

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

In re:)	
)	Chapter 11
PLASTIQ INC., <i>et al.</i> , ¹)	
)	Case No. 23-10671 (BLS)
Debtors.)	
)	(Jointly Administered)
)	
)	Ref. Docket No. 23 & 117

**DECLARATION OF STEVEN W. BREMER IN SUPPORT OF DEBTORS’ MOTION
FOR ENTRY OF AN ORDER (I) APPROVING THE PURCHASE AGREEMENT, AND
(II) AUTHORIZING A SALE FREE AND CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES, AND OTHER INTERESTS**

I, Steven W. Bremer, make this declaration (this “**Declaration**”) under 28 U.S.C. § 1746 and state as follows:

1. I am a Managing Director of Portage Point Partners, LLC (“**Portage Point**”) with principal offices located at 300 North LaSalle, Suite 1420, Chicago, Illinois 60654. Triple P RTS, LLC is wholly owned by Portage Point, and is the provider of a chief restructuring officer and other associated personnel to the debtors and debtors-in-possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”).

2. I submit this Declaration in support of the relief requested in the *Debtors’ Motion for Entry of (A) an Order (I) Approving Bidding Procedures in Connection with the Sale of the Debtors’ Assets and Related Bid Protections, (II) Approving Form and Manner of Notice, (III) Scheduling Auction and Sale Hearing, (IV) Authorizing Procedures Governing Assumption and*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PlastiQ Inc. (6125), PLV Inc. d/b/a/ PLV TX Branch Inc. (5084), and Nearside Business Corp. (N/A). The corporate headquarters and the mailing address for the Debtors is 1475 Folsom Street, Suite 400, San Francisco, California 94103.



Assignment of Certain Contracts and Unexpired Leases, and (V) Granting Related Relief; and (B) an Order (I) Approving the Purchase Agreements, and (II) Authorizing a Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests [Docket No. 23] (the “**Sale Motion**”)² filed by the Debtors seeking, among other things, entry of an order (i) approving the Debtors’ entry into an asset purchase agreement with the stalking horse bidder and (ii) authorizing the sale of substantially all of the Debtors’ assets free and clear of all liens, claims, encumbrances and other interests to the Successful Bidder. This Declaration incorporates the statements and testimony set forth in the *Declaration of Steven W. Bremer in Support of Debtors’ Motion for Entry of (A) an Order (I) Approving Bidding Procedures in Connection with the Sale of the Debtors’ Assets and Related Bid Protections, (II) Approving Form and Manner of Notice, (III) Scheduling Auction and Sale Hearing, (IV) Authorizing Procedures Governing Assumption and Assignment of Certain Contracts and Unexpired Leases, and (V) Granting Related Relief; and (B) an Order (I) Approving the Purchase Agreements, and (II) Authorizing a Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests* [Docket No. 117] (the “**Bidding Procedures Declaration**”).

3. Except as otherwise indicated, all statements in this Declaration are based upon my review of relevant documents, my discussions with the Debtors and their professionals, my discussions with other members of the Portage Point team working on this engagement, and my personal knowledge and experience. If I were called upon to testify, I could and would testify to each of the facts set forth below.

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

A. Qualifications

4. Portage Point is a business advisory, interim management, investment banking, and financial services firm whose professionals have a wealth of experience in providing financial advisory, restructuring advisory, and turnaround management services and enjoys an excellent reputation for services it has rendered on behalf of debtors and creditors throughout the United States, both in chapter 11 proceedings and in out of court restructurings. The Portage Point team is comprised of operators and advisors with proven skills necessary to identify, preserve, and create value in the most challenging and complex situations. Portage Point's professionals have extensive experience across a wide range of industries.

5. I received both a Bachelor of Science degree and a Master of Science degree in Systems Engineering from the University of Virginia and an MBA from the Wharton School at the University of Pennsylvania. I have over sixteen (16) years of experience advising and executing on financing and restructuring transactions, as well as mergers and acquisitions. My experience includes representing companies, boards, creditors, and other stakeholders in a variety of situations. Prior to joining Portage Point, I was a partner in the restructuring and debt advisory group of Centerview Partners, a director at Millstein & Co., and a vice president at Miller Buckfire & Co.

6. In addition to acting as an advisor to the Debtors in these Chapter 11 Cases, I have provided advisory services in connection with the in-court restructuring of numerous companies, including In re Patriot Coal Corp., Case No. 15-32450 (KLP) (Bankr. E.D.V.A.); In re Peabody Energy Corp., Case No. 16-42529 (BSS) (Bankr. E.D. Mo.); In re Dendreon Corp., et al., Case No. 14-12515 (LSS) (Bankr. D. Del.); In re Energy Future Holdings Corp., Case No. 14-10979 (CSS) (Bankr. D. Del.); In re Lenox Grp., Inc., Case No. 08-14680-ALG (Bankr. S.D.N.Y.); In re

Glob. Brokerage Inc., Case No. 17-13532 (MEW) (Bankr. S.D.N.Y.); In re Aspect Software, Inc., Case No. 16-10597 (MFW) (Bankr. D. Del.); In re Seventy Seven Energy Inc., Case No. 16-11410 (LSS) (Bankr. D. Del.); In re SunEdison, Inc., Case No. 16-10992 (SMB) (Bankr. S.D.N.Y.); In re Blackhawk Mining LLC, et al., Case No. 19-11595 (LSS) (Bankr. D. Del.); Westmoreland Coal Company, et al., Case No. 18-35672 (DRJ) (Bankr. S.D. Texas); In re Synergy Pharmaceuticals Inc., et al., Case No. 18-14010 (LGB) (Bankr. S.D.N.Y.); In re Westinghouse Electric Company LLC, et al., Case No. 17-10751 (MEW) (Bankr. S.D.N.Y.); and In re Performance Powersports Group Investor, LLC, Case No. 23-10047 (LSS) (Bankr. D. Del.).

B. Portage Point's Engagement and Prepetition Involvement with the Debtors

7. On January 13, 2023, the Debtors retained Portage Point to provide a chief restructuring officer and associated personnel. In this role, Portage Point has, among other things, (a) analyzed and discussed potential strategic alternatives with the Debtors' management and board of directors; (b) negotiated and evaluated potential transactions with the Prepetition Secured Parties, (c) assisted the Debtors in developing and refining their business plan, (c) developed and discussed potential restructuring solutions (including numerous interactions with the Prepetition Secured Parties and their advisors), (d) solicited third-party interest in a purchase of the Debtors, (e) assisted the Debtors with negotiating and documenting the DIP Facility, including assisting management in developing the Approved Budget, (f) assisted the Debtors in developing the Bidding Procedures for their postpetition marketing process, and (g) assisted the Debtors and their counsel in the preparation for the commencement of these chapter 11 cases. Throughout its engagement, Portage Point has worked closely with the Debtors' management and other restructuring professionals and has become well acquainted with the Debtors' business operations.

C. Prepetition Sale Process

8. As part of the consideration of potential strategic alternatives, in February 2023, Portage Point, with assistance from management, undertook a targeted marketing effort and began soliciting indications of interest for the sale of the Debtors' assets. In particular, Portage Point crafted detailed marketing materials and assembled related diligence information for a confidential electronic data room (the "**Data Room**") and a confidential information memorandum (the "**CIM**") with the assistance of the Debtors and their other professional advisors. The Debtors and their advisors contacted approximately 14 prospective buyers.

9. Thereafter, 7 parties executed non-disclosure agreements (each, an "**NDA**"). Parties who executed an NDA were provided the CIM and access to the Data Room, which contained diligence information about the Debtors and their assets. Portage Point responded to various inquiries and, together with the Debtors' management team, conducted virtual and in-person meetings with several of the potential buyers who executed NDAs in order to offer them the opportunity to ask questions about the Assets and the Debtors' operations.

10. As described more fully in the First Day Declaration, on March 9, 2023, the Debtors received a non-binding letter of intent (the "**LOI**") from Priority Holdings, Inc. ("**Priority**") to pursue a potential out-of-court merger transaction. Over the following two weeks, the Debtors, Blue Torch Finance LLC, as agent for the Debtors' prepetition secured lenders ("**Blue Torch**"), and Priority negotiated the terms and conditions of the LOI. On March 28, 2023, the necessary parties executed the LOI with Priority.

11. On April 22, 2023, after being informed by Priority that it no longer was willing to consummate the proposed transaction outside of a chapter 11 process, and that it had not completed its due diligence, the Debtors, after consultation with the Prepetition Secured Parties,

terminated the LOI. Following termination of the LOI, the Debtors continued discussions with Priority regarding a potential stalking horse bid. In addition, on April 24, 2023, the Debtors re-initiated their marketing efforts. In particular, at the time of the Petition Date, the Debtors, with the assistance of Portage Point, had contacted approximately 101 strategic buyers and 79 financial buyers. Of these, approximately 12 strategic buyers and 20 financial buyers had signed NDAs.

C. The Stalking Horse Agreement

12. After extensive arms'-length negotiations, on May 23, 2023, the Debtors and PlastiQ, Powered by Priority LLC, the Stalking Horse Bidder, an acquisition vehicle formed by Priority, agreed on the terms of a stalking horse bid, and executed the Stalking Horse Agreement.

D. Postpetition Marketing and Sale Efforts

13. Following the Petition Date, Portage Point continued to market the Assets. Specifically, the Portage Point team reapproached a number of parties contacted as part of the pre-petition process with an update on the situation and copy of the bidding procedures and sale motion. In addition, Portage Point was in contact with 22 additional parties, including both strategic and financial buyers, who were not approached prior to the Petition Date. This brought the total number of parties contacted as part of the pre-petition and post-petition process to 202 (112 strategic and 90 financial). Of these, a total of 45 parties signed a NDA.

14. Throughout the Sale process, Portage Point supplemented its outreach efforts by sending periodic emails and/or placing phone calls to all interested parties with updates on the process (including re-engaging with potential interested parties after the bid procedures hearing and notifying them of the additional time available to submit binding bids, among other things).

15. My colleagues or I followed up with the prospective purchasers who expressed interest in the Assets on multiple occasions, and continued to facilitate buyer due diligence and due diligence meetings leading up to the Bid Deadline of July 20, 2023.

16. As the foregoing demonstrates, Portage Point spent considerable time, energy, and resources engaging with potential bidders and other parties. Throughout the prepetition and postpetition sale process, I and other members of the Portage Point team provided updates to the Debtors' bankruptcy counsel, senior management, and board members, and sought their direction where appropriate.

17. Notwithstanding the foregoing marketing efforts, the Debtors did not receive any bids, other than the Stalking Horse Agreement. Accordingly, the Debtors, after consultation with their advisors and in their business judgment, determined that the Stalking Horse Agreement was the highest and best bid for the Purchased Assets.

E. The Stalking Horse Agreement Represents the Highest and Best Value

18. Based on the extensive marketing efforts described above and in the Bidding Procedures Declaration, along with my experience, I believe that the Stalking Horse Agreement represents the highest and best value for the Purchased Assets. A market test, such as the extensive one conducted by Portage Point, is the best means to identify the value of the Purchased Assets. Here, several potentially interested bidders declined to submit bids for the Assets after conducting diligence and determining that the Stalking Horse Bid, including all of the estimated assumed liabilities, represented full value for the Purchased Assets. Accordingly, the market for the Assets reflects that the Stalking Horse Agreement represents the highest and best value for the Purchased Assets.

19. I believe that the Debtors: (a) conducted a comprehensive marketing process for the Assets; (b) conducted the sale process in compliance with the Bidding Procedures Order and the Bidding Procedures; and (c) afforded all potential purchasers an appropriate opportunity to participate in the sale process and submit a bid for the Assets.

20. Based on my professional experience and knowledge of the Chapter 11 Cases, I believe that: (a) the Sale process was robust, fair, and conducted in accordance with the Bidding Procedures Order; (b) the Stalking Horse Bidder and its respective professional advisors and representatives, acted in compliance with the Bidding Procedures Order and the Bidding Procedures, and conducted themselves in a non-collusive, fair and good-faith manner in connection with the Sale process; and (c) the Stalking Horse Agreement represents fair and reasonable terms for the purchase of the Purchased Assets, based on the extensive marketing process described herein.

21. Except as otherwise provided for in the proposed order approving the Sale to the Stalking Horse Bidder, the Debtors are seeking to sell the Purchased Assets free and clear of all liens, claims, encumbrances, and other interests. I believe the Stalking Horse Bidder would not have submitted the Stalking Horse Agreement, and would not consummate the Sale, if the Sale was not free and clear of the foregoing. Moreover, I believe that not selling the Purchased Assets in this manner would result in significantly reduced consideration for the Purchased Assets, which would adversely impact the Debtors' efforts to preserve and maximize value.

22. I am not aware of any facts indicating that the Debtors and the Stalking Horse Bidder entered into the Stalking Horse Agreement for the purpose of hindering, delaying or defrauding creditors. I believe that under the circumstances, including the extensive marketing

process conducted by the Debtors, the consideration provided by the Stalking Horse Bidder is fair and reasonable, and the highest and best value for the Purchased Assets.

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

Dated: July 24, 2023

/s/ Steven W. Bremer
Steven W. Bremer