

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

In re:

LUGANO DIAMONDS & JEWELRY INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 25-12055 (BLS)

(Jointly Administered)

Hearing Date:

December 17, 2025, at 10:00 a.m. (ET)

Objection Deadline:

December 10, 2025, at 4:00 p.m. (ET)

**MOTION OF DEBTORS FOR AN ORDER (A) AUTHORIZING THE DEBTORS TO
EMPLOY AND RETAIN GLASSRATNER ADVISORY & CAPITAL GROUP, LLC
TO PROVIDE (I) J. MICHAEL ISSA AS CHIEF RESTRUCTURING OFFICER,
AND (II) ADDITIONAL PERSONNEL, AS NECESSARY, EACH EFFECTIVE
AS OF THE PETITION DATE; AND (B) GRANTING RELATED RELIEF**

The above captioned debtors and debtors in possession (collectively, the “Debtors”) hereby file this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (a) authorizing the Debtors to employ and retain GlassRatner Advisory & Capital Group, LLC (“GlassRatner”), pursuant to the terms and conditions of that certain letter agreement between the Debtors and GlassRatner, dated as of October 27, 2025 (the “Engagement Letter”), a copy of which is attached hereto as **Exhibit C**, to provide the Debtors with (i) J. Michael Issa (“Mr. Issa”) as Chief Restructuring Officer (“CRO”) of the Debtors, and (ii) additional assistance from other GlassRatner personnel (the “GlassRatner Personnel,” and together with the CRO, the “GlassRatner Professionals”), as necessary, each effective as of the Petition Date (as defined below), and (b) granting related relief. In support of this Motion, the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s U.S. federal tax identification number, to the extent applicable, are as follows: Lugano Diamonds & Jewelry Inc. (6784), Lugano Holding, Inc. (9690), Lugano Buyer, Inc. (4565), K.L.D. Jewelry, LLC (0319), and Lugano Prive, LLC (4308). The notice address for the Debtors is 620 Newport Center Dr., Ste 100, Newport Beach, California 92660.

Debtors submit the *Declaration of J. Michael Issa in Support of Motion of Debtors for an Order (A) Authorizing the Debtors to Employ and Retain GlassRatner Advisory & Capital Group, LLC to Provide (I) J. Michael Issa as Chief Restructuring Officer, and (II) Additional Personnel, as Necessary, Each Effective as of the Petition Date, and (B) Granting Related Relief* (the “Issa Declaration”), attached hereto as **Exhibit B** and incorporated herein by reference. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent the consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”).

BACKGROUND

4. On November 16, 2025 (the “Petition Date”), each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”) in the Court. The Debtors are authorized to operate their business and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On November 25, 2025, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors, pursuant to section 1102 of the Bankruptcy Code [Docket No. 88] (the “Committee”). No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases.

6. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the filing of the Chapter 11 Cases is set forth in the *Declaration of J. Michael Issa in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”).²

GLASSRATNER’S QUALIFICATIONS

7. GlassRatner is a financial advisory services firm, serving companies and their stakeholders across a wide spectrum of industries and sizes. GlassRatner’s relevant services include, but are not limited to, turnaround and restructuring advisory, interim management and restructuring officer services, transaction advisory, operational and technical accounting advisory, transformation, data analytics, and strategic financial planning and analysis. GlassRatner has significant qualifications and experience in these matters and an excellent reputation for providing high quality, specialized interim management/restructuring officer and restructuring advisory services to debtors, creditors, and investors in complex chapter 11 cases and other restructurings, both in and out of court.

8. GlassRatner professionals have advised debtors in many recent cases in other jurisdictions, including, among others: *In re Praesum Healthcare Services, LLC*, Case No. 25-19335 (Bankr. S.D. Fla. Sept. 22, 2025) [Docket No. 118]; *In re Dormify, Inc.*, Case No. 24-12634

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

(Bankr. D. Del. Mar. 14, 2024) [Docket No. 189]; *In re Biolase Inc.*, Case No. 24-12245 (Bankr. Del. Oct. 25, 2024) [Docket No. 158]; *In re Starbridge (Ontario) Investment, LLC*, Case No. 24-11765 (Bankr. C.D. Cal. June 5, 2024) [Docket No. 136]; *In re San Benito Healthcare District*, Case No. 23-50544 (Bankr. N.D. Cal.); *In re Silver Creek Industries*, Case No. 23-11677 (Bankr. C.D. Cal. Aug. 15, 2023) [Docket No. 289]; and *In re Dimensions in Senior Living, LLC*, Case No. 22-80860 (Bankr. D. Neb.).

9. Mr. Issa, a Senior Managing Director in the Restructuring & Turnaround Management Services practice at GlassRatner, has over 30 years of experience in corporate turnarounds, restructurings, and bankruptcies, and have led or been involved in more than 100 corporate rehabilitations. Mr. Issa has managed billions in debt restructuring and financing and served as chief restructuring officer for dozens of clients. He has held court-appointed fiduciary roles including chapter 11 trustee and liquidating trustee, as well as receiver. He is a certified public accountant and certified turnaround professional and hold FINRA Series 79 and 63 licenses. Mr. Issa is a well-published author whose work has been included in the “Best of 2019” special publication of the ABI Journal. He has also advised numerous clients, regarding debtor in possession financing, bankruptcy preparation and compliance and plans, asset sales, forecasting, and restructuring and sale strategies.

10. The Debtors seek the retention of GlassRatner because of GlassRatner’s professional standing and reputation. GlassRatner has considerable experience in providing chief restructuring officer and financial advisory services in restructurings and reorganizations and enjoys an excellent reputation for the results it has obtained for clients in chapter 11 cases throughout the United States.

11. Effective October 28, 2025, the Debtors retained Mr. Issa to serve as CRO and GlassRatner to provide the GlassRatner Personnel pursuant to the terms of the Engagement Letter. The Engagement Letter constitutes the entire agreement between the Debtors and GlassRatner. Since the inception of Mr. Issa's and GlassRatner's engagement with the Debtors, Mr. Issa and GlassRatner professionals have provided financial advisory and restructuring support services pursuant to the Engagement Letter.

12. In connection with their prepetition advisory work for the Debtors, the GlassRatner Professionals have developed substantial knowledge of the Debtors' business, operations, assets and liabilities that is essential to the Debtors' continuity of management and will benefit the Debtors throughout the Chapter 11 Cases. As such, the Debtors wish to retain Mr. Issa and GlassRatner. The Debtors require the GlassRatner Professionals' services to provide Mr. Issa as CRO, with professional and analytical support, and to provide forensic accounting services for the Special Committee of the Board of Directors of Lugano Diamond & Jewelry Inc. for the benefit of all creditors and other stakeholders. Finally, the GlassRatner Professionals are well qualified and able to represent the Debtors in a cost-effective, efficient, and timely manner.

SERVICES TO BE RENDERED

13. Subject to Court approval, the Debtors propose to retain GlassRatner to provide Mr. Issa as CRO and to provide the GlassRatner Personnel on the terms and conditions set for in the Engagement Letter, except as otherwise explicitly set forth herein or in any order granting this

Motion. Among other things, the GlassRatner Professionals will support the Debtors with respect to the following:³

CRO Services:

- (a) consulting on all aspects of the Debtors' business activities and operations, including budgeting, cash management and financial management;
- (b) if necessary, opening and closing bank accounts;
- (c) assisting with communications and negotiations with the Debtors' lenders, vendors, and other stakeholders;
- (d) reviewing daily operating activity, purchases, and expenses;
- (e) evaluating liquidity options including restructuring, refinancing, reorganizing, and/or one or more sales of some or all of the Debtors' assets;
- (f) advising the Special Committee and the Debtors whether the Debtors should exercise its rights under certain agreements;
- (g) reviewing historical projected financial information, including operating results, capital structure and funding mechanics, for the Debtors and each of its affiliates;
- (h) working with the Special Committee and the Debtors to developing financial projections and a liquidity projection model to help assess capital needs;
- (i) identifying and assessing potential restructuring alternatives, including the sale of some or all of the Debtors' assets and the winding down of the Debtors' business;
- (j) pursuing litigation and claims the estate may have and acting as the responsible party for all corporate decisions;

Financial Advisor Services:

- (k) attending hearings, providing information and analyses for inclusion in bankruptcy court filings, and giving testimony related thereto;

³ The summaries of the Engagement Letter contained in this Motion and the Issa Declaration are provided for purposes of convenience only. In the event of any inconsistency between the summaries contained herein and the terms and provisions of the Engagement Letter, the terms of the Engagement Letter shall control unless otherwise set forth herein.

- (l) supporting negotiations with the creditors and other constituents in the Chapter 11 Cases;
- (m) preparation of monthly financial reports as required of a debtor in possession and other financial reporting required by the U.S. Trustee on behalf of a debtor in possession;
- (n) coordinating all activities on behalf of the Special Committee and the Debtors in connection with any refinancing, capital raising, sale, and/or winding-down process for the Debtors in their capacity as debtors in possession;
- (o) working with the Debtors and their professionals to maximize the value of the Debtors' estate;
- (p) developing a plan to sell some or all of the Debtors' assets of and/or to restructure or wind down the Debtors' business;
- (q) negotiating terms of debtor in possession financing, if necessary;

Forensic Accounting and Litigation Support Services:

- (r) forensic analysis of receipts and disbursements;
- (s) reconciliation of intercompany transfers;
- (t) reconciliation of Insider transfers and transactions;
- (u) reconciliation of inventory to receipts and disbursements;
- (v) review and tracking of historic inventory movements and shipments;
- (w) analyzing individual investor payments and disbursements;
- (x) assist counsel in analyzing any claimed liens against individual assets/collateral or pools of assets; and
- (y) assist counsel in analyzing alleged fraudulent transfers and avoidance actions.

14. In addition to Mr. Issa, the Debtors will require the GlassRatner Personnel to perform the services described above and in the Engagement Letter. The GlassRatner Professionals will coordinate with the Debtors' other retained professionals to avoid unnecessary duplication of services.

GLASSRATNER'S DISINTERESTEDNESS

15. GlassRatner has informed the Debtors that, to the best of GlassRatner's knowledge, information, and belief, other than as set forth in the Issa Declaration, GlassRatner: (a) has no connection with the Debtors, their creditors, their equity security holders, or other parties in interest or their respective attorneys or accountants, the U.S. Trustee, any person employed in the office of the U.S. Trustee, or any United States bankruptcy judge in this district in any matter related to the Debtors or their estates; and (b) does not hold any interest adverse to the Debtors' estates.

16. Although the Debtors submit that the retention of GlassRatner is not governed by section 327 of the Bankruptcy Code, the Debtors submit the Issa Declaration, which discloses, among other things, any relationship that GlassRatner, Mr. Issa, or any individual member of the GlassRatner Personnel has with the Debtors, their significant creditors, or other significant parties in interest known to GlassRatner. Based upon the Issa Declaration, the Debtors submit that GlassRatner is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

17. In addition, as set forth in the Issa Declaration, if any new material facts or relationships are discovered or arise, GlassRatner will provide the Court with a supplemental declaration.

PROFESSIONAL COMPENSATION

18. Subject to Court approval, and in compliance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules, and such other procedures as may be fixed by order of the Court, the Debtors will compensate GlassRatner in accordance with the terms and conditions of the Engagement Letter.

19. In accordance with the terms of the Engagement Letter, GlassRatner will be paid by the Debtors for the services of the Engagement Personnel at their customary hourly billing rates.

The current hourly billing rates for the Engagement Personnel are:

<u>Professional</u>	<u>Per Hour (USD)</u>
Senior Managing Directors	\$650 – \$890
Managing Directors	\$550 – \$750
Other	\$295 – \$525

20. In addition to compensation for professional services rendered by GlassRatner Professionals, GlassRatner will seek reimbursement of reasonable and necessary expenses incurred in connection with the Chapter 11 Cases, including but not limited to travel, lodging, computer research, messenger, and telephone charges. In addition, GlassRatner shall be reimbursed for the reasonable fees and expenses of its outside counsel (if any) incurred by GlassRatner in relation to GlassRatner’s retention, staffing, or compensation reports in the Chapter 11 Cases, subject to Court approval. In the event GlassRatner seeks reimbursement for attorneys’ fees during the term of the Chapter 11 Cases, GlassRatner will include the applicable invoices and supporting time records from such attorneys (in summary form and redacted for privilege and work product). Such attorneys do not need to be retained under section 327 of the Bankruptcy Code.

21. GlassRatner believes that the foregoing fee structure and terms are reasonable and comparable to those generally charged by CROs, restructuring financial advisors, and consultants of similar stature to GlassRatner for comparable engagements, both in and out of chapter 11.

INDEMNIFICATION

22. Subject to Court approval and as more fully described in the Engagement Letter, the Debtors have agreed to indemnify GlassRatner and certain “Indemnified Parties” as set forth in Schedule A to the Engagement Letter (the “Indemnification Terms”). The rights to

indemnification shall survive the termination of the Chapter 11 Cases or any cases into which they may be converted. In no event shall the Debtors be obligated to indemnify GlassRatner or the GlassRatner Indemnified Parties for bad faith, gross negligence, or willful misconduct.

23. The Debtors believe the Indemnification Terms are a reasonable term and condition of GlassRatner's engagement and were, along with all terms of the Engagement Letter, negotiated by the Debtors and GlassRatner at arm's-length and in good faith. GlassRatner and the Debtors believe that the Indemnification Terms are comparable to those indemnification provisions generally obtained by crisis management firms of similar stature to GlassRatner and for comparable engagements, both in and out of court. The Debtors respectfully submit that the Indemnification Terms, viewed in conjunction with the other terms of GlassRatner's proposed retention, are reasonable and in the best interests of the Debtors, their estates, and creditors in light of the fact that the Debtors require GlassRatner's services to successfully prosecute the Chapter 11 Cases.

FEES AND REPORTING

24. If the Court approves the relief requested herein, GlassRatner will be retained to provide the Debtors with the GlassRatner Personnel, and Mr. Issa will serve as the CRO pursuant to section 363 of the Bankruptcy Code. Because GlassRatner is not being employed as a professional under section 327 of the Bankruptcy Code, GlassRatner will not be required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. Instead, GlassRatner will submit monthly invoices to the Debtors for payment.

25. In addition, GlassRatner will file with the Court a report on staffing (the "Staffing Report") and serve copies thereof on (a) the U.S. Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Timothy Fox (timothy.fox@usdoj.gov)), and (b) proposed counsel to the Committee (together, the "Notice

Parties”), by the 15th day of each month for the previous month’s work, which report shall include the names, hours worked, and requested compensation by the GlassRatner Personnel involved in the Chapter 11 Cases for the month and a summary of the reimbursable expenses incurred for the relevant period. The Notice Parties shall have 14 days after the date a Staffing Report is served on the Notice Parties to object to such Staffing Report, which will be subject to review by the Court in the event an objection is filed. GlassRatner will file its first Staffing Report on or before January 15, 2026, for the period from the Petition Date through and including December 31, 2025.

26. In the 90 days prior to the Petition Date, GlassRatner received payments totaling \$150,000 in the aggregate for services performed for the Debtors. GlassRatner has applied these funds to amounts due for services rendered and expenses incurred prior to the Petition Date. GlassRatner has received unapplied advance payments from the Debtors in excess of prepetition billings in the amount of \$65,897. GlassRatner will hold these advance payments until the end of the Chapter 11 Cases and apply those amounts to final fees and expenses approved by the Court.

27. Given the numerous issues which the GlassRatner Professionals may be required to address in the performance of their services, GlassRatner’s commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for such services for engagements of this nature in an out-of-court context, as well as in chapter 11, the Debtors submit that the fee arrangements set forth in the Engagement Letter are reasonable.

RELIEF REQUESTED

28. By this Motion, the Debtors request entry of the Proposed Order (a) authorizing the Debtors to employ and retain GlassRatner, pursuant to the terms and conditions of the Engagement Agreement, to provide the Debtors with (i) Mr. Issa as CRO of the Debtors, and (ii) additional assistance from the GlassRatner Personnel, as necessary, each effective as of the Petition Date, and (b) granting related relief.

BASIS FOR RELIEF REQUESTED

29. The Debtors seek approval of the employment of the GlassRatner Professionals pursuant to section 363 of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides in relevant part that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Further, pursuant to section 105(a) of the Bankruptcy Code, the “court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

30. Under applicable case law, if a debtor’s proposed use of its assets pursuant to section 363(b) of the Bankruptcy Code represents a reasonable judgment on the part of the debtor, such use should be approved. *See, e.g., Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991)); *In re Delaware & Hudson R.R. Co.*, 124 B.R. 169, 176 (D. Del. 1991) (noting that courts have applied the “sound business purpose” test to evaluate motions brought pursuant to section 363(b) of the Bankruptcy Code); *In re Exide Technologies, Inc.*, Case No. 02-11125 (Bankr. D. Del. May 10, 2002); *Committee of Asbestos-Released Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to debtor’s conduct.”).

31. The employment of the GlassRatner Professionals, including Mr. Issa, by the Debtors is reasonable and in line with the terms and conditions typical for engagements of this size and character. Because the Debtors will require substantial assistance with the Chapter 11 Cases, it is reasonable for the Debtors to seek to employ and retain the GlassRatner Professionals on the terms and conditions set forth in the Engagement Letter.

32. GlassRatner's fee structure is fair and reasonable in light of the services being provided and is commensurate with the fee structures generally offered by firms of similar stature to GlassRatner for comparable engagements. Additionally, the fees are fair and reasonable, and are not significantly different from other similar types of representations. *See, e.g., In re Amyris, Inc.*, No. 23-11131 (TMH) (Bankr. D. Del. Sept. 14, 2023) [Docket No. 281]; *In re FB Debt Fin. Guarantor, LLC*, No. 23-10025 (KBO) (Bankr. D. Del. Feb. 6, 2023) [Docket No. 222]; *In re DCL Holdings (USA), Inc.*, No. 22-11319 (JKS) (Bankr. D. Del. Jan. 23, 2023) [Docket No. 140]; *In re Gulf Coast Health Care, LLC*, No. 21-11336 (KBO) (Bankr. D. Del. Dec. 16, 2021) [Docket No. 579]; *In re Secure Home Holdings LLC*, Case No. 21-10745 (JKS) (Bankr. D. Del. May 24, 2021) [Docket No. 147]; *In re The Krystal Co.*, Case No. 20-61065 (PWB) (Bankr. N.D. Ga. Feb. 10, 2020) [Docket No. 137].⁴

33. Furthermore, given the numerous issues GlassRatner and Mr. Issa may need to address during the Chapter 11 Cases, GlassRatner's and Mr. Issa's commitment to the variable level of time and effort necessary to address all such related issues as they arise, and the market prices for services for engagements of this nature in an out-of-court context, the Debtor has determined that the GlassRatner fee arrangement is fair and reasonable and should be approved.

34. Finally, to the best of the Debtors' knowledge, information, and belief, GlassRatner does not have any interest materially adverse to the Debtors' estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. Further, the Debtors understand that GlassRatner believes it is disinterested because, to the best of GlassRatner's and Mr. Issa's knowledge,

⁴ Because of the voluminous nature of the orders cited herein, such orders are not attached to this Motion. Copies of these orders are available upon request of the Debtors' proposed counsel.

information, and belief, GlassRatner has no connection with the Debtors, their creditors, or any other parties in interest, except as disclosed in the Issa Declaration.

35. The retention of GlassRatner and the services of Mr. Issa as CRO are in the best interests of the Debtors and their estates and is a sound exercise of the Debtors' business judgement. As set forth above, Mr. Issa has extensive experience working with many companies undertaking restructuring efforts, and GlassRatner is well qualified and equipped to assist the Debtors. In providing prepetition services to the Debtors, GlassRatner gained valuable experience, expertise, and specifically relevant knowledge regarding the Debtors' business that will assist it in providing effective and efficient services in the Chapter 11 Cases.

NOTICE

36. Notice of this Motion will be provided to: (a) the U.S. Trustee; (b) proposed counsel to the Committee; (c) the office of the attorney general for each of the states in which the Debtors operate; (d) the United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Department of Justice; (g) the Securities and Exchange Commission; (h) counsel to Compass Group Diversified Holdings LLC, the Debtors' prepetition secured lender and postpetition secured lender; and (i) any party that is entitled to notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, (a) granting the relief requested herein, and (b) granting such other relief as the Court deems appropriate under the circumstances.

Dated: November 26, 2025
Wilmington, Delaware

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Timothy R. Powell

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-and-

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*Proposed Attorneys for Debtors
and Debtors-in-Possession*

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

In re:

LUGANO DIAMONDS & JEWELRY INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 25-12055 (BLS)

(Jointly Administered)

Hearing Date:

December 17, 2025, at 10:00 a.m. (ET)

Objection Deadline:

December 10, 2025, at 4:00 p.m. (ET)

NOTICE OF MOTION

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) have filed the *Motion of Debtors for an Order (A) Authorizing the Debtors to Employ and Retain GlassRatner Advisory & Capital Group, LLC to Provide (I) J. Michael Issa as Chief Restructuring Officer, and (II) Additional Personnel, as Necessary, Each Effective as of the Petition Date; and (B) Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **December 10, 2025, at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON DECEMBER 17, 2025, AT 10:00 A.M. (ET) BEFORE THE HONORABLE BRENDAN LINEHAN SHANNON, UNITED STATES BANKRUPTCY COURT JUDGE FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 1, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s U.S. federal tax identification number, to the extent applicable, are as follows: Lugano Diamonds & Jewelry Inc. (6784), Lugano Holding, Inc. (9690), Lugano Buyer, Inc. (4565), K.L.D. Jewelry, LLC (0319), and Lugano Prive, LLC (4308). The notice address for the Debtors is 620 Newport Center Dr., Ste 100, Newport Beach, California 92660.

Dated: November 26, 2025
Wilmington, Delaware

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Timothy R. Powell

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*Proposed Attorneys for Debtors
and Debtors-in-Possession*

EXHIBIT A

Proposed Order

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

In re:

LUGANO DIAMONDS & JEWELRY INC.,
et al.,¹

Debtors.

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(Jointly Administered)

Re: Docket No. _____

**ORDER (A) AUTHORIZING THE DEBTORS TO EMPLOY AND RETAIN
GLASSRATNER ADVISORY & CAPITAL GROUP, LLC TO PROVIDE
(I) J. MICHAEL ISSA AS CHIEF RESTRUCTURING OFFICER,
AND (II) ADDITIONAL PERSONNEL, AS NECESSARY,
EACH EFFECTIVE AS OF THE PETITION DATE;
AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) (a) authorizing the Debtors to employ and retain GlassRatner, pursuant to the terms and conditions of the Engagement Agreement, to provide the Debtors with (i) Mr. Issa as CRO of the Debtors, and (ii) additional assistance from the GlassRatner Personnel, as necessary, each effective as of the Petition Date, and (b) granting related relief; and upon the First Day Declaration and Issa Declaration; and upon the statements of counsel made in support of the relief requested in the Motion at the hearing before this Court; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that venue of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s U.S. federal tax identification number, to the extent applicable, are as follows: Lugano Diamonds & Jewelry Inc. (6784), Lugano Holding, Inc. (9690), Lugano Buyer, Inc. (4565), K.L.D. Jewelry, LLC (0319), and Lugano Prive, LLC (4308). The notice address for the Debtors is 620 Newport Center Dr., Ste 100, Newport Beach, California 92660.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

the Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that proper and adequate notice of the Motion has been given under the circumstances and in accordance with the Bankruptcy Rules and Local Rules and that no other or further notice is necessary; and after due deliberation thereon; and this Court having found that the relief herein is in the best interests of the Debtors' estates; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Any objections to the entry of this Order, to the extent not withdrawn or settled, are overruled.
3. The terms of the Engagement Letter are approved in all respects except as set forth in this Order.
4. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to employ and retain GlassRatner to provide J. Michael Issa as the Debtors' CRO and the GlassRatner Personnel, each effective as of the Petition Date, pursuant to the terms and conditions set forth in the Motion, as modified by this Order and subject to the following terms, which apply notwithstanding anything to the contrary in the Engagement Letter, the Motion, or any exhibits related thereto:
 - (a) GlassRatner and its affiliates shall not act in any other capacity (for example, as investment banker, claims agent, investor/acquirer) in connection with the Chapter 11 Cases;
 - (b) In the event the Debtors seek to have GlassRatner personnel assume executive officer positions that are different from the positions disclosed in the Motion, or to materially change the terms of the engagement by either

adding new executive officers or altering or expanding the scope of the engagement, a motion to modify GlassRatner's retention shall be filed;

- (c) GlassRatner shall file with this Court, with copies to the Notice Parties, a report of staffing (the "Staffing Report") on the engagement by the 15th day of each month for the previous month. The Staffing Report shall include the names, hours worked, and requested compensation by the GlassRatner Personnel in Chapter 11 Cases for the month and an itemized list of the reimbursable expenses incurred for the relevant period. The time records shall (i) be appended to such reports, (ii) contain detailed time entries describing the task(s) performed; and (iii) be organized by project category (but may be redacted to protect any attorney-client privilege or other applicable privilege). Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in half-hour increments and corresponding charge for each task. The Notice Parties shall have 14 days after the date each Staffing Report is served on the Notice Parties to object to such Staffing Report. In the event an objection is raised and not consensually resolved between the Debtors and the objecting party, the objected to portion of the Staffing Report shall be subject to review by this Court. No payments shall be made to GlassRatner on account of the objected to portion of such Staffing Report until such objection is resolved; *provided, however*, that the first Staffing Report shall not be due until January 15, 2026.
- (d) Notwithstanding anything to the contrary contained in the Motion, the Engagement Letter, or any exhibits related thereto, during the course of the Chapter 11 Cases, GlassRatner will only seek reimbursement of actual and necessary expenses itemized in the monthly Staffing Report;
- (e) Subject to the Notice Parties' rights to object as set forth in paragraph (c) above, the Debtors are authorized, but not directed, to pay, in the ordinary course of business, all amounts invoiced by GlassRatner for fees and expenses incurred in connection with GlassRatner's retention;
- (f) No principal, employee, or independent contractor of GlassRatner and its affiliates shall serve as a director of the Debtors during the pendency of the Chapter 11 Cases;
- (g) For a period of three years after the conclusion of the engagement, neither GlassRatner nor any of its affiliates shall make any investment in the Debtors or reorganized Debtors;
- (h) GlassRatner shall disclose any and all facts that may have a bearing on whether GlassRatner, its affiliates, and/or any individuals working on the engagement have any interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, or connection with, or

interest in, the Debtors, or for any other reason. The obligation to disclose as set forth in this paragraph shall be a continuing obligation;

- (i) The Debtors are permitted to indemnify those persons serving as executive officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' directors and officers liability insurance policies and all other relevant active insurance policies carried by the Debtors; and
- (j) During the pendency of the Chapter 11 Cases, with respect to the GlassRatner, the Debtors shall have no obligation to indemnify GlassRatner or to provide contribution or reimbursement to GlassRatner for any claim or expense that is either (i) judicially determined to have resulted primarily from the willful misconduct, gross negligence, bad faith, or self-dealing of GlassRatner; or (ii) settled prior to a judicial determination as to GlassRatner's willful misconduct, gross negligence, bad faith, or self-dealing but determined by this Court, after notice and a hearing, to be a claim or expense for which GlassRatner should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter.

5. Notwithstanding any stay that might be imposed by Bankruptcy Rule 6004 or otherwise, this Order shall be effective and enforceable immediately upon entry hereof.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

7. To the extent that there is any inconsistency between the terms of the Motion, the Engagement Letter, and this Order, the terms of this Order shall govern.

8. This Court shall retain jurisdiction with respect to any and all matters arising from or related to the interpretation, implementation, or enforcement of this Order.

EXHIBIT B

Issa Declaration

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

In re:

LUGANO DIAMONDS & JEWELRY INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 25-12055 (BLS)

(Jointly Administered)

**DECLARATION OF J. MICHAEL ISSA IN SUPPORT OF MOTION OF
DEBTORS FOR AN ORDER (A) AUTHORIZING THE DEBTORS TO EMPLOY
AND RETAIN GLASSRATNER ADVISORY & CAPITAL GROUP, LLC TO PROVIDE
(I) J. MICHAEL ISSA AS CHIEF RESTRUCTURING OFFICER,
AND (II) ADDITIONAL PERSONNEL, AS NECESSARY,
EACH EFFECTIVE AS OF THE PETITION DATE;
AND (B) GRANTING RELATED RELIEF**

I, J. Michael Issa, hereby state and declare the following under penalty of perjury:

1. I am a Senior Managing Director of GlassRatner Advisory & Capital Group, LLC (“GlassRatner”), a financial advisory services firm. I submit this declaration (this “Declaration”) in support of the *Motion of Debtors for an Order (A) Authorizing the Debtors to Employ and Retain GlassRatner Advisory & Capital Group, LLC to Provide (I) J. Michael Issa as Chief Restructuring Officer, and (II) Additional Personnel, as Necessary, Each Effective as of the Petition Date, and (B) Granting Related Relief* (the “Motion”).² Except as otherwise noted, I have personal knowledge of the matters set forth herein, and if called as a witness, I would testify thereto.³

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s U.S. federal tax identification number, to the extent applicable, are as follows: Lugano Diamonds & Jewelry Inc. (6784), Lugano Holding, Inc. (9690), Lugano Buyer, Inc. (4565), K.L.D. Jewelry, LLC (0319), and Lugano Prive, LLC (4308). The notice address for the Debtors is 620 Newport Center Dr., Ste 100, Newport Beach, California 92660.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

³ Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at GlassRatner and are based on information provided by them.

GLASSRATNER'S QUALIFICATIONS

2. GlassRatner is a financial advisory services firm, serving companies and their stakeholders across a wide spectrum of industries and sizes. GlassRatner's relevant services include, but are not limited to, turnaround and restructuring advisory, interim management and restructuring officer services, transaction advisory, operational and technical accounting advisory, transformation, data analytics, and strategic financial planning and analysis. GlassRatner has significant qualifications and experience in these matters and an excellent reputation for providing high quality, specialized interim management/restructuring officer and restructuring advisory services to debtors, creditors, and investors in complex chapter 11 cases and other restructurings, both in and out of court.

3. GlassRatner professionals have advised debtors in many recent cases in other jurisdictions, including, among others: *In re Praesum Healthcare Services, LLC*, Case No. 25-19335 (Bankr. S.D. Fla. Sept. 22, 2025) [Docket No. 118]; *In re Dormify, Inc.*, Case No. 24-12634 (Bankr. D. Del. Mar. 14, 2024) [Docket No. 189]; *In re Biolase Inc.*, Case No. 24-12245 (Bankr. Del. Oct. 25, 2024) [Docket No. 158]; *In re Starbridge (Ontario) Investment, LLC*, Case No. 24-11765 (Bankr. C.D. Cal. June 5, 2024) [Docket No. 136]; *In re San Benito Healthcare District*, Case No. 23-50544 (Bankr. N.D. Cal.); *In re Silver Creek Industries*, Case No. 23-11677 (Bankr. C.D. Cal. Aug. 15, 2023) [Docket No. 289]; and *In re Dimensions in Senior Living, LLC*, Case No. 22-80860 (Bankr. D. Neb.).

4. I am a Senior Managing Director of GlassRatner with over 30 years of experience in corporate turnarounds, restructurings, and bankruptcies, and have led or been involved in more than 100 corporate rehabilitations. I have managed billions in debt restructuring and financing and served as chief restructuring officer for dozens of clients. I have held court-appointed fiduciary roles including chapter 11 trustee and liquidating trustee, as well as receiver. I am a certified

public accountant and certified turnaround professional and hold FINRA Series 79 and 63 licenses. I am a well-published author whose work has been included in the “Best of 2019” special publication of the ABI Journal. I have also advised numerous clients, regarding debtor in possession financing, bankruptcy preparation and compliance and plans, asset sales, forecasting, and restructuring and sale strategies.

5. The Debtors seek the retention of GlassRatner because of GlassRatner’s professional standing and reputation. GlassRatner has considerable experience in providing chief restructuring officer and financial advisory services in restructurings and reorganizations and enjoys an excellent reputation for the results it has obtained for clients in chapter 11 cases throughout the United States.

6. Effective October 28, 2025, the Debtors retained Mr. Issa to serve as CRO and GlassRatner to provide the GlassRatner Personnel pursuant to the terms of the Engagement Letter. The Engagement Letter constitutes the entire agreement between the Debtors and GlassRatner. Since the inception of Mr. Issa’s and GlassRatner’s engagement with the Debtors, Mr. Issa and GlassRatner professionals have provided financial advisory and restructuring support services pursuant to the Engagement Letter.

7. In connection with their prepetition advisory work for the Debtors, the GlassRatner Professionals have developed substantial knowledge of the Debtors’ business, operations, assets and liabilities that is essential to the Debtors’ continuity of management and will benefit the Debtors throughout the Chapter 11 Cases. As such, the Debtors wish to retain Mr. Issa and GlassRatner. The Debtors require the GlassRatner Professionals’ services to provide Mr. Issa as CRO, with professional and analytical support, and to provide forensic accounting services for the Special Committee of the Board of Directors of Lugano Diamond & Jewelry Inc. for the benefit

of all creditors and other stakeholders. Finally, the GlassRatner Professionals are well qualified and able to represent the Debtors in a cost-effective, efficient, and timely manner.

SERVICES TO BE PROVIDED

8. Among other things, the GlassRatner Professionals will support the Debtors with respect to the following:⁴

CRO Services:

- (a) consulting on all aspects of the Debtors' business activities and operations, including budgeting, cash management and financial management;
- (b) if necessary, opening and closing bank accounts;
- (c) assisting with communications and negotiations with the Debtors' lenders, vendors, and other stakeholders;
- (d) reviewing daily operating activity, purchases, and expenses;
- (e) evaluating liquidity options including restructuring, refinancing, reorganizing, and/or one or more sales of some or all of the Debtors' assets;
- (f) advising the Special Committee and the Debtors whether the Debtors should exercise its rights under certain agreements;
- (g) reviewing historical projected financial information, including operating results, capital structure and funding mechanics, for the Debtors and each of its affiliates;
- (h) working with the Special Committee and the Debtors to developing financial projections and a liquidity projection model to help assess capital needs;
- (i) identifying and assessing potential restructuring alternatives, including the sale of some or all of the Debtors' assets and the winding down of the Debtors' business;
- (j) pursuing litigation and claims the estate may have and acting as the responsible party for all corporate decisions;

⁴ The summaries of the Engagement Letter contained in the Motion and this Declaration are provided for purposes of convenience only. In the event of any inconsistency between the summaries contained herein and the terms and provisions of the Engagement Letter, the terms of the Engagement Letter shall control unless otherwise set forth herein.

Financial Advisor Services:

- (k) attending hearings, providing information and analyses for inclusion in bankruptcy court filings, and giving testimony related thereto;
- (l) supporting negotiations with the creditors and other constituents in the Chapter 11 Cases;
- (m) preparation of monthly financial reports as required of a debtor in possession and other financial reporting required by the U.S. Trustee on behalf of a debtor in possession;
- (n) coordinating all activities on behalf of the Special Committee and the Debtors in connection with any refinancing, capital raising, sale, and/or winding-down process for the Debtors in their capacity as debtors in possession;
- (o) working with the Debtors and their professionals to maximize the value of the Debtors' estate;
- (p) developing a plan to sell some or all of the Debtors' assets of and/or to restructure or wind down the Debtors' business;
- (q) negotiating terms of debtor in possession financing, if necessary;

Forensic Accounting and Litigation Support Services:

- (r) forensic analysis of receipts and disbursements;
- (s) reconciliation of intercompany transfers;
- (t) reconciliation of Insider transfers and transactions;
- (u) reconciliation of inventory to receipts and disbursements;
- (v) review and tracking of historic inventory movements and shipments;
- (w) analyzing individual investor payments and disbursements;
- (x) assist counsel in analyzing any claimed liens against individual assets/collateral or pools of assets; and
- (y) assist counsel in analyzing alleged fraudulent transfers and avoidance actions.

GLASSRATNER'S DISINTERESTEDNESS

9. In connection with the preparation of this Declaration, GlassRatner conducted a review of its connection with the Debtors, their creditors, their equity security holders, or other parties in interest or their respective attorneys or accountants that were made known to GlassRatner by the Debtors, as well as the U.S. Trustee, any person employed in the office of the U.S. Trustee, or any United States bankruptcy judge in this district in any matter related to the Debtors or their estates. A listing of the parties reviewed is reflected on **Schedule 1** to this Declaration. GlassRatner's review, completed under my supervision, consisted of a query of the parties listed on **Schedule 1** within the internal computer databases⁵ containing names of individuals and entities that are present or recent former clients of GlassRatner, or have an economic relationship with GlassRatner as a vendor, lender, investor or otherwise. GlassRatner Advisory & Capital Group, LLC also performed certain supplemental inquiries of its professionals to identify other relevant connections. A listing of such relationships that GlassRatner identified during this process is set forth on **Schedule 2** to this Declaration.

10. Based on the results of its review, GlassRatner does not have a relationship with any of the parties on **Schedule 1** in matters related to the Debtors or the Chapter 11 Cases, other than the services that GlassRatner has provided to the Debtors and their non-debtor affiliates.

11. GlassRatner has provided, and may reasonably expect to continue to provide, services unrelated to the Chapter 11 Cases for the various entities shown on **Schedule 2**.⁶ GlassRatner's assistance to these parties has been related to providing various financial advisory

⁵ GlassRatner's computer databases cover GlassRatner Advisory & Capital Group, LLC and its wholly owned subsidiaries.

⁶ Certain of the parties on **Schedule 2** also provide goods or services to GlassRatner Advisory & Capital Group, LLC unrelated to the Chapter 11 Cases as vendors.

consulting services. To the best of my knowledge and except as otherwise disclosed herein, no services have been provided to these parties in interest that involve their rights in the Chapter 11 Cases, nor does GlassRatner Advisory & Capital Group, LLC's involvement in the Chapter 11 Cases compromise its ability to continue such other consulting services.

12. As part of its diverse practice, GlassRatner Advisory & Capital Group, LLC appears in numerous cases, proceedings, and transactions that involve many different professionals, including attorneys, accountants, and financial consultants, who may represent claimants and parties-in-interest in the Chapter 11 Cases. GlassRatner's professionals participate in and serve on the boards of various professional associations in which such professionals, as well as judges and employees of the U.S. Trustee, may also be involved. Also, GlassRatner has performed in the past, and may perform in the future, consulting services for various attorneys and law firms, and has been represented by several attorneys and law firms, some of whom may be involved in the Chapter 11 Cases. In addition, GlassRatner has in the past, may currently be, and will likely be working with or against other professionals involved in matters unrelated to the Debtors and the Chapter 11 Cases in the future. Based on our current knowledge of the professionals involved, and to the best of my knowledge, these relationships are not adverse to the Debtors' estates, and they are wholly unrelated to the Chapter 11 Cases.

13. GlassRatner is not a "creditor" of any of the Debtors within the meaning of section 101(10) of the Bankruptcy Code. Further, neither GlassRatner nor any member of the GlassRatner engagement team serving the Debtors, to the best of my knowledge, (a) is a creditor, equity security holder, or insider of the Debtors; (b) is or has been within two years before the Petition Date, a director, officer, or employee of the Debtors, other than my service as CRO; or (c) has any interest materially adverse to the interests of the Debtors' estates or of any class of

creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. To the best of my knowledge, based upon the results of the relationship search described above and disclosed herein, GlassRatner (i) is a “disinterested person” and (ii) does not hold or represent any interest adverse to the Debtors’ estates. Therefore, GlassRatner believes it is eligible to represent the Debtor.

14. GlassRatner intends to update and expand its ongoing search for additional parties in interest on a regular basis. If any new material relevant facts or relationships are discovered or arise, GlassRatner will file a supplemental declaration.

PROFESSIONAL COMPENSATION

15. Subject to Court approval, and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as may be fixed by order of the Court, the Debtors will compensate GlassRatner in accordance with the terms and conditions of the Engagement Letter. In accordance with the terms of the Engagement Letter, GlassRatner will be paid by the Debtors for the services of the Engagement Personnel at their customary hourly billing rates. The current hourly billing rates for the Engagement Personnel are:⁷

<u>Professional</u>	<u>Per Hour (USD)</u>
Senior Managing Directors	\$650 – \$890
Managing Directors	\$550 – \$750
Other	\$295 – \$525

16. In addition to compensation for professional services rendered by GlassRatner Professionals, GlassRatner will seek reimbursement of reasonable and necessary expenses incurred in connection with the Chapter 11 Cases, including but not limited to travel, lodging, computer research, messenger, and telephone charges. In addition, GlassRatner shall be

⁷ These hourly rates are adjusted periodically, typically on an annual basis, or upon promotion of GlassRatner’s professionals.

reimbursed for the reasonable fees and expenses of its outside counsel (if any) incurred by GlassRatner in relation to GlassRatner's retention, staffing, or compensation reports in the Chapter 11 Cases, subject to Court approval. In the event GlassRatner seeks reimbursement for attorneys' fees during the term of the Chapter 11 Cases, GlassRatner will include the applicable invoices and supporting time records from such attorneys (in summary form and redacted for privilege and work product). Such attorneys do not need to be retained under section 327 of the Bankruptcy Code.

17. GlassRatner believes that the foregoing fee structure and terms are reasonable and comparable to those generally charged by CROs, restructuring financial advisors, and consultants of similar stature to GlassRatner for comparable engagements, both in and out of chapter 11.

NO DUPLICATION OF SERVICES

18. The Debtors and GlassRatner intend that GlassRatner's services will be appropriately directed by the Debtors so as to avoid duplication of efforts with any other professionals retained in the Chapter 11 Cases and will be performed in accordance with applicable standards of the profession. GlassRatner will work collaboratively with the Debtors' other professionals to avoid duplication of services among professionals.

[Remainder of page intentionally left blank]

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

Dated: November 26, 2025

By: /s/ J. Michael Issa
J. Michael Issa
Senior Managing Director
GlassRatner Advisory & Capital Group, LLC

SCHEDULE 1

Parties in Interest List

Banks

Bank of America, N.A.
U.S. Bank National Association

Bankruptcy Court Staff

Barksdale, Nickita
Batts, Cacia
Bello, Rachel
Brady, Claire
Capp, Laurie
Gadson, Danielle
Grant, Stephen L.
Haney, Laura
Hrycak, Amanda
Hurt, Xavier
Johnson, Lora
Lopez, Marquietta
Lugano, Al
Subda, Paula
Walker, Jill
Washington, Nikki
Yeager, Demitra

Bankruptcy Judges

Dorsey, John T.
Goldblatt, Craig T.
Horan, Thomas M.
Owens, Karen B.
Shannon, Brendan L.
Silverstein, Laurie Selber
Stickles, Kate J.

U.S. Trustee Staff

Attix, Lauren
Bates, Malcolm M.
Casey, Linda
Cudia, Joseph
Dice, Holly
Dortch, Shakima L.
Fox, Timothy J., Jr.
Girello, Michael
Green, Christine
Hackman, Benjamin
Jones, Nyanquoi
Konde, Hawa
Leamy, Jane

Lipshie, Jonathan
McCollum, Hannah M.
McMahon, Joseph
Nyaku, Jonathan
O'Malley, James R.
Richenderfer, Linda
Schepacarter, Richard
Serrano, Edith A.
Thomas, Elizabeth
Wynn, Dion

Debtors & Non-Debtor Affiliates (not otherwise mentioned)

Compass Diversified Holdings
K.L.D. Jewelry, LLC (also known as KLD LLC and K.L.D., LLC)
Lugano Buyer, Inc.
Lugano Canada, Inc.
Lugano Diamonds & Jewelry Inc.
Lugano Diamonds UK Limited
Lugano Holding, Inc.
Lugano Prive Investment Trust
Lugano Prive, LLC

Debtors' Professionals & Advisors

Armory Securities, LLC
Barnes & Thornburg
Brown Neri Smith & Khan LLP
GlassRatner Advisory & Capital Group, LLC
Keller Benvenuti Kim LLP
Omni Agent Solutions, Inc.
Shoemaker Ghiselli + Schwartz LLC
Young Conaway Stargatt & Taylor LLP

Directors & Officers (Current/Former)

Arnold, David,
Calvert, Lisa
Cumenal, Frederic
Dalal, Raj
Ferder, Idit
Ferder, Mordechai
FitzGerald, Thomas
Gaynor, Joshua
Kothari, Raj
Maciariello, Patrick
McCauley, Tiffany

McGee, Michael
Pachler, Christoph
Roach, Katherine
Wells, Spencer L.
Winston, Stuart

DIP Lender

Compass Group Diversified Holdings LLC

Insurance Providers

AIG Specialty Insurance Company
American Fire and Casualty Company
(Liberty Mutual Insurance)
Arch Insurance Company
Arch Specialty Insurance Company
At-Bay Specialty Insurance Company
Atlantic Specialty Insurance Company
Axis Insurance Company
Great American Risk Solutions Surplus Lines
Insurance Company
Lloyd's of London
Ohio Security Insurance Company (Liberty
Mutual Insurance)
Scottsdale Insurance Company
Selective Ins Co of the Southeast
Starstone Specialty Insurance Co.
Technology Insurance Company, Inc.
Travelers Casualty and Surety Company of
America
United Healthcare Services, Inc.
West American Insurance Company (Liberty
Mutual Insurance)
XL Specialty Insurance Company

Landlords

240 GA, LLC
620 Newport Center Drive LLC
Albalux Development Ltd
Ashkenazy Aspen Commercial, LLC
Equestrian Operations, L.L.C.
Miami DD Club, LLC (license)
Paradise Plaza Associates LLC
Ponte Gadea Chicago, LLC
SHC Washington, LLC
Sheraton License Operating Company, LLC
The Irvine Company, LLC

Urbinder Developments Ltd.
Wilson 150 Worth, LLC

Litigation Parties

Aronoff, Barry
Arvielo Family Trust
Arvielo, Enrico
Avina LLC
Belgium New York, LLC
Cave, Deryk
Champion Force Industrial Limited
Cohen, Raymond W.
Global Innovations LLC
Hazen, Cassandra
Hazen, Paul
Irvine Management Company
Kent Valley, trustee of the Valley Trust dated
August 2, 2012
Kraus, Ken
Luminaire LLC
Navarretta, Veronica
N.B.S. Diamonds Inc. dba Scarselli Diamonds
Sutherland, Grant
Sydney Holdings Limited
The Paul and Cassandra Hazen Trust
Virginia Valley, trustee of the Valley Family
Trust dated August 2, 2012
White Mountain Capital Inc.
Winters, Kristoffer

**Material Vendors, Suppliers, & Significant
Contract Counterparties**

American Express
Aspen Art Museum (Aspen Air)
Aspen Music Festival and School
Aspen Valley Polo Club (AVPC)
Childrens Museum of Manhattan (CMOM)
Cliq
DM Luxury, LLC / Modern Luxury
Dow Jones & Company Inc
Egon Zehnder International
Estate Security Services, Inc
Fancy Creations, Inc.
Five C'S Inc.
Florida Grand Opera
Hearst Magazines (Town & Country)

Institute of Contemporary Art, Miami
 Irvine Barclay Theatre
 Johnson Controls
 KCD, Inc.
 Kothari and Company, Inc.
 Kothari Trading HK LTD
 Live Oak International Horse Show
 Longines Global Champion Tour (Tops Equestrian)
 Luminaire (Furniture) aka Poltrona
 Malca-Amit USA, LLC Los Angeles
 My Jeweler & Diamonds
 National Gallery of Art
 National Symphony Orchestra
 New York Empire Equestrian Club
 OnCall IT, Inc.
 Orange County Museum of Art (OCMA)
 Real Gems, Inc.
 Robb Report Media, LLC
 Royal Charity Polo (TLA Worldwide AKA TGI Sport)
 Royal Windsor Horse Show
 Rubinstein Software
 STA Jets
 Sweet Management Group (aka Connect Sports & Entertainment, LLC)
 The Financial Times Limited
 The Kennedy Center
 The New York Times
 The Norton Museum of Art
 The Run to Monaco
 The Serpentine
 Visionet Systems Inc
 Wheeler Kearns Architects, Inc.
 Winter Equestrian Festival (WEF)
 World Equestrian Center (WEC)

Secured Creditors

Compass Group Diversified Holdings LLC

Material (5% or Greater) Shareholders

Compass Group Diversified Holdings LLC
 Marshack, Richard
 Mordechai Haim Ferder, as trustee of The Haim Family Trust, dated February 24, 2009
 Simba IL Holdings, LLC

The Haim Family Trust, dated February 24, 2009

Top 30 Creditors

Aronoff, Barry (Aronoff Capital, Inc.)
 Arvielo Family Trust
 Arvielo, Enrico
 Avina LLC (Global Innovations, LLC)
 Bank of America, N.A.
 Benson, Juliann
 Brandes, Adrienne
 Bulley & Andrews LLC
 Champion Force Industrial Limited
 Cohen, Raymond W.
 Dacus, Debbie
 Gadol, Bryan
 Hazen, Cassandra
 Hazen, Paul
 Kelsay, Kaci
 Locksley, John
 McCall, Marianne
 McMacken, Ron
 Moens, Lawrance
 N.B.S. Diamonds Inc. dba Scarselli Diamonds
 Paradise Plaza Associates LLC
 Ponte Gadea Chicago, LLC
 Rodan Family Living Trust
 Shelley Investments LLC
 Sherlock, Tina
 Sherwood, Steve
 Simon, Ron
 Simon, Scott and Hillary
 Sydney Holdings Limited
 Testa, Darren
 White Mountain Capital Inc.
 Winters, Kristoffer
 Worth Capital Holdings 9 LLC
 Valley Family Trust dated August 2, 2012

Taxing Authorities

California Department of Tax and Fee Administration
 City of Aspen
 City of Steamboat Springs
 County of Orange
 DC Office of Tax and Revenue

Direction Générale des Finances Publiques
(France)
Florida Dept of Revenue
HM Revenue and Customs
IRS
Italian Revenue Agency (Agenzia delle
Entrate)
Palm Beach County
Colorado Department of Revenue
Connecticut Department of Revenue Services
Delaware Division of Revenue
Illinois Department of Revenue
Michigan Department of Treasury
New York State Department of Taxation and
Finance
Pennsylvania Department of Revenue
Spanish Tax Administration Agency (AEAT)
Swedish Tax Authority
Texas Comptroller
Town of Greenwich
Virginia Department of Taxation

Utility Providers

Astound Business Solutions
AT&T
AT&T CWO
CenturyLink
City of Newport Beach
Comcast
ComEd
Connecticut Natural Gas Corporation
Cox Communications
DirecTV
Fonality
FPL
Greenwich Premier Services
Optimum Business
People Gas
SoCalGas
Southern California Edison
Starlink Internet Services Limited
T-Mobile
Verizon

SCHEDULE 2

Banks

Bank of America, N.A.

U.S. Bank National Association

Professionals

Barnes & Thornburg

Brown Neri Smith & Khan LLP

Keller Benvenuti Kim LLP

Omni Agent Solutions, Inc.

Shoemaker Ghiselli + Schwartz LLC

Young Conaway Stargatt & Taylor LLP

EXHIBIT C

Engagement Letter



19880 MacArthur Blvd., Suite 820
Irvine, CA 92612
Tel: (949) 407-6620
glassratner.com

October 27, 2025

Lugano Diamonds Special Committee

Re: Advisory Services for Lugano Diamonds (the “Matter”)

Dear Members of the Lugano Diamonds Special Committee:

This engagement letter (this “Agreement”) confirms our understanding that the Special Committee of the Board of Directors of Lugano Diamonds (the “Special Committee”) is engaging GlassRatner Advisory & Capital Group, LLC (“we,” “us,” “our” or “GlassRatner”) to act as the Chief Restructuring Officer (“CRO”), Financial Advisor (“FA”) and to provide forensic accounting services on behalf of Lugano Diamonds (“Lugano,” “Company,” or “you”).

J. Michael Issa, Senior Managing Director, will act as CRO, will have overall engagement planning responsibilities, and will lead our day-to-day activities. Mr. Issa will report directly to the Special Committee, and we anticipate Mr. Issa will be assisted by Sam Hewitt, Senior Managing Director, Richard Peil, Senior Managing Director, Seth Freeman, Senior Managing Director, and Joe Pope, Managing Director, along with other professionals on an as-needed basis.

Scope of Services

We understand we are being retained to provide various services in connection with the Matter, including acting as the Company’s CRO and FA in connection with a potential Ch. 11 bankruptcy restructuring of Lugano, and to conduct forensic accounting investigations of the Company’s financial records and transactions leading up to its bankruptcy filing.

Although matters such as this are dynamic, and the services provided may change as the Special Committee and the Company provide additional information, it is our understanding the current Scope of Services may include the following:

CRO Services:

- consulting on all aspects of the Company’s business activities and operations, including budgeting, cash management and financial management;
- if necessary, opening and closing bank accounts;
- assisting with communications and negotiations with the Company’s lenders, vendors and other stakeholders;
- reviewing daily operating activity, purchases, and expenses;

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- evaluating liquidity options including restructuring, refinancing, reorganizing, and/or one or more sales of some or all of the Company's assets;
- advising the Special Committee and the Company whether the Company should exercise its rights under certain agreements;
- reviewing historical and projected financial information, including operating results, capital structure and funding mechanics, for the Company and each of its affiliates;
- working with the Special Committee and the Company to developing financial projections and a liquidity projection model to help assess capital needs;
- identifying and assessing potential restructuring alternatives, including the sale of some or all of the Company's assets and the winding down of the Company's business;
- pursuing litigation and claims the estate may have and acting as the responsible party for all corporate decisions.

Financial Advisor Services:

- attending hearings, providing information and analyses for inclusion in bankruptcy court filings, and giving testimony related thereto;
- supporting negotiations with the creditors and other constituents in the Bankruptcy Case;
- preparation of monthly financial reports as required of a debtor in possession and other financial reporting required by the Office of the United States Trustee on behalf of a debtor in possession;
- coordinating all activities on behalf of the Special Committee and the Company in connection with any refinancing, capital raising, sale, and/or wind-down process for the Company in its capacity as debtor in possession;
- working with the Company and its professionals to maximize the value of the Company's estate;
- developing a plan to sell some or all of the Company's assets of and/or to restructure or wind down the Company's business;
- negotiating terms of debtor in possession financing, if necessary.

Forensic Accounting and Litigation Support Services:

- forensic analysis of receipts and disbursements;
- reconciliation of intercompany transfers;
- reconciliation of Insider transfers and transactions;
- reconciliation of inventory to receipts and disbursements;
- review and tracking of historic inventory movements and shipments;
- analyzing individual investor payments and disbursements;
- assist counsel in analyzing any claimed liens against individual assets/collateral or pools of assets;
- assist counsel in analyzing alleged fraudulent transfers and avoidance actions.

Our analyses will be based on documents produced to GlassRatner and independent research. We assume the Company has provided all relevant information they are aware of regarding the services and the Matter and GlassRatner is entitled to rely thereon.



Bankruptcy

Should the Company become a debtor or debtor in possession under title 11 of the United States Code, Mr. Issa's retention as CRO and GlassRatner's retention as Financial Advisor, on the terms set forth in this Agreement, will be subject to Bankruptcy Court approval.

Compensation

We bill our professional time according to the number of hours worked at our standard hourly billing rate plus out-of-pocket costs incurred. For services rendered by other GlassRatner professionals, we will bill our professional time according to the number of hours worked, at our standard hourly billing rates, plus out-of-pocket costs incurred. Our hourly rates for the individuals we anticipate using on this project are as follows:

J. Michael Issa, Senior Managing Director...	\$750
Sam Hewitt, Senior Managing Director.....	\$695
Richard Peil, Senior Managing Director.....	\$675
Seth Freeman, Senior Managing Director...	\$890
Joe Pope, Managing Director.....	\$750
Senior Managing Directors.....	\$650-795
Managing Directors.....	\$550-625
Other	\$295-525

GlassRatner reviews its hourly rates each January 1, and the Company should anticipate an annual rate increase on January 1 and annually thereafter should the engagement still be active at that time. We will bill non-working travel time at one-half our regular hourly rates. Unless the Company becomes a debtor or debtor in possession in a Bankruptcy Case, we will submit our billings either monthly or at logical points during the engagement, and payment is due when the invoice is received. We reserve the right to defer rendering further services until we receive past due amounts. Prior to the commencement of any Bankruptcy Cases, we also reserve the right to be paid in full prior to any testimony for all fees and expenses including estimated fees and expenses through testimony. Our fees are not contingent on the outcome of the Matter.

If the Company becomes a debtor or debtor in possession in a Bankruptcy Case, the Company agrees that it will pay all outstanding amounts due under this Agreement before it files its bankruptcy petition(s). If GlassRatner is retained in the Bankruptcy Case, its monthly fees will be paid in accordance with any applicable federal and local statutes, rules, and procedures and the Bankruptcy Court's orders.



Retainer

In accordance with GlassRatner's standard policy, we will require a retainer of **\$150,000**, which is due upon the execution of this Agreement and, to the extent actually received by GlassRatner, will be applied to our final billing for the Matter ("Retainer"). This Retainer is not intended to be an estimate for the total cost of work that may be performed, nor have we provided a binding estimate or other form of cap. The Special Committee and the Company recognize that it is difficult to estimate the amount of time that this engagement may require. The time involved depends upon the extent and nature of available information. It also depends upon the developments that occur as our work progresses. It is our intention to work closely with the Special Committee and the Company to structure our work so that the Special Committee and the Company are aware of the scope and direction of our work as it progresses. Should the time demand increase, we may require an addition to our Retainer. Should any such addition be requested after the commencement of a Bankruptcy Case, we recognize that any such addition would be subject to approval of the Bankruptcy Court.

Limitations

GlassRatner is not a public accounting firm. While our work may involve analysis of accounting records, the engagement does not include an audit or review of existing records in accordance with generally accepted auditing standards or standards for review engagements. Accordingly, we will not be expressing an audit opinion on any of the financial or other data received in this engagement. GlassRatner is not a law firm and will not provide legal or tax advice on any transaction or financing in conjunction with this assignment.

The working papers and other materials created by us during this engagement are our property. At the completion of our engagement, all of the Company's documents will be returned to the Company at the Company's request. Unless we are notified otherwise, or unless the Special Committee or the Company requests the files to be returned to the Company, we assume that all documents in our possession may be destroyed one year from the completion of the Matter, or the passage of one year without our actively participating in the Matter. The Special Committee and the Company acknowledge that all advice (written or oral) given by GlassRatner is intended solely for the benefit and use of the Special Committee and the Company (limited to the shareholders of the Company, its board of directors, and its management). No advice (written or oral) of GlassRatner hereunder shall be used, reproduced, disseminated, quoted or referred to at any time, in any manner, or for any purpose, nor shall any public references to GlassRatner be made by the Company without the prior written consent of GlassRatner; *provided, however*, that in the event that the Company commences a Bankruptcy Case, GlassRatner consents to the disclosure of its work on behalf of the Special Committee and the Company as may be necessary or desirable in the Bankruptcy Case (including, without limitation, in "first day" pleadings or in connection with GlassRatner's retention in the Bankruptcy Case).



Please note that it is not our practice to retain working papers, notes, or data files that have been updated or superseded. If the Special Committee or the Company wishes us to follow a different retention practice, please indicate those specific request(s) in writing when returning a copy of this Agreement.

Independent Contractor; No Fiduciary Duty

The Company acknowledges and agrees that (i) it is a sophisticated business enterprise, and that GlassRatner has been retained pursuant to this Agreement as an independent contractor and not as an agent or fiduciary to the Company or its shareholders, and (ii) any duties of GlassRatner arising out of this engagement shall be contractual in nature and shall be owed solely to the Special Committee and to the Company. Each party to this Agreement disclaims any intention to impose any fiduciary duty on the other.

Indemnification and Limitation of Liability

The Company agrees (i) to the indemnification and other agreements set forth on **Schedule A** hereto, which are hereby incorporated by reference, or (ii) to indemnify the Indemnified Parties (as defined on **Schedule A**) to the same extent as the most favorable indemnification it extends to its officers or directors, whether under the Company's bylaws, its certificate of incorporation, or otherwise, whichever is greater. The Company further agrees that no reduction or termination in any of the benefits provided under any such indemnities described in subsection (ii) of the preceding sentence shall affect the benefits provided to Indemnified Parties.

THE COMPANY ALSO AGREES THAT NO INDEMNIFIED PARTY SHALL HAVE ANY LIABILITY (WHETHER DIRECT OR INDIRECT, IN CONTRACT OR TORT OR OTHERWISE) TO THE COMPANY FOR OR IN CONNECTION WITH THE ENGAGEMENT OF GLASSRATNER, IN EXCESS OF THE FEES PAID TO GLASSRATNER HEREUNDER, INCLUDING ANY REASONABLE ATTORNEYS' FEES AND COURT COSTS, EXCEPT TO THE EXTENT THAT ANY SUCH LIABILITY FOR LOSSES, CLAIMS, DAMAGES, LIABILITIES OR EXPENSES IS FINALLY JUDICIALLY DETERMINED OR DETERMINED PURSUANT TO A FINAL, BINDING DECISION OF AN ARBITRATOR IN ACCORDANCE WITH THE DISPUTE RESOLUTION PROVISIONS OF THIS AGREEMENT TO HAVE RESULTED PRIMARILY FROM SUCH INDEMNIFIED PARTY'S BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Insurance

During the term of this Agreement and for the two year period following its termination, the Company shall specifically include and cover GlassRatner's employees and agents serving as directors and officers (such as a CRO) of the Company or its affiliates (collectively, the "**Covered Parties**") from time to time with direct coverage under the Company's existing director and officer liability insurance policies and any equivalently placed employee liability insurance policies (collectively, the "**D&O Policy**"). Prior to GlassRatner personnel



or agents accepting any director or officer position, the Company shall provide evidence of said coverage in place and evidence of payment of premiums associated therewith, as well as any board resolutions and documents that GlassRatner may reasonably request evidencing the appointment and coverage of the Covered Parties. The D&O Policy must be at a coverage level satisfactory to GlassRatner in its sole discretion. The cost of any additional coverage shall be paid directly by the Company.

Notwithstanding anything to the contrary, the Company's indemnification, contribution, and advancement obligations in this Agreement shall be primary to (and without allocation against) any similar indemnification, contribution, and advancement obligations of GlassRatner, its affiliates, and its insurers to the Covered Parties (which shall be secondary), and the Company's insurance coverage for the Covered Parties under the D&O Policy shall be specifically primary to (and without allocation against) any other valid and collectible insurance coverage that may apply to the Covered Parties (whether provided by GlassRatner or otherwise).

Termination

This Agreement may be terminated immediately by GlassRatner or the Company, in their sole discretion, for any reason whatsoever and without prior notice. Upon termination of this Agreement, GlassRatner shall be entitled to all fees and expenses incurred pursuant to this Agreement prior to notice of termination, subject to any dispute concerning the fees due and the dispute provision included in this Agreement (and, in the event a Bankruptcy Case has been commenced by the Company, subject to approval of the Bankruptcy Court). The termination of this Agreement shall not relieve the Company or GlassRatner from the provisions of this Agreement relating to indemnification, limitation of liability, settlement, the payment of the fees, costs and expenses payable hereunder whether or not accrued prior thereto, confidentiality, the status of GlassRatner as an independent contractor, the limitation on the use, reliance on, and disclosure of GlassRatner's advice, governing law and dispute resolution.

Confidentiality

GlassRatner agrees not to disclose or permit the disclosure of any of the terms of this Agreement or any information relating to the Matter, provided that such disclosure may be made (a) to any person who is an officer, director, member, manager, advisors, or employee of GlassRatner or its affiliates ("Representatives") solely for their use in the performance of the services hereunder and on a need-to-know basis, (b) with the prior written consent of the Company, or (c) pursuant to law, regulation, subpoena, order issued by a court, arbitrator or governmental body, agency or official, or other legal process. In the event that GlassRatner shall receive a request to disclose any of the terms of this Agreement pursuant to section (c) of the preceding sentence, GlassRatner shall, to the extent legally permissible, (i) promptly notify the Company, (ii) consult with the Company (at the Company's expense) on the advisability of taking steps to resist or narrow such request and (iii) if disclosure is required or deemed advisable, reasonably cooperate with the Company, at the Company's sole cost and expense, in any attempt Company may



make to obtain an order or other assurance that confidential treatment will be accorded those terms of this Agreement that are disclosed. The confidentiality restrictions contained herein shall continue for a period of two (2) years from the date hereof and shall not apply to information that: (i) at the time of disclosure by the Company to GlassRatner or its Representatives is, or thereafter becomes, generally available to the public, other than as a direct result of a breach by GlassRatner of its obligations under this Agreement; (ii) prior to or at the time of disclosure by the Company to GlassRatner or its Representatives was already in the possession of GlassRatner or any of its Representatives; (iii) at the time of disclosure is, or thereafter becomes, available to GlassRatner or its Representatives from a third-party source, provided that, to GlassRatner's or its Representatives' knowledge, such third party is not and was not prohibited from disclosing such Confidential Information to GlassRatner; or (iv) is or was independently developed by GlassRatner or its Representatives without reference to the confidential information provided to GlassRatner by the Company.

Integration; Severability

This Agreement contains the entire agreement and understanding between GlassRatner and the Company concerning the Matter. This Agreement supersedes and replaces all prior negotiations, estimates, proposed agreements, and/or agreements (oral and written) concerning GlassRatner's services for the Special Committee or the Company in conjunction with the Matter. If any portion of this Agreement shall be held or made unenforceable or invalid by a statute, rule, regulation, decision of a tribunal or otherwise, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect, and, to the fullest extent, the provisions of this Agreement shall be severable.

Governing Law; Dispute Resolution

The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to choice of law or principles thereof. The parties agree that any disputes arising out of this Agreement shall be submitted to final, binding arbitration conducted in New Castle County, Delaware under the Expedited Arbitration Procedures and Rules of the Judicial Arbitration and Mediation Services Inc. ("JAMS") before a single, neutral arbitrator who shall follow Delaware law and the Federal Rules of Evidence and have no authority to award punitive damages. Either party may enforce a final arbitration award in any court of competent jurisdiction in New Castle County, Delaware including an award of costs, fees and expenses incurred in enforcing the award. The parties shall keep confidential and not disclose the fact that there is a dispute between the parties, the details of the dispute, the fact of the arbitration and all details relating to the proceeding. Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief in the state or federal courts of the State of Delaware upon a showing that a material portion of this Agreement was violated, and emergency relief is necessary to avoid irreparable harm. The prevailing party in any dispute arising hereunder shall be entitled to recover from the other all fees and costs incurred, including legal fees and costs and the costs of experts, in any proceedings, including, but not limited to arbitration, litigation, bankruptcy, and in any appellate

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proceedings as well. Notwithstanding the foregoing, in the event a Bankruptcy Case is filed, disputes shall be submitted to the Bankruptcy Court during the pendency of any such case.

GlassRatner Employee Placement Fee

If, at any time during the period that commences on the date of this Agreement and terminates on the date that is six (6) months from the date of the termination or expiration of this Agreement (the "Solicitation Period"), the Company hires a GlassRatner employee who works on this engagement during the Solicitation Period, the Company agrees to pay a placement fee to GlassRatner in the amount of twenty percent (20%) of the employee's estimated total first year's compensation, including estimated commissions and bonuses, and any signing bonus. Such fee is not subject to reduction even if the employee's employment terminates. The Company will be obligated to pay such fee within thirty (30) days of the first day of the employee's employment by the Company, unless otherwise mutually agreed to by the Client and GlassRatner.

Contact Information

All correspondence should be directed to:

Michael Issa, Senior Managing Director
GlassRatner
19880 MacArthur Blvd., Suite 820
Irvine, CA 92612
Phone: 949.407.6620
Email: missa@glassratner.com

Conclusion

If the arrangements described in this Agreement are acceptable to the Special Committee, and the services summarized above are in accordance with the understanding of the Special Committee and the Company, please sign and return a copy of this Agreement, along with the Retainer. This Agreement may be executed in counterparts. Signatures sent by fax or as pdf shall be treated as originals.

[Signature Page Follows]



19880 MacArthur Blvd., Suite 820
Irvine, CA 92612
Tel: (949) 407-6620
glassratner.com

We look forward to working with you on this Matter.

Yours very truly,

GlassRatner Advisory & Capital Group, LLC

J. Michael Issa
Senior Managing Director

Accepted and Agreed:

Special Committee of Board of Directors of Lugano Diamonds

Name:
Title:

Date



Schedule A¹

The Company agrees to indemnify and hold harmless GlassRatner and its affiliates (as defined in Rule 405 under the Securities Act of 1933, as amended) and their respective directors, officers, members, managers, employees, agents and controlling persons (GlassRatner and each such person being an "Indemnified Party") from and against all losses, claims, damages and liabilities (or actions, including shareholder actions, in respect thereof), joint or several, to which such Indemnified Party may become subject under any applicable federal or state law, or otherwise, which are related to or result from the performance by GlassRatner of the services contemplated by, or the engagement of GlassRatner pursuant to, this Agreement and will promptly reimburse any Indemnified Party for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense arising from any threatened or pending claim, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by the Company. The Company will not be liable to any Indemnified Party under the foregoing indemnification and reimbursement provisions to the extent that any loss, claim, damage or liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted primarily from GlassRatner's bad faith, willful misconduct or gross negligence. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or its security holders or creditors related to or arising out of the engagement of GlassRatner pursuant to, or the performance by GlassRatner of the services contemplated by, this Agreement except to the extent that any loss, claim, damage or liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted primarily from GlassRatner's willful misconduct or gross negligence.

Promptly after receipt by an Indemnified Party of notice of any intention or threat to commence an action, suit or proceeding or notice of the commencement of any action, suit or proceeding, such Indemnified Party will, if a claim in respect thereof is to be made against the Company pursuant hereto, notify the Company in writing of the same. In case any such action is brought against any Indemnified Party and such Indemnified Party notifies the Company of the commencement thereof, the Company may elect to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and an Indemnified Party may employ counsel to participate in the defense of any such action provided, that the employment of such counsel shall be at the Indemnified Party's own expense, unless (i) the employment of such counsel has been authorized in writing by the Company, (ii) the Indemnified Party has reasonably concluded (based upon advice of counsel to the Indemnified Party) that there may be legal defenses available to it or other Indemnified Parties that are different from or in addition to those available to the Company, or that a conflict or potential conflict exists (based upon advice of counsel to the Indemnified Party) between the Indemnified Party and the Company that makes it impossible or inadvisable for counsel to the Indemnifying Party to conduct the defense of both the Company and the Indemnified Party (in which case the Company will not have the right to direct the defense of such action on behalf of the Indemnified Party), or (iii) the Company has not in fact employed counsel reasonably satisfactory to the Indemnified Party to assume the defense of such action within a reasonable time after receiving notice of the action, suit or proceeding, in each of which cases the reasonable fees, disbursements and other charges of such counsel will be at the expense of the Company; provided, further, that in no event shall the Company be

¹ Capitalized terms used but not defined in this Schedule A shall have the meanings ascribed to them in the Agreement to which this is attached.



required to pay fees and expenses for more than one firm of attorneys (in addition to one local counsel) representing Indemnified Parties unless the defense of one Indemnified Party is unique or separate from that of another Indemnified Party subject to the same claim or action. Any failure or delay by an Indemnified Party to give the notice referred to in this paragraph shall not affect such Indemnified Party's right to be indemnified hereunder, except to the extent that such failure or delay causes actual harm to the Company, or prejudices its ability to defend such action, suit or proceeding on behalf of such Indemnified Party.

If the indemnification provided for in this Agreement is for any reason held unenforceable by or unavailable to an Indemnified Party, the Company agrees to contribute to the losses, claims, damages and liabilities for which such indemnification is held unenforceable or unavailable (i) in such proportion as is appropriate to reflect the relative benefits to the Company, on the one hand, and GlassRatner, on the other hand, of any Property Sale as contemplated whether or not such Property Sale is consummated or, (ii) if (but only if) the allocation provided for in clause (i) is for any reason unenforceable or unavailable, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Client, on the one hand, and GlassRatner, on the other hand, as well as any other relevant equitable considerations. The Company agrees that for the purposes of this paragraph the relative benefits to the Company and GlassRatner of any Property Sale as contemplated shall be deemed to be in the same proportion that the total value received or contemplated to be received by the Company or its shareholders, as the case may be, as a result of or in connection with such Property Sale bears to the fees paid or to be paid to GlassRatner under this Agreement. Notwithstanding the foregoing, the Company expressly agrees that GlassRatner shall not be required to contribute any amount in excess of the amount by which fees paid GlassRatner hereunder (excluding reimbursable expenses), exceeds the amount of any damages which GlassRatner has otherwise been required to pay.

The Company will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification or contribution could be sought under the provisions of this Agreement, whether or not any Indemnified Party is an actual or potential party to such claim, action or proceeding, without GlassRatner's prior written consent (which consent shall not be unreasonably withheld in the case of any claim, action or proceeding involving only the payment of money damages), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Party from all liability in any way related to or arising out of such claim, action or proceeding and (ii) does not impose any actual or potential liability upon any Indemnified Party and does not contain any factual or legal admission by or with respect to any Indemnified Party or any adverse statement with respect to the character, professionalism, due care, loyalty, expertise or reputation of any Indemnified Party or any action or inaction by any Indemnified Party. The Company's recourse with respect to any liability or obligation of GlassRatner hereunder shall be limited to the assets of GlassRatner, and the Company shall have no recourse against, and expressly waives its right to bring any claim against, any other Indemnified Party or any of their assets.

In the event that an Indemnified Party is requested, authorized by the Company, or required to appear as a witness in any action brought by or on behalf of or against the Company in which such Indemnified Party is not named as a defendant, the Company agrees to promptly reimburse GlassRatner on a monthly basis for all expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and disbursements of its legal counsel. In addition to any reimbursed fees, expenses or costs outlined hereunder, GlassRatner shall also



receive from the Company cash compensation of \$2,000.00 per person, per day, plus reasonable out-of-pocket expenses and costs should GlassRatner be required to provide testimony in any formal or informal proceeding regarding the Company.

If multiple claims are brought, at least one for which indemnification is permitted under applicable law and provided for under this Agreement, the Company agrees that any judgment or arbitration award shall be conclusively deemed to be based on claims as to which indemnification is permitted and provided for, except to the extent the judgment or arbitration award expressly states that it, or any portion thereof, is based solely on a claim as to which indemnification is not available.



19880 MacArthur Blvd., Suite 820
Irvine, CA 92612
Tel: (949) 407-6620
glassratner.com

We look forward to working with you on this Matter.

Yours very truly,

GlassRatner Advisory & Capital Group, LLC

A handwritten signature in blue ink, appearing to read 'J. Michael Issa'.

J. Michael Issa
Senior Managing Director

Accepted and Agreed:

Special Committee of Board of Directors of Lugano Diamonds

Signed by:

A handwritten signature in black ink, appearing to read 'Spencer Wells'.

10/28/2025

Name: Spencer Wells

Date

Title: Director