Hand*

21. As of the Petition Date, the Debtors have approximately \$3.2 million in available cash, all of which constitutes cash collateral of the Pre-Petition Lender.

D. *Equity Interests*

22. As of the Petition Date, Azzur Group Holdings LLC holds 100% of the equity units of Azzur Group, LLC. Azzur Blocker, LLC, BGL Azzur, LLC, and G. Knight Consulting Ltd., respectively, hold 27.80%, .92%, and .09% of the Class A Preferred equity units of Azzur Group Holdings, LLC. Yotomatchi, LLC holds 70.09% of the Class B Common equity units of Azzur Group Holdings LLC, and Gary Knight holds 1.10% of the Class C Incentive Units.

III. EVENTS LEADING UP TO THE CHAPTER 11 CASES.

23. The Debtors did not make the decision to commence these chapter 11 cases lightly; rather, they filed after a year-long prepetition out of court marketing and sale process intended to maximize the value of the Company’s assets. Though a confluence of factors contributed to the need to commence these chapter 11 cases, the Company’s aggressive COD Business growth

strategy resulted in it scaling expenses at a faster pace than its corresponding customer and revenue growth.

24. The COVID-19 pandemic saw an increased need for laboratory testing and cleanroom services. At the beginning of the COVID-19 pandemic in 2020, the Company only operated one cleanroom but envisioned that the medium and long-term effects of the pandemic would prove an opportunity for Company expansion. Accordingly, the Company rapidly expanded its geographic footprint and entered into a number of long-term leases for additional COD locations. As the pandemic subsided, however, the ongoing need for pharmaceutical drug development in cleanrooms did not materialize as anticipated. Cleanroom facilities have high operating costs (notably, the somewhat fixed costs of utilities, rent, and attendant services) which cannot be scaled down when cleanroom occupancy is not at full capacity. As such, the COD Business has struggled to generate profit based on lower than projected facility occupancy.

25. In light of the foregoing challenges and resulting liquidity shortfall, the Company and its management team retained DLA Piper LLP (US) as legal counsel and Ankura as financial advisor, in December 2023 to negotiate with the Pre-Petition Lender and assess various strategic options for the Company. In addition, in January of 2024, the Company entered into an agreement with Ankura Capital Advisors, LLC (“ACA”) to raise certain junior financing alternatives and provide related assistance. For the avoidance of doubt, ACA and Ankura are distinct entities. In January 2024, the Company also retained Brown Gibbons Lang & Company Securities, Inc. (“BGL”) to act as investment banker in connection with a potential capital stock, sale, or strategic transaction.⁸ Ankura and the Debtors’ management team analyzed the Debtors’ cash flows and

⁸ Mr. John Riddle, who previously served as a manager on the Board, is a managing director of BGL. At all relevant times, Mr. Riddle recused himself from Board actions with respect to the retention of BGL as investment banker and transactions that could result in fees payable to BGL.

prepared forecasts to manage the Debtors' liquidity to provide a runway to explore the various strategic alternatives.

A. *Forbearance Agreement*

26. In late 2023, the Debtors breached several covenants under the Pre-Petition Loan Agreement, including, among other things: (i) failure to maintain a Fixed Charge Coverage Ratio for the fiscal quarter, ending September 30, 2023, (ii) failure to maintain a minimum of \$10,000,000 on deposit at all times in one or more accounts maintained with the Pre-Petition Lender, as of the end of the fiscal quarter, ending September 30, 2023, and (iii) the occurrence of an Out-of-Formula Advance (as defined in the Pre-Petition Loan Agreement) on December 1, 2023, in the amount of \$3,750,000. After extensive, arms'-length negotiations, on February 26, 2024, the Company and the Pre-Petition Lender executed a forbearance agreement and amendment to the Pre-Petition Loan Agreement (the "Forbearance Agreement"), whereby the Pre-Petition Lender agreed to forbear from exercising any rights and remedies available under the Pre-Petition Loan Agreement and arising in connection with the Existing Events of Default.

27. Pursuant to the terms of the Forbearance Agreement, the forbearance was conditioned upon the Debtors initiating a parallel capital raise and sale process, whereby, pursuant to "Track 1," the Debtors would seek to raise an initial capital investment of up to \$20 million by April 30, 2024 (the "Initial Capital Investment"); and, if consummated, would extend the facility's maturity date to November 1, 2025 and negate the obligation to pursue a "Track 2" wholistic recapitalization transaction. If the Debtors failed to consummate the Initial Capital Investment by April 30, 2024, the facility's maturity date would spring forward to July 31, 2024. Contemporaneously, the Company would initiate the "Track 2" recapitalization (the "Recapitalization"), whereby the Company would seek a sale of, or investment into, the Company, by July 31, 2024.

B. *Prepetition Parallel Marketing Process and Sale of the Azzur Labs Business Unit*

28. In February 2024, with the assistance of ACA and BGL, the Company commenced a targeted, prepetition marketing process in support of the Initial Capital Investment and the Recapitalization. The Debtors' dual-tracked marketing efforts included targeted outreach by both ACA and BGL to potential junior capital providers, and structured equity partners, respectively. During this process, ACA contacted 121 potential investors and BGL contacted 63 potential structured equity investors. The Debtors invited these parties to execute non-disclosure agreements. In response to this initial outreach, and throughout February and March 2024, the Company executed nondisclosure agreements with 39 parties. While one party submitted an indication of interest with respect to an Initial Capital Investment, in consultation with their advisors, the Debtors determined the indication of interest was not actionable. Despite the robust marketing efforts, the Debtors failed to consummate either an Initial Capital Investment or Recapitalization transaction by their respective milestone deadlines.⁹

29. To provide the Company with additional runway to expand the marketing process to focus on a sale of the business as a whole or for one or any combination of their business units, between August 2024 and January 2025, the Company and the Pre-Petition Lender entered into a series of Amendments to the Forbearance Agreement.¹⁰ In connection with the Third Amendment, the Company entered into an addendum to their investment banking engagement with BGL to

⁹ Following the failure to consummate the Initial Capital Investment, ACA's involvement with the Debtors ended.

¹⁰ The Debtors and Pre-Petition Lender executed the following Amendments: (i) Amendment No. 1 to the Forbearance Agreement and Seventh Amendment to Loan and Security Agreement, dated August 13, 2024 (the "First Amendment"); (ii) Amendment No. 2 to the Forbearance Agreement and Eighth Amendment to Loan and Security Agreement, dated August 23, 2024 (the "Second Amendment"); (iii) Amendment No. 3 to the Forbearance Agreement and Ninth Amendment to Loan and Security Agreement, dated August 30, 2024 (the "Third Amendment"); and (iv) Amendment No. 4 to Forbearance Agreement and Tenth Amendment to Loan and Security Agreement, dated January 6, 2025 (the "Fourth Amendment," and together with the First Amendment, Second Amendment, and Third Amendment, the "Amendments").

relaunch the marketing and sale process on an accelerated timeline in the third quarter of 2024 to facilitate a sale transaction of one or more of the Company's business segments. The Company solicited 47 additional parties, which resulted in executing non-disclosure agreements with 19 additional parties.

30. On November 19, 2024, the Company entered into a letter of intent with Keystone Capital Management, L.P. and Bluebirds Ventures, LLC to sell substantially all of the Azzur Labs business unit (the "Azzur Labs Sale") to a newly formed company, AL Holdings, Inc. (the "Buyer"). On January 3, 2025, the Azzur Labs Sale closed in consideration of receipt gross proceeds of \$16,000,000. All of the proceeds of the Azzur Labs Sale constituted proceeds of collateral of the Pre-Petition Lender. Upon the closing of the Azzur Labs Sale, (i) \$12,000,000 was used to pay down a portion of the Term Loan Facility, (ii) \$2,000,000 was used to pay down a portion of the ABL Facility, and (iii) \$2,000,000 was applied to the outstanding amount of the Line Advances (all as provided for more fully in the Fourth Amendment). Additionally, in connection with the Azzur Labs Sale, the Company entered into a transition services agreement (the "TSA") with the Buyer as a closing condition of the sale transition to ensure an orderly transition of the business unit. The TSA provides an initial term of thirty (30) days, which the Buyer has opted to extend. Additionally, pursuant to the Azzur Labs Sale, a significant number of the Company's Azzur Labs employees transitioned to the Buyer.

31. Based on my involvement in discussions with management, information supplied to me by the Debtors' management, my review of relevant documents, discussions with the Debtors' advisors, and my opinion based on my experience, I believe the terms of the Azzur Labs Sale asset purchase agreement were negotiated on an arms'-length, good faith basis between the

Debtors (in consultation with the Pre-Petition Lender), the Buyer, and their respective advisors, and the Buyer paid reasonably equivalent consideration.

IV. THE STALKING HORSE BID & THE BIDDING PROCEDURES.¹¹

32. Concurrent with prepetition Azzur Labs Sale process, the Debtors received expressions interest for the purchase of the Azzur Consulting business unit. The prepetition marketing process culminated in the execution of that certain Asset Purchase Agreement dated as of March 2, 2025 by and among Eliquent Life Sciences, Inc., as Purchaser, and Azzur Group, LLC and its subsidiaries, as Sellers (the “Stalking Horse APA”). As more fully described in the Stalking Horse APA, subject to higher or otherwise better bids, the Stalking Horse Bidder will purchase the Azzur Consulting business unit assets for a purchase price of \$56,000,000 plus the assumption of certain Assumed Liabilities (as defined in the Stalking Horse APA). Importantly, the Stalking Horse APA also contemplates that a significant number of the Debtors’ Azzur Consulting employees will transition to the Stalking Horse Bidder following consummation of the sale.

33. To date, the Debtors have determined, with the assistance of their advisors, that the Stalking Horse Bid, including the Bid Protections (as described below), constitutes the highest or otherwise best offer for the Acquired Assets currently available to the Debtors under the facts and circumstances, recognizing that such bid will be subjected to an open and transparent post-petition marketing and auction process. Based on my involvement in the process and discussions with management and the Debtors’ advisors, I believe the terms of the Stalking Horse APA, including

¹¹ Capitalized terms but not otherwise defined in this Section IV shall have the meaning ascribed to them in the *Motion of Debtors for Entry of Orders (I) (A) Approving Bidding Procedures for the Potential Sale of the Debtors’ Assets, (B) Scheduling Certain Dates with Respect Thereto, (C) Approving the Form and Manner of Notice Thereof, (D) Authorizing the Debtors to Enter into the Stalking Horse APA and Related Bid Protections, (E) Approving Procedures for Assumption and Assignment, and (F) Granting Related Relief and (II) (A) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Contracts and Leases, and (C) Granting Related Relief* (the “Bidding Procedures Motion”), filed contemporaneously herewith.

the Bid Protections, were negotiated on an arms'-length, good faith basis between the Debtors (in consultation with the Pre-Petition Lender), the Stalking Horse Bidder, and their respective advisors.

34. With respect to the Bidding Procedures Motion, the Debtors seek entry of an order (i) authorizing and approving the Debtors' proposed Bidding Procedures; (ii) scheduling an auction (the "Auction") and sale hearing (the "Sale Hearing"); (iii) approving the form and manner of notice of the Auction and the Sale Hearing; (iv) authorizing the Debtors to enter into, and perform under, the Stalking Horse APA; (v) approving the Bid Protections; and (vi) approving procedures for the assumption and assignment of certain of the Debtors' executory contracts and unexpired leases and approving the form and manner of notice thereof.

35. To induce the Stalking Horse Bidder to expend the time, energy, and resources necessary to negotiate and ultimately execute the Stalking Horse APA and to keep the Stalking Horse Bid open and irrevocable through the sale process, the Debtors have agreed to provide the Stalking Horse Bidder with certain bid protections (the "Bid Protections"), including: (i) a break-up fee in the amount equal to \$1,680,000, which represents approximately three (3) percent of cash component of the Purchase Price (the "Break-Up Fee"), (ii) reimbursement to the Stalking Horse Bidder for its reasonable and documented expenses in conjunction with the Stalking Horse Bid up to a maximum amount of \$1,000,000 (the "Expense Reimbursement"), and (iii) if an Auction is conducted, (a) the initial overbid (in excess of the Purchase Price) must be a minimum of \$2,880,000, which sum is comprised of the amount of the Expense Reimbursement and Break-Up Fee, plus an initial incremental overbid amount of \$200,000, and (b) any subsequent incremental overbids must be in a minimum amount of \$200,000, subject to increase upon agreement among the Sellers (as defined in the Stalking Horse APA) and Stalking Horse Bidder.

36. Based on my involvement in discussions with management, information supplied to me by the Debtors' management, my colleagues that perform services for the Debtors, my review of relevant documents, discussions with the Debtors' advisors, knowledge of the Debtors' operations and financial condition, and my opinion based on my experience, I understand that the Bid Protections were integral to the Stalking Horse Bidder's participation in the proposed sale transaction, and the Stalking Horse Bidder was unwilling to proceed as a stalking horse bidder without such protections. I believe that Bid Protections are (i) appropriately designed to maximize the value for the benefit of the Debtors' estate and a necessary condition for the Stalking Horse Bidder to enter into the Stalking Horse APA; (ii) result in value to the estates in excess of Bid Protections by enhancing value in setting the floor for the postpetition process; (iii) are commensurate with the value and benefits conferred upon the Debtors' estates by the Stalking Horse Bidder, (iv) are usual and customary for transactions of similar size and complexity; and (v) are fair, reasonable and appropriate in light of the nature of the proposed sale transaction, the commitments made, and the efforts that have been and will be expended by the Stalking Horse Bidder.

37. Accordingly, I believe that the approval of the Debtors entry into the Stalking Horse APA and the Stalking Horse Bid as a whole, including the Bid Protections, subject to the marketing and Auction, is in the best interest of the Debtors' estate, and the Debtors' decision to seek such approval constitutes a sound exercise of the Debtors' business judgment.

38. In accordance with the terms of the Stalking Horse APA, the Debtors, with the assistance of their advisors, have continued, and will continue, to market the Debtors' Assets (including the Consulting Business and COD Business assets) to potential buyers through the Bid Deadline. Upon entry of the Bidding Procedures Order, the Debtors, with the assistance of

their advisors, will continue discussions with any party that complies with the requirements of the Bidding Procedures Order and the Bidding Procedures, with the goal of having such parties participate in the Auction and foster a competitive process that maximizes the value of the Assets.

39. I understand from my conversations with the Debtors' management, BGL, and their other advisors that the timeline set forth in the Bidding Procedures is designed to balance the need to provide adequate notice to Potential Bidders with the need to run an expeditious and efficient sale process and comply with the milestones set forth in the DIP Order (defined below). I also understand from my conversations with the Debtors' management, BGL, and their other advisors that the Bidding Procedures are designed to attempt to generate the highest or otherwise best available recoveries for the Debtors' stakeholders by encouraging prospective bidders to submit competitive bids. I believe that the Bidding Procedures and the timeline set forth therein will appropriately market the Assets and provide interested parties with a sufficient opportunity to participate. A summary of the proposed Bidding Procedures and sale timeline is as follows:¹²

Event or Deadline	Date and Time
Deadline for Debtors to serve the Stalking Horse Sale Objection Deadline Notice and the Assumption and Assignment Notice	March 3, 2025
Deadline to Object to the Bidding Procedures Motion	No later than March 17, 2025, at 4:00 p.m. (prevailing Eastern Time)
Assigned Contract Objection Deadline	No later than March 24, 2025, at 4:00 p.m. (prevailing Eastern Time) , objections shall be filed and served in relation to the (i) proposed cure amount to be paid in connection with the potential assumption and assignment of any Contract or Lease, and (ii) potential assumption and assignment of any

¹² The following summary is qualified in its entirety by reference to the provisions of the Bidding Procedures. In the event of any inconsistencies between this summary and the Bidding Procedures, the Bidding Procedures will govern in all respects. Capitalized terms used in this section retain the meanings ascribed to such terms in the Bidding Procedures.

	Contract or Lease to the Stalking Horse Bidder, including the ability of the Stalking Horse Bidder to provide adequate assurance of future performance; <u>provided</u> that if the Debtors serve any supplemental Assumption and Assignment Notice, the Assigned Contract Objection Deadline for any such objections relating to the Contracts and Leases identified in such Assumption and Assignment Notice will be 4:00 p.m. (prevailing Eastern Time) on the later of March 24, 2025, and the date that is 14 days after service of such supplemental Assumption and Assignment Notice.
Stalking Horse Sale Objection Deadline	No later than March 24, 2025, at 4:00 p.m. (prevailing Eastern Time) (the “ <u>Stalking Horse Sale Objection Deadline</u> ”) objections shall be filed and served in relation to the proposed Sale of the Consulting Business to the Stalking Horse Bidder pursuant to the Stalking Horse APA or to the form of proposed Sale Order.
Hearing to Approve the Bidding Procedures Motion and Stalking Horse APA	March 24, 2025 , subject to the Bankruptcy Court’s availability
Deadline for Debtors to serve the Sale Notice	March 25, 2025
Bid Deadline	April 1, 2025, at 5:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to Designate Qualified Bids	April 2, 2025, at 5:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to Identify Baseline Bid (if necessary)	No later than April 2, 2025, at 5:00 p.m. (prevailing Eastern Time) (the day before the Auction), the Debtors will provide copies of the Baseline Bid(s) (as defined below) to all Qualified Bidders (as defined below)
Auction (if applicable)	An Auction may be held on April 3, 2025, at 10:00 a.m. (prevailing Eastern Time) via live auction and/or remote video
Successful Bidder Notice Deadline	Promptly after the conclusion of the Auction (if any) or if there is no Auction for the Consulting Business, promptly after the Bid Deadline (but in any event not more than 24 hours following the close of the Auction or the Bid Deadline, as applicable), the Debtors shall announce the Successful Bid and the Backup Bidder, file the Successful Bidder Notice and

	post the Successful Bidder Notice on the Case Website, identifying the Successful Bidder and Backup Bidder (if any).
Non-Stalking Horse Sale Objection Deadline	If the Successful Bidder or Backup Bidder that prevails at the Auction is not the Stalking Horse Bidder, the deadline to object solely to (i) the identity of a Successful Bidder or Backup Bidder or (ii) the ability of the Successful Bidder or Backup Bidder to provide adequate assurance of future performance under any Contract or Lease shall be April 7, 2025, at 4:00 p.m. (prevailing Eastern Time)
Sale Hearing	April 9, 2025 , or as soon thereafter as the Bankruptcy Court's calendar permits; <u>provided</u> , <u>however</u> , that if there is no Auction because there are no Qualified Bids besides the Stalking Horse Bid, the Sale Hearing shall occur on April 4, 2025 , or as soon thereafter as the Bankruptcy Court's calendar permits
Target Closing Date	No later than May 1, 2025

40. As discussed above, in the months leading to the commencement of these chapter 11 cases, the Debtors conducted a fulsome sale and marketing process that culminated in the execution and implementation of the prepetition Azzur Labs sale asset purchase agreement and the Stalking Horse APA. The Debtors intend to utilize these chapter 11 cases to continue marketing their assets, including the Consulting Business and COD Business, and realize the highest or otherwise best value for the benefit of all parties in interest.

41. Based on the robust marketing process to date, the Debtors believe there may be interest in the COD Business. The Debtors, along with the Pre-Petition Lender, believe that the opportunity to leverage a chapter 11 marketing process—together with the tools afforded to debtors-in-possession, including “free and clear” transactions—is the optimal way to deliver the best possible result under the circumstances.

42. In connection with the prepetition marketing process, the Debtors, with the assistance of their advisors, have already contacted the parties that are the most likely bidders for

the Debtors' remaining business units and all parties that have entered into non-disclosure statements, have been afforded the opportunity to, among other things, review diligence in a data room and meet with management. Notwithstanding the prepetition marketing process, postpetition, the Debtors will renew and expand their efforts to market and sell the remaining business units, all in accordance with the Bidding Procedures.

43. Moreover, given the period of time that has passed since the relaunched marketing process, interested parties that were not selected as the stalking horse bidder have had more than three (3) months further to consider the opportunity and refine their views on the value of the Assets. For these reasons, I believe that the proposed Bidding Procedures and the associated timeline affords potential bidders sufficient time to evaluate the opportunity and to conduct any remaining diligence that would be necessary to submit a Qualified Bid. Additionally, to the extent parties who did not participate in the prepetition process are interested in participating in the postpetition competitive bidding process, a data room has been populated so that such parties will be able to begin conducting diligence immediately following execution of a non-disclosure agreement. Because of the diligence the Stalking Horse Bidder performed before the Petition Date, which assisted in populating the data room for all potential bidders, I believe that the time period from the filing of the Bidding Procedures Motion to the Bid Deadline provides any interested parties sufficient time to review diligence materials and prepare and submit a bid.

44. Based on my experience, I believe that the proposed Bidding Procedures are designed to maximize the value available for the Assets under the circumstances—including the milestones and budget under the DIP Order—by facilitating an open and competitive bidding process in which potential bidders are encouraged to participate and submit competing bids within the specified timeframe in the Bidding Procedures (and as required by the milestones therein).

45. Additionally, given the scope and duration of the prepetition marketing process, I believe the Bidding Procedures are reasonably tailored under the facts and circumstances of these chapter 11 cases to generate the greatest possible level of interest and consideration through purchasing the Assets. The Bidding Procedures provide the Debtors, in consultation with the Consultation Parties, with an adequate opportunity to consider competing bids and to select the highest or otherwise best offer for the Assets.

46. Further, the Bidding Procedures and sale schedule were heavily negotiated with the DIP Lender. In my view, based on observations I made and those of members of the Ankura team and the Debtors' advisors who participated in and observed such negotiations, I believe that such negotiations were conducted at arms'-length and in good faith, and that the Bidding Procedures and sale schedule are reasonable under the circumstances of these chapter 11 cases.

47. For these reasons, I believe the Bidding Procedures, and the timeline for the postpetition sale process set forth therein, are appropriately designed to promote a competitive and robust sale process for the Assets to achieve the highest or otherwise best value currently available for the Debtors' stakeholders under the circumstances present here.

V. PROPOSED DEBTOR-IN-POSSESSION FINANCING.¹³

48. As set forth in greater detail in the DIP Motion, the Debtors seek authorization to enter into the DIP Credit Facility, which contemplates a postpetition senior secured superpriority debtor in possession multi-draw revolving credit facility, in an aggregate principal amount of up to \$8.5 million, and other revolving Advances (including with respect to Letters of Credit of

¹³ Capitalized terms but not otherwise defined in this Section V shall have the meaning ascribed to them in the *Motion of Debtors and Debtors in Possession for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing, (B) Grant Liens and Provide Superpriority Claims, (C) Grant Adequate Protection, (II) Modifying the Automatic Stay, (III) Scheduling a Final Hearing and (IV) Related Relief* (the "DIP Motion"), filed contemporaneously herewith.

approximately \$1.3 million), up to a total principal amount of \$23.5 million. The proposed DIP Credit Facility is designed to provide the Debtors with liquidity to fund operations and a value maximizing sale process. Specifically, the Debtors require immediate access to additional liquidity to ensure that they are able to continue to operate during these chapter 11 cases, consummate the Stalking Horse APA, and maximize the value of their estates for the benefit of all stakeholders.

49. The terms and conditions of the DIP Financing, including the interim partial, and final roll-up of all of the Pre-Petition Obligations, other than a portion of the Pre-Petition Obligations in the amount of \$1 million (such portion, the “Remaining Pre-Petition Obligation”) are fair and reasonable under the circumstances, especially in light of the Debtors’ need for postpetition financing and their capital structure, among other factors.

50. The Debtors, their legal and financial advisors, and the DIP Lender engaged in arms’-length negotiations regarding the terms offered by the DIP Lender. Over the course of multiple weeks, the Debtors and the DIP Lender, with the assistance of their respective legal and financial advisors, worked to negotiate the most favorable terms and provisions of the DIP Financing available to the Debtors given the Debtors’ lack of alternative third-party financing.

51. Given the nature of the Debtors’ business and existing secured debt, the Debtors were unable to obtain any other financing and such efforts would have been futile in light of the Debtors’ existing capital structure. The Pre-Petition Lender would not consent to another lender providing funding and “priming” their Pre-Petition liens; accordingly, I do not believe that any other party would have provided additional funding on a junior basis. Other than the DIP Lender, no other party has come forward with a proposal for DIP financing. After extensive negotiations that were conducted at arms’-length and in good faith, the Debtors and DIP Lender executed that

certain *Ratification and Amendment Agreement* that provides for the DIP Financing to be provided by the DIP Lender in connection with these chapter 11 cases and proposed sale process.

52. Based on my understanding of the Debtors' capital structure and need for postpetition financing, as well as the facts and circumstances of these cases, I believe that the Debtors used their business judgment to obtain the best financing terms possible with the DIP Lender, which offers the Debtors access to much-needed liquidity on reasonable or favorable terms with all interest and the upfront fee paid-in-kind, and without significant other fees that are customary in many postpetition financing arrangements. The contemplated terms of the DIP Financing were the subject of arms'-length and good faith negotiations. Given my experience, I believe the terms are reasonable in light of the circumstances.

53. The DIP Financing also contains certain milestones (the "DIP Milestones") that the Debtors must meet throughout the chapter 11 cases, including sale-related milestones, the failure of which would constitute an Event of Default under the DIP Loan Documents. Given the financial and operating condition of the Debtors and proposed sale process, I believe these milestones are the best executable terms available to the Debtors as of the Petition Date and are therefore reasonable under the circumstances. A summary of the DIP Milestones is as follows:¹⁴

Event or Deadline	Date and Time
Debtors shall file motions, each in form and substance reasonably satisfactory to the Bank, requesting approval from the Bankruptcy Court, of the First Day Orders, including the cash management of Debtors	Petition Date
Debtors shall file motions, each in form and substance reasonably satisfactory to Bank, requesting approval from the Bankruptcy Court, of the DIP Credit Facility under the Interim	Petition Date

¹⁴ The following summary is qualified in its entirety by reference to the provisions of the DIP Credit Facility. In the event of any inconsistencies between this summary and the DIP Credit Facility, the DIP Credit Facility will govern in all respects. Capitalized terms used in this section retain the meanings ascribed to such terms in the DIP Credit Facility.

Order on the terms and conditions contemplated by the Loan Agreement, granting to Bank the security interests and liens and superpriority administrative expense claim status set forth in the DIP Credit Agreement and in the Interim Order, modifying the automatic stay and other provisions required by Bank and its counsel	
The Debtors shall file a motion, in form and substance reasonably satisfactory to Bank, to approve the Bidding Procedures and the Bidding Procedures Order with respect to the Consulting Business Sale Transaction, the Consulting Business Purchase Agreement, and the marketing and sale of the COD Business	On or before March 3, 2025
The Bankruptcy Court shall have entered (i) the Interim Financing Order, in form and substance reasonably satisfactory to Bank, and (ii) interim First Day Orders, each in form and substance reasonably satisfactory to Bank, approving the “first day” applications and motions of Debtor, including the cash management of the Debtors	On or before March 6, 2025
The Bankruptcy Court shall have approved, each in form and substance reasonably acceptable to Bank (i) the Bidding Procedures Order, and (ii) any interim First Day Orders not yet approved as final First Day Orders	On or before March 28, 2025
The Debtors shall, in the event there is one or more “Qualified Bids” (as defined in the Bidding Procedures Order) for the Consulting Business received by the “Bid Deadline” (as defined in the Bidding Procedures Order) in accordance with the Bidding Procedures Order, conduct an Auction	On or before April 3, 2025
The Bankruptcy Court shall have entered, in form and substance acceptable to Bank, the Final Order	On or before April 7, 2025
A sale hearing before the Bankruptcy Court shall be conducted to approve the highest and best bid produced at the Auction and/or in accordance with the Bidding Procedures Order with respect to the Consulting Business Sale Transaction pursuant to the Consulting Business Purchase Agreement (collectively, the “ <u>Winning Bid</u> ”), unless otherwise ordered by the Bankruptcy Court	On or before April 9, 2025
The Consulting Business Sale Order approving the Winning Bid shall be entered by the Bankruptcy Court approving the sale of the Consulting Business	On or before April 12, 2025

The Consulting Business Sale Transaction pursuant to the Consulting Business Purchase Agreement shall have been consummated on terms and conditions acceptable to Bank, with net proceeds from the closing of Consulting Business Sale Transaction to be remitted to Bank for application to the Obligations in accordance with this Ratification Agreement unless otherwise provided by the Consulting Business Sale Order	On or before May 14, 2025
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54. The Debtors require immediate access to additional liquidity to ensure that they are able to continue to operate during these chapter 11 cases and maximize the value of their estates for the benefit of all parties in interest. Specifically, based on the Debtors' forecast, the Debtors anticipate that they will be unable to generate sufficient levels of operating cash flow in the ordinary course of business to cover working capital needs and the projected costs of these chapter 11 cases, including consummation of the Stalking Horse APA, without access to the postpetition financing provided by the DIP Facility, and that the liquidity provided by the DIP Facility is necessary to provide the Debtors' clients and employees with comfort that the Debtors will continue to operate in the ordinary course of business during these chapter 11 cases.

55. In sum, based on my experience, my review of the Debtors' books and records and my work with the Debtors for more than one year prior to the Petition Date, I believe that (i) the proposed DIP Financing represents the best and only possible postpetition financing option currently available to the Debtors, (ii) the terms of the proposed DIP Financing are fair and customary for this type of financing; and (iii) absent approval of the proposed DIP Financing, the Debtors' going concern value and the proposed sale of the Azzur Consulting business unit will be at risk.

VI. EVIDENTIARY BASIS FOR REQUESTED FIRST DAY RELIEF.

56. To minimize the possible adverse effects on the Company's business, the Debtors have contemporaneously filed various motions seeking relief that the Debtors believe is necessary

to enable them to efficiently administer their estates with minimal disruption and loss of value during these chapter 11 cases. The Debtors request that the relief requested in each of the First Day Motions be granted as critical elements in ensuring the maximization of value of the Debtors' estates.

57. The First Day Motions seek authority to, among other things, ensure sufficient liquidity to run the Debtors' business, ensure the continuation of the Debtors' cash management systems, and allow for other business operations without interruption. I have reviewed each of the First Day Motions (including the exhibits attached thereto) listed above and, to the best of my knowledge, I believe the facts set forth in the First Day Motions are true and correct. If I were called upon to testify, I could and would, based on the foregoing, testify competently to the facts set forth in each of the First Day Motions. I believe the relief sought in the First Day Motions is necessary for the Debtors to effectuate a smooth transition into chapter 11 and to avoid irreparable harm to their businesses and estates during the pendency of the chapter 11 cases, and is in the best interests of the Debtors' creditors, estates, and other stakeholders.

58. A detailed description of the relief requested in and the facts supporting each of the First Day Motions is set forth in **Exhibit B** attached hereto. In the event that this Declaration and any provision of any First Day Motion are inconsistent, the terms of the First Day Motion will control.

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

Dated: March 3, 2025

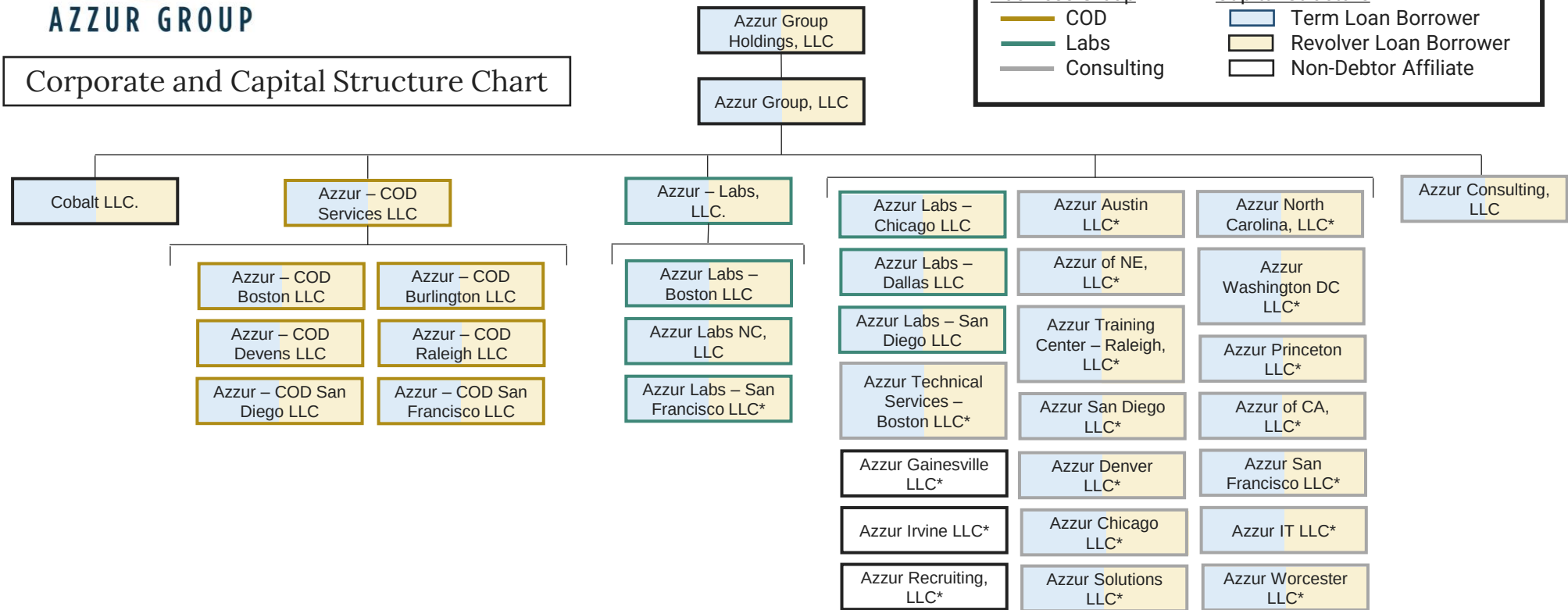
By: /s/ M. Benjamin Jones
Name: M. Benjamin Jones
Title: Chief Restructuring Officer

Exhibit A

Organizational Chart

**AZZUR GROUP**

Corporate and Capital Structure Chart

**Term Loan Credit Portion**

Amt. Outstanding: \$45.9 M **Int. Rate:** Line Variable Loan Rate plus 7.0%
Agent: M&T Bank **Maturity:** Feb. 28, 2025
Collateral: Substantially all assets

Revolver Loan Credit Portion

Amt. Outstanding: \$13.6 M **Int. Rate:** Line Variable Loan Rate plus 7.0%
Agent: M&T Bank **Maturity:** Feb. 28, 2025
Collateral: Substantially all assets

Capital Structure

Term Loan Credit Agreement	\$45.9 M
Revolver Loan Credit Agreement	13.6 M
Total Secured Debt	\$59.5 M
Yotomachi, LLC	\$76.3 M
Azzur Blocker, LLC	30.2 M
Other Purchasers	2.3 M
Total Equity	\$108.8 M
Total Capital	\$168.3 M

Notes: All instances of "COD" is an abbreviation for "Cleanrooms-on-Demand". Azzur Blocker, LLC refers to Baird Capital. Other Purchasers include BGL Azzur, LLC (\$1.0 M), Gary Knight (Individual – US Non-Resident) (\$1.2 M), and G. Knight Consulting LTD (U.K. Registered Business) (\$100K). *indicates a non-operating entity.

Exhibit B

Evidentiary Support for First Day Motions

Evidentiary Support for First Day Motions

A. *Motion of the Debtors for Entry of an Order (I) Granting Joint Administration of Their Chapter 11 Cases, and (II) Granting Related Relief*
(the “Joint Administration Motion”)

1. By the Joint Administration Motion, the Debtors request entry of an order approving the procedural consolidation and joint administration of these chapter 11 cases. Given the nature of the Debtors’ operations, joint administration will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these chapter 11 cases will affect each Debtor. Therefore, joint administration will reduce costs and facilitate the administrative process by avoiding the need for duplicative notices, applications, and orders. Joint administration will also allow the United States Trustee for Region 3 and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency.

2. Further, joint administration will not adversely affect the Debtors’ respective constituencies because the Joint Administration Motion seeks only administrative, and not substantive, consolidation of the Debtors’ bankruptcy estates. I believe that parties in interest will not be harmed by the relief requested, but instead will benefit from the cost reductions associated with the joint administration of these chapter 11 cases. Accordingly, I believe that the joint administration of these chapter 11 cases is in the best interests of the Debtors’ estates, their creditors, and all other parties in interest.

B. *Application of the Debtors for Entry of an Order (I) Approving the Retention and Appointment of Stretto, Inc. as the Claims and Noticing Agent to the Debtors, Effective to the Petition Date, and (II) Granting Related Relief*
(the “Retention Application”)

3. By the Retention Application, the Debtors seek entry of an order appointing Stretto, Inc. (“Stretto”) as claims, noticing, balloting, and solicitation agent for these chapter 11 cases in

accordance with the Engagement Agreement entered into by and between Stretto and the Debtors, effective as of January 27, 2025 (the date of the Engagement Agreement). In that role, Stretto would assume full responsibility for, among other tasks, the distribution of statutory notices to creditors and other parties in interest and the maintenance, processing, and docketing of proofs of claim filed in these chapter 11 cases.

4. Based upon my discussions with the Debtors' advisors, I believe that the Debtors' selection of Stretto to act as the claims and noticing agent is appropriate under the circumstances, is in the best interests of the estates, and satisfies the local rules of the United States Bankruptcy Court for the District of Delaware. Moreover, it is my understanding, based on all engagement proposals obtained and reviewed, that Stretto's rates were competitive and comparable to the rates charged by their competitors for similar services.

5. The Debtors anticipate that there will be hundreds of persons and entities noticed in these chapter 11 cases. In light of the number of creditors and other parties in interest involved, I believe that the appointment of Stretto is in the best interests of the Debtors' estates, their creditors and all other parties in interest because it will help facilitate the efficient administration of these chapter 11 cases while alleviating these burdens for the Clerk of the Court.

C. *Motion of the Debtors and Debtors in Possession for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing, (B) Grant Liens and Superpriority Claims, and (C) Grant Adequate Protection, (II) Modifying the Automatic Stay, (III) Scheduling a Final Hearing and (IV) Related Relief* (the "DIP Motion")

6. Pursuant to the DIP Motion, the Debtors seek entry of an interim and final order for relief as provided therein, including: (a) authorizing the Debtors to enter into the DIP Credit Agreement and DIP Loan Documents; (b) granting superpriority administrative claim status to the DIP Lender; (c) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Loan

Documents and DIP Orders; (d) waiving any applicable stay, including (to the extent applicable) under Bankruptcy Rule 6004; (e) scheduling a final hearing; and (f) granting related relief.

7. Prior to the Petition Date, the Debtors, in consultation with their advisors, reviewed and analyzed their projected cash flows to determine the requisite amount of debtor in possession financing needed to provide ongoing working capital. Based on management's cash-flow forecast, the Debtors compiled the Initial DIP Budget. Based on the forecasted funding requirements reflected in the Initial DIP Budget, the liquidity provided under the proposed DIP Financing will enable the Debtors to preserve their value as a going concern, provide the Debtors with sufficient liquidity to meet their ongoing day-to-day obligations, fund the operational and administrative costs of these chapter 11 cases, and satisfy working capital requirements and other operational expenses, all of which will preserve the value of the Debtors' estates for the benefit of their stakeholders.

8. Accordingly, the Debtors commenced these chapter 11 cases with firm commitments for a postpetition senior secured superpriority debtor in possession multi-draw revolving credit facility, in an aggregate principal amount of up to \$8.5 million of new money, and other revolving Advances (including with respect to Letters of Credit of approximately \$1.3 million), up to a total principal amount of \$23.5 million. I believe that the terms and conditions of the DIP Financing, including the interim partial, and final roll-up of all of the Pre-Petition Obligations, other than a portion of the Pre-Petition Obligations in the amount of \$1 million (such portion, the "Remaining Pre-Petition Obligation") are fair and reasonable under the circumstances, especially in light of the Debtors' need for postpetition financing and their capital structure, among other factors. The terms and covenants contained in the DIP Loan Documents are the result of

negotiation and are an integral component of the overall terms of the DIP Financing, which in turn is integral to the broader success of the chapter 11 cases and the contemplated sale process.

9. Specifically, the Debtors, their legal and financial advisors, and the DIP Lender engaged in arms'-length, good faith negotiations regarding the terms offered by the DIP Lender. Over the course of multiple weeks, the Debtors and the DIP Lender, with the assistance of their respective legal and financial advisors, worked to negotiate the most favorable terms and provisions of the DIP Financing available to the Debtors given the Debtors' lack of alternative third-party financing. Given the nature of the Debtors' business and existing secured debt, the Debtors were unable to obtain any other source of financing, and I believe such efforts would have been futile in light of the Debtors' existing capital structure. Moreover, the Pre-Petition Lender would not consent to another lender providing funding and "priming" their Pre-Petition liens. As a result, I do not believe that any other party would have provided funding on a junior basis.

10. The Debtors' access to their proposed DIP Credit Facility will enable them to preserve their value as a going concern by providing crucial liquidity under terms that would allow them to continue, running a post-petition sale process that will maximize the value of their estates. For all of the reasons in the DIP Motion, I believe that the proposed terms of the DIP Credit Facility mitigates the risk of a substantial disruption to the Debtors' business during these chapter 11 cases.

11. Accordingly, I believe that the DIP Credit Facility, taken as a whole, is reasonable under the facts and circumstances, was negotiated at arms'-length and in good faith and is the Debtors' best and only currently available option. I believe that without immediate access to the DIP Credit Facility as provided for in the DIP Motion, the Debtors will suffer significant impairment to their business operations to the material detriment of all of their stakeholders. The Debtors will be unable to preserve and maximize the value of their estates, responsibly administer

these chapter 11 cases, and operate its business. Therefore, I believe that approval of the DIP Credit Facility as described herein and in the DIP Motion is in the best interests of the Debtors' estates.

12. Accordingly, on behalf of the Debtors, I respectfully submit that the DIP Motion should be approved.

D. *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Operate Their Cash Management System, (B) Honor Prepetition Obligations Related Thereto, and (C) Perform Intercompany Transactions; (II) Waiving Strict Application of Section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines to the Extent Necessary; and (III) Granting Related Relief* (the "Cash Management Motion")

13. By the Cash Management Motion, the Debtors seek entry of an order (i) authorizing, but not directing, the Debtors to (a) operate their existing cash management system (the "Cash Management System"), bank accounts, checks and business forms (including authorizing the Debtors to open and close bank accounts as necessary in the ordinary course of business), (b) honor prepetition obligations related thereto, including any unpaid bank fees, and (c) perform intercompany transactions consistent with past practice; (ii) waiving strict application of the requirements of section 345(b) of the Bankruptcy Code and the U.S. Trustee Guidelines to the extent the Cash Management System does not comply with such requirements; and (iii) granting related relief.

14. As more fully set forth in the Cash Management Motion, the Debtors operate an intricate Cash Management System to facilitate the timely and efficient collection, management, and disbursement of funds used in the Debtors' business. The Debtors use their Cash Management System in the ordinary course to transfer and distribute funds and to facilitate cash monitoring, forecasting, and reporting. The Debtors' corporate accounting department regularly reconciles the Debtors' books and records to ensure that all transfers are accounted for properly. The Cash

Management System enables the Debtors to continue operating in the ordinary course, fund payroll processors, and pay routine expenses.

15. Because of the nature of the Debtors' business and the disruption to the business that would result if they were forced to close their existing bank accounts, I believe that it is critical that the existing Cash Management System remain in place on a postpetition basis. I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their business in chapter 11. Accordingly, on behalf of the Debtors, I respectfully submit that the Cash Management Motion should be approved.

E. *Motion of the Debtors for Entry of an Order (I) Authorizing the Debtors to (A) File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor, (B) File a Consolidated List of the Debtors' Thirty Largest Unsecured Creditors in Lieu of Filing Lists for Each Debtor, and (C) Redact Certain Personally Identifiable Information of Natural Persons and Proprietary Creditor Information; and (II) Granting Related Relief* (the "Creditor Matrix and Redaction Motion")

16. By the Creditor Matrix and Redaction Motion, the Debtors seek entry of an order: (i) authorizing the Debtors to (a) file a consolidated list of creditors in lieu of submitting a separate mailing matrix for each Debtor, (b) file a consolidated list of the Debtors' thirty largest unsecured creditors in lieu of filing lists for each Debtor, and (c) redact certain personally identifiable information of natural persons and proprietary information; and (ii) granting related relief.

17. I am aware that a list of creditors usually is filed on a debtor-by-debtor basis, but in a complex chapter 11 bankruptcy case involving more than one debtor, debtors may file a consolidated creditor matrix "in the interest of justice." Requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would be an unnecessarily burdensome task and result in duplicate mailings.

18. Additionally, I believe that it is appropriate to authorize the Debtors to redact from the creditor matrix address information of individuals—including the Debtors’ employees, former employees, customers, and equity holders because such information could be used to perpetrate identity theft or other nefarious purposes. Due to the confidential nature of certain client contracts, I also believe it is appropriate to seal certain proprietary commercial information contained in the creditor matrix. The Debtors propose to provide an unredacted version of the creditor matrix to the U.S. Trustee, any official committee of unsecured creditors appointed in these chapter 11 cases, and the Court.

19. Accordingly, on behalf of the Debtors, I respectfully submit that the Creditor Matrix and Redaction Motion should be approved.

F. *Motion of the Debtors for Entry of Interim and Final Orders (I) (A) Authorizing the Debtors to Pay Certain Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Compensation and Benefits Programs and (II) Granting Related Relief* (the “Wages Motion”)

20. By the Wages Motion, the Debtors seek entry of interim and final orders: (i) authorizing the Debtors to (a) pay salaries, wages and other compensation, and reimbursable employee expenses incurred prior to the Petition Date, and (b) honor and continue to administer the compensation and benefits programs for their employees in the ordinary course of business; and (ii) granting related relief. In addition, the Debtors request that the Court schedule a final hearing within approximately twenty-one (21) days of the commencement of these chapter 11 cases to consider approval of this motion on a final basis. As of the Petition Date, certain of the Debtors’ prepetition obligations to their workforce and other related third-party service providers (all such wages, benefits, and other obligations, collectively, the “Compensation and Benefits Programs”) remain unpaid.

21. As of the Petition Date, the Debtors employ approximately 342 employees (the “Employees”), 303 of whom are full-time Employees (the “Full Time Employees”), and 39 of whom are part-time Employees (the “Part-Time Employees”). None of the Employees are subject to collective bargaining agreements.

22. In addition to the Employees, the Debtors supplement their workforce with various contractors that include both individuals and staffing agencies that provide workers (collectively, the “Independent Contractors”), each of whom is necessary for the ongoing operation of the Debtors’ business. The Debtors retain approximately 89 Independent Contractors total; at any given time, approximately 75 of Independent Contractors are active. Certain of the Debtors’ Independent Contractors are retained and paid through staffing agencies.

23. The Independent Contractors are an important supplement to the efforts of the Debtors’ Employees. All of the Independent Contractors play a critical role in the Debtor’s day-to-day operations, and, thus, to the preservation of value of the Debtors’ estates. The Debtors also rely on Independent Contractors due to the nature of the Debtors’ business. In particular, the Azzur Consulting business unit requires highly trained employees and Independent Contractors who are uniquely well-versed in the technical and other aspects of the Debtors’ operations. Continued support from these Independent Contractors, as well as the Debtors’ Employees, is essential to ensure a smooth transition into chapter 11 and preservation of the value of the Debtors’ business.

24. Further, the Employees and Independent Contractors rely exclusively or primarily on the Compensation and Benefits Programs to pay their daily living expenses and support their families. Thus, Employees and Independent Contractors will face significant financial consequences if the Debtors are not permitted to continue the Compensation and Benefits Programs in the ordinary course of business. The Debtors seek to minimize the personal hardship

the Employees and Independent Contractors would suffer if compensation and benefits obligations are not paid when due or as expected. Consequently, I believe the relief requested is necessary and appropriate.

25. The Debtors are seeking authority to pay and honor certain prepetition claims relating to the compensation and benefits obligations, including, among other things, wages, salaries, other compensation, withholding obligations, payroll processing fees, reimbursable expenses, health insurance, life insurance, workers' compensation benefits, short- and long-term disability coverage, retirement plans, paid and unpaid leave, severance, and other benefits (collectively, the "Compensation and Benefits Obligations") that the Debtors have historically directly or indirectly provided to the Employees and Independent Contractors in the ordinary course of business and as further described in the Wages Motion.

26. I believe the Employees and Independent Contractors provide the Debtors with services necessary to conduct the Debtors' business, and, absent the payment of the Compensation and Benefits Obligations owed to the Employees and Independent Contractors, the Debtors will likely experience turnover and instability at this critical time. I believe that, without these payments, the Debtors' workforce may become demoralized and unproductive because of the potential significant financial strain and other hardships the Employees and Independent Contractors may face. Employees may then elect to seek alternative employment opportunities. I believe enterprise value may be materially impaired to the detriment of all stakeholders in such a scenario. I, therefore, believe that payment of the prepetition Compensation and Benefits Obligations is a necessary and critical element of the Debtors' efforts to preserve value and will give the Debtors the greatest likelihood of success in these chapter 11 cases.

27. Accordingly, on behalf of the Debtors, I respectfully submit that the Court should approve the Wages Motion.

G. *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain Insurance Coverage Entered Into Prepetition and Pay Related Prepetition Obligations, and (B) Renew, Supplement, Modify, or Purchase Insurance Coverage, (II) Authorizing Banks to Honor Related Checks and Transfers, and (III) Granting Related Relief* (the “Insurance Motion”)

28. By the Insurance Motion, the Debtors seek interim and final orders: (i) authorizing, but not directing, the Debtors, in their sole discretion, to (a) maintain coverage entered into prepetition and pay related prepetition obligations, (b) renew, amend, supplement, modify, extend, replace, or purchase insurance in the ordinary course of business; (ii) authorizing the banks to honor related checks and transfers, and (iii) granting related relief.

29. The Debtors’ commercial insurance policies (each, an “Insurance Policy,” and collectively the “Insurance Policies”) are essential to the preservation of the value of the Debtors’ estates. I understand that, in many cases, insurance coverage such as that provided by the Insurance Policies is required by diverse regulations, laws, and contracts. The Debtors work with an insurance broker to maintain the Insurance Policies and may owe certain broker fees. Failure to make the payments required by the Debtors’ Insurance Policies, to renew relevant insurance coverage when it expires, and to pay any outstanding broker’s fees could have a significant negative impact on the Debtors’ operations. As of the Petition Date, annual premiums for the Insurance Policies total approximately \$796,990.45 in the aggregate. I believe that the relief requested in the Insurance Motion is in the best interest of the Debtors’ estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Insurance Motion should be approved.

H. *Motion of the Debtors for Entry of an Order (I) Extending the Time to File Schedules of Assets and Liabilities and Statements of Financial Affairs and (II) Granting Related Relief* (the “SOFA & Schedules Motion”)

30. By the SOFA & Schedules Motion, the Debtors seek an order: (i) extending the deadline by which the Debtors must file its schedules of assets and liabilities and statements of financial affairs (collectively, the “Schedules and Statements”) to April 16, 2025, which is forty-five (45) days from the Petition Date, without prejudice to the Debtors’ ability to request further extensions of such deadline; and (ii) granting related relief.

31. I understand that Schedules and Statements are typically filed within fourteen (14) days of the Petition Date, with an automatic extension to 28 days from the Petition Date when the total number of creditors in the jointly administered cases exceeds 200 under local rules of the United States Bankruptcy Court for the District of Delaware. However, in a complex chapter 11 case, the Court may extend the time “for cause.” Collecting the necessary information for the Schedules and Statements requires an enormous expenditure of time and effort on the part of the Debtors, their employees, and their professional advisors in the near term, which resources are initially best used to stabilize the Debtors’ business operations.

32. Accordingly, on behalf of the Debtors, I respectfully submit that the SOFAS and Schedules Motion should be approved.

I. *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees and (II) Granting Related Relief* (the “Taxes Motion”)

33. By the Taxes Motion, the Debtors seek entry of interim and final orders: (i) authorizing, but not directing, the Debtors to pay, negotiate, and remit, in their sole discretion, certain taxes and fees as they come due in the ordinary course of business, including any outstanding prepetition Taxes and Fees (as defined below), upon audit or otherwise, and related obligations; and (ii) granting related relief. The Debtors seek such relief without prejudice to the

Debtors' right to contest the amounts and/or priority of any Taxes and Fees on any grounds that they deem appropriate.

34. In the ordinary course of their business, the Debtors are subject to a wide variety of sales, use, franchise, business, regulatory, income, and personal property taxes (collectively, the "Taxes"). The Debtors also incur various fees and assessments owed to various federal, state, and local taxing, regulatory, and governmental authorities (collectively, the "Taxing Authorities") in connection with the operation of their business (collectively, the "Fees," and together with the Taxes, the "Taxes and Fees").

35. The payment of the Taxes and Fees is not only critical to minimizing disruptions to the Debtors' business in various jurisdictions, but also necessary to prevent the irreparable harm that would result from non-payment, including, for example, the risk that certain authorities may revoke the Debtors' authority to conduct business operations in their respective jurisdictions. The Debtors must also continue to pay the Taxes and Fees to avoid potential costly distractions during these chapter 11 cases. Specifically, the Debtors' failure to pay the Taxes and Fees could adversely affect the Debtors' estates because the Taxing Authorities could file liens or seek to lift the automatic stay. The failure to pay the Taxes and Fees could materially disrupt the Debtors' operations and otherwise prejudice their efforts to effectuate an expeditious sale process.

36. I believe that the relief requested in the Taxes Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the Taxes Motion should be approved.

J. Motion of the Debtors for Entry of Interim and Final Orders (I) Determining Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service, (III) Approving the Debtors' Proposed Form of Adequate Assurance of Payment

to Utility Companies, (IV) Establishing Procedures for Resolving Objections by Utility Companies, and (V) Granting Related Relief (the “Utilities Motion”)

37. By the Utilities Motion, the Debtors seek entry of interim and final orders: (i) determining adequate assurance of payment for future Utility Services (defined below), (ii) prohibiting Utility Companies (defined below), from altering, refusing, or discontinuing service to the Debtors on the basis of the commencement of these chapter 11 cases, that a debt owed by the Debtors for prepetition Utility Services was not paid when due, or on account of any perceived inadequacy of the Debtors’ proposed adequate assurance, (iii) approving the Debtors’ proposed form of adequate assurance of payment, within the meaning of section 366 of the Bankruptcy Code to the Utility Companies, (iv) establishing procedures for resolving objections by Utility Companies, and (v) granting related relief.

38. To operate their business and manage their estates in the ordinary course of business, the Debtors regularly employ various utility services, including, but not limited to, electricity, natural gas, water, telecommunications, waste removal and other services (each, a “Utility Service” and, collectively, the “Utility Services”) from utility companies, as that term is used in section 366 of the Bankruptcy Code (each, a “Utility Company” and, collectively, the “Utility Companies”). On average, the Debtors pay approximately \$280,000 in the aggregate each month for Utility Services, calculated as a historical average payment for the twelve-month period ending December 31, 2024 (the “Estimated Utility Expense”).

39. To provide adequate assurance of payment, the Debtors propose to deposit, within 21 days after the Petition Date, a sum of approximately \$140,000 (the “Adequate Assurance Deposit”) into a segregated account under the Debtors’ control for the benefit of any Utility Company. The amount of the Adequate Assurance Deposit equals approximately one-half of the Estimated Utility Expense. The Adequate Assurance Deposit will be held by the Debtors, and the

Debtors' creditors will have no lien on the Adequate Assurance Deposit. Additionally, the Debtors seek approval of their proposed procedures (the "Adequate Assurance Procedures") to address the right of any requesting Utility Company under section 366(c)(2) of the Bankruptcy Code to seek adequate assurance in an amount greater than the proposed Adequate Assurance Deposit. Further, the Debtors request that pending the entry of the interim and final order, respectively, and the resolution of any additional assurance request, objection, or determination hearing, the Utility Companies are prohibited from (a) discriminating against the Debtors, (b) altering, refusing, or discontinuing service to the Debtors, or (c) requiring payment of a deposit or receipt of any other security for continued service other than the Adequate Assurance Deposit, as a result of these chapter 11 cases or any unpaid prepetition invoices.

40. The Utility Services should be preserved on an uninterrupted basis because it is essential to the Debtors' ongoing operations and a successful reorganization. Should any Utility Company alter, refuse, or discontinue a Utility Service, even for a brief period, the Debtors' business operations could be severely disrupted, and such disruption would jeopardize the Debtors' restructuring and sale efforts. This, in turn, jeopardizes the value of the Debtors' estates and impacts creditor recoveries. I respectfully submit that the Court should approve the Utilities Motion.

41. Accordingly, for the reasons stated herein and in each of the First Day Motions, I believe that the relief sought in the First Day Motions should be granted by the Court in its entirety, together with such other and further relief for the Debtors as this Court deems just and proper, in the most expeditious manner possible.