

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

In re:

Halt Medical, Inc.,¹

Debtor.

Chapter 11

Case No. 17-10810 (LSS)

**DECLARATION OF KIMBERLY BRIDGES-RODRIGUEZ IN SUPPORT
OF HALT MEDICAL, INC.'S FIRST-DAY MOTIONS (CORRECTED)**

I, Kimberly Bridges-Rodriguez, hereby declare under penalty of perjury:

1. I am the President and Chief Executive Officer of Halt Medical, Inc. ("Halt Medical" or the "Debtor"), a corporation organized under the laws of the State of Delaware and the debtor and debtor in possession in the above-captioned case. In this capacity, I am familiar with Halt Medical's day-to-day operations, business, financial affairs, and books and records.

2. On the date hereof (the "Petition Date"), Halt Medical commenced a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in this Court (the "Chapter 11 Case"). Halt Medical continues to operate its business and manage its property as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. I submit this declaration (the "First-Day Declaration") to provide an overview of Halt Medical and the Chapter 11 Case, and to support Halt Medical's chapter 11 petition and "First-Day" motions filed concurrently herewith (each, a "First-Day Motion"). Except as otherwise indicated, all facts set forth in this First-Day Declaration are based on my personal knowledge of Halt Medical's operations and financial affairs, obtained from my review of relevant documents or from information provided to me by other members of Halt Medical's

¹ The last four digits of the Debtor's federal tax identification number are 8422. The Debtor's address is 131 Sand Creek Road, Suite B, Brentwood, CA 94513.

management or advisors, or on my opinion based on my experience and knowledge about Halt Medical's operations and financial condition. I am authorized to submit this First-Day Declaration on behalf of Halt Medical and, if called as a witness, could and would testify competently to the facts stated herein.

4. I have been employed with the Debtor since March 2016, and have 20 years of medical device experience. Prior to joining Halt Medical, I served as Senior Vice President of the Vascular Intervention division of Spectranetics [NYSE: SPNC], a global medical technology leader focusing on cardiovascular solutions. Prior to Spectranetics, I held several global vice president and management roles in sales, marketing and therapy development at companies such as Blockade Medical, Stryker Neurovascular, Guidant Corporation and Johnson & Johnson. I received my Executive MBA at the University of Southern California Marshall School of Business and BS in Management from Pepperdine University.

5. Part I of this First-Day Declaration describes the business of the Debtor and the developments that led to the filing of the Chapter 11 Case. Part II of this First-Day Declaration sets forth the relevant facts in support of the First-Day Motions filed concurrently herewith in the Debtor's Chapter 11 Case.

PRELIMINARY STATEMENT

6. As set forth in greater detail below, and as reflected in the First-Day Motions, Halt Medical has filed this Chapter 11 Case to preserve and maximize the value of its assets for the benefit of its creditors and other stakeholders. Halt Medical has executed a Stalking Horse Agreement (defined below) with a lead bidder, subject to higher or otherwise better bids in a competitive, market-tested sale and auction process to be approved by this Court. Upon closing, the sale will allow Halt Medical's business to emerge from bankruptcy as a viable going concern, which will benefit all of the Debtor's creditors and other stakeholders, and will make possible the

continued development and use of Halt Medical's patented Acessa™ System ("Acessa"), discussed in more detail below.

PART I - GENERAL BACKGROUND

Halt Medical's Business

7. Founded in 2004 and headquartered in Brentwood, California, Halt Medical is a medical device company focused on establishing a superior standard of care for women with symptomatic uterine fibroids.

8. Halt Medical's proprietary and patented product, Acessa, uses radiofrequency ablation to destroy uterine fibroids. Halt Medical also manufactures the Acessa System which consists of the Acessa Generator, Guidance System and hand held disposable Handpiece, used (i) in percutaneous, laparoscopic coagulation and ablation of soft tissue, including the treatment of symptomatic uterine fibroids under laparoscopic ultrasound guidance while (ii) enhancing the ultrasonic image of the Acessa Handpiece to predict its path to deliver radiofrequency ablation to the center of the identified fibroid.

9. Acessa is a minimally-invasive alternative to hysterectomy and myomectomy, which, in the aggregate, account for over 90% of the fibroid-related surgeries performed annually on women in the U.S. Approximately 35 million women in the U.S. have uterine fibroids, and approximately 7 million of those women have fibroids that are symptomatic. Acessa is the only U.S. Food and Drug Administration ("FDA")-cleared treatment for symptomatic uterine fibroids that (i) is performed on an outpatient basis while returning to normal activities within three to five days, (ii) addresses all symptoms of fibroids, (iii) can be used to treat fibroids in virtually all locations, and (iv) has proven safety, efficacy, and less intraoperative blood loss (and shorter hospitalization time) than hysterectomies and myomectomies. As such, Acessa is ideally positioned as an alternative to hysterectomies and

myomectomies as the primary methods of treatment that women with uterine fibroids currently pursue, and is likely to greatly reduce the number of hysterectomies and myomectomies performed going forward.

10. Acesa has also received regulatory approval in the European Union, Canada, Mexico, and Israel. Since its FDA clearance in 2012, over 1,500 commercial Acesa procedures have been conducted. Halt Medical currently serves customers in the United States, primarily in California, Illinois, Michigan, and Texas.

11. Halt Medical generated sales of \$875,074 in 2015 and \$1,125,451 in 2016. As Halt Medical invested in obtaining regulatory clearances, reimbursement coding and payment, clinical evidence collection, technology development and early commercial adoption over the last ten years, it incurred substantial operating losses that significantly impacted liquidity, ultimately leading to the need to file the Chapter 11 Case. Challenges to the business include obtaining reimbursement coverage from private insurance carriers, timely clinical trial enrollment and building commercial adoption of a newer therapy.

12. Halt Medical currently has 17 employees. As of March 31, 2017, Halt Medical's unaudited financial statements reflected assets with a book value totaling approximately \$2.2 million and liabilities totaling approximately \$156.3 million.

Prepetition Capital Structure

13. On March 17, 2014, pursuant to a certain Note Purchase and Exchange Agreement (the "Note Agreement"), the Debtor obtained debt financing through the issuance of a series of notes (the "Senior Secured Promissory Notes") in the original aggregate principal amount of \$63,335,341.95, with additional notes (the "Additional Notes") issued to its majority shareholder, American Capital, Ltd. ("American Capital"), and a minority shareholder, John Lewis, IV, in the following amounts: (i) \$3.8 million pursuant to a funding request delivered on

April 15, 2014, (ii) \$3.8 million pursuant to a funding request delivered on July 15, 2014, and (iii) \$1.9 million pursuant to a funding request delivered on October 15, 2014. Over a period of approximately three years thereafter, the Debtor obtained additional loan advances pursuant to six additional issuances of promissory notes, mainly to American Capital, in the following amounts: (i) \$2 million on December 31, 2014 (the "December Notes"), (ii) \$2 million on February 3, 2015 (the "February 2015 Notes"), (iii) \$3.75 million pursuant to a funding request delivered on April 15, 2015 (the "April 2015 Notes"), (iv) \$3.75 million pursuant to a funding request delivered on July 15, 2015 (the "July Notes"), (v) \$13 million pursuant to a funding request delivered on or about February 3, 2016 (the "February 2016 Notes"), and (vi) \$690,000 on April 7, 2017 (the "April 2017 Notes," and together with the Senior Secured Promissory Notes, the Additional Notes, the December Notes, the February 2015 Notes, the April 2015 Notes, the July Notes, and the February 2016 Notes, the "Notes"). The Notes bear interest at the rate of 22% per annum, and their maturity date has been extended to April 30, 2017. The Notes are secured by a first priority lien on all of the Debtor's assets (the "Prepetition Liens"). As of the Petition Date, the outstanding principal and accrued interest under the Notes was approximately \$155,680,599.

14. Halt Medical is currently authorized to issue two classes of capital stock, which are designated common stock and preferred stock. Each of the common stock and the Series AA Preferred Stock has a par value of \$0.0001 per share. The total number of shares that Halt Medical is authorized to issue is 145,000,000, of which (i) 90,000,000 shares are designated as common stock and (ii) 55,000,000 shares are designated as Series AA Preferred Stock. There are currently outstanding (i) 69,097,348 shares of common stock and (ii) 28,461,558 shares of Series

AA Preferred Stock. The largest holder of both common stock and Series AA Preferred Stock is American Capital.

Events Leading to Chapter 11 Filing

15. American Capital, the Debtor's senior secured lender and majority stockholder, has acted as the Debtor's primary capital provider since American Capital's initial investment in 2007. The debt financing provided pursuant to the Notes issued between 2014 and 2016 has largely been exhausted in funding the Debtor's operations. In January 2017, American Capital was acquired by Ares Capital Ltd. Shortly thereafter, American Capital informed Halt Medical that it would not provide the Debtor with any additional financing.

16. To preserve going-concern value and enable the Debtor to execute its business plan, starting in August 2016, I made extensive efforts to identify potential investors. I personally contacted approximately 40 venture capital and other investors with investments in the medical device industry and related fields, who I believed might have an interest in investing in Halt Medical. As part of that process, I spoke directly with many potential investors, both at in-person meetings and by telephone.

17. In addition, on November 3, 2016, the Debtor engaged Canaccord Genuity Inc. ("CGI") to solicit interest from third parties with respect to either (a) a recapitalization that would provide the requisite financing for Halt Medical to execute its business plan or (b) an acquisition of all or substantially all of Halt Medical's assets.

18. To that end, CGI drafted marketing materials and contacted potentially interested parties as detailed below (the "Prepetition Marketing Process"). CGI drafted a one-page "teaser" summarizing the investment opportunity, including key Halt Medical highlights, to be distributed to potential investors and buyers, and worked closely with management to draft a confidential information memorandum ("CIM") detailing Halt Medical's history, product offering,

technology, and business plan, to be distributed to potential investors and buyers who executed non-disclosure agreements. Based on prior industry relationships and additional research, CGI compiled a list of potential strategic and healthcare-focused financial buyers who might be interested in investing in or acquiring Halt Medical. Finally, CGI built a comprehensive online data room to facilitate due diligence requests from potential investors or buyers.

19. CGI contacted and distributed the “teaser” to 87 potential investors or purchasers, and 13 parties that executed non-disclosure agreements were given the CIM. Of those 13 parties, 9 were provided access to a confidential data room established by CGI, and 5 were given access to and conducted interviews with management (collectively, “Diligence Information”). The Diligence Information provided prospective investors or buyers with detailed information on, among other topics, Halt Medical’s business, strategy, growth opportunities, technology, legal and regulatory matters, and historical and projected financial performance.

20. As the Prepetition Marketing Process continued, a bid deadline was established and two parties timely submitted preliminary indications of interest to infuse capital into Halt Medical. Following the bid deadline, two additional parties expressed interest in the Debtor, though neither provided sufficiently detailed terms or a proposed structure, and both failed to respond to requests for diligence information regarding their interest.

21. Of the two parties that submitted timely proposals, one of them, Acessa AssetCo LLC (the “Stalking Horse Bidder”), executed an indication of interest and term sheet with the Debtor on February 9, 2017, and commenced good-faith and arm’s-length negotiations over formal documentation. The initial indication of interest from the Stalking Horse Bidder had contemplated an out-of-court transaction; as discussions continued, the parties determined that an asset sale in a chapter 11 bankruptcy case was required. The parties negotiated the terms of an

asset purchase agreement, completing that process just prior to the Petition Date when, on April 12, 2017, the parties executed an asset purchase agreement (the “Stalking Horse Agreement”). In the Stalking Horse Agreement, the Stalking Horse Bidder has committed to acquire substantially all of the Debtor’s assets in a sale (the “Sale”) pursuant to section 363 of the Bankruptcy Code. The transaction is conditioned upon approval by this Court and is subject to higher or otherwise better competing offers, as will be described more fully in the Debtor’s forthcoming motion to approve bidding procedures concerning, and sale of, substantially all of the Debtor’s assets (the “Sale Motion”).²

22. As more fully described in Part II below, in addition to entering into the Stalking Horse Agreement, the Debtor entered into that certain Debtor-in-Possession Credit and Security Agreement, between the Debtor, as borrower, and Accessa DIPCo LLC (the “DIP Lender”), an affiliate of the Stalking Horse Bidder, as lender (the “DIP Facility”), pursuant to which, among other things, the DIP Lender has agreed to loan the Debtor up to \$4.16 million in debtor-in-possession financing, subject to the Court’s approval, to fund the Debtor’s Chapter 11 Case and sale process.

23. As a condition of, and in consideration for, the agreement of the holders of the prepetition Notes not to object to (i) the priming of the Prepetition Liens by the DIP Lender or (ii) a sale of the collateral under section 363(f) of the Bankruptcy Code free and clear of the Prepetition Liens, the Debtor executed a general release of all claims against such holders,

² The Debtor expects to file the Sale Motion prior to the first-day hearing in this Chapter 11 Case and, at that hearing, to request scheduling of a hearing to consider approval of the proposed bidding procedures. The Debtor does not intend to seek any other “first-day” relief with respect to the Sale Motion.

subject to such holders providing a release to the Debtor in connection with a tender offer being made for such prepetition Notes by an affiliate of the DIP Lender.³

24. The timeline and specific dates to be proposed in the Sale Motion and the associated bidding procedures, if approved, will provide Halt Medical sufficient time to expose its business and assets again to potential overbidders, conduct an auction if any qualified overbids are presented, and bring before the Court for approval the sale to the successful bidder, and will permit the sale to close consistent with the financing available to the Debtor under the DIP Facility. If the timeline proposed in the Sale Motion is not approved, or if there are material delays in that timeline, Halt Medical will run out of cash, will be unable to access the DIP Facility or continue operations, and therefore will be unable to satisfy the conditions to the closing of the Stalking Horse Agreement or an asset purchase agreement executed by a winning bidder other than the Stalking Horse Bidder.

PART II - SUPPORT FOR RELIEF REQUESTED IN FIRST-DAY MOTIONS

25. Halt Medical has filed with its chapter 11 petition a number of First-Day Motions seeking relief that Halt Medical believes is critical and necessary for it to operate with minimal disruption and to preserve the value of its assets and business during the Chapter 11 Case. I have reviewed each of the First-Day Motions referenced below. The facts stated in each are true and correct to the best of my knowledge and belief, with appropriate reliance on Halt Medical's employees and advisors. The relief sought in each First-Day Motion is necessary for Halt Medical to continue its operations with as little disruption as possible and to permit Halt Medical to proceed with its efforts to maximize the value of its assets and the recovery for its creditors and stakeholders.

³ This release was executed on April 12, 2017, prior to the commencement of the Chapter 11 Case. For the avoidance of doubt, the Debtor is not seeking any relief with respect to this release in any of the First-Day Motions.

26. The following is a summary of the relief requested in each First-Day Motion and the reasons for such requests. The facts set forth in the First-Day Motions are incorporated herein in their entirety.

A. Debtor's Motion for Interim and Final Orders Under Bankruptcy Code Sections 105, 361, 362, 363, 364, and 507 and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Super-Priority Claims, (IV) Granting Adequate Protection to Prepetition Secured Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief ("DIP and Cash Collateral Motion")

27. Pursuant to sections 105(a), 361, 362, 363, 364 and 507 of the Bankruptcy Code, Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtor requests entry of interim and final orders, (i) authorizing the Debtor (a) to obtain senior secured superpriority postpetition financing from the DIP Lender pursuant to the terms of the DIP Facility, a true and correct copy of which is annexed as Exhibit A to the DIP and Cash Collateral Motion, and (b) utilize cash collateral (the "Cash Collateral"); (ii) granting priming liens and providing superpriority administrative expense status with respect to the Debtor's obligations under the DIP Facility; (iii) modifying the automatic stay; and (iv) scheduling a final hearing with respect to the DIP and Cash Collateral Motion.

28. Material terms of the Debtor's proposed postpetition financing are set out in the DIP and Cash Collateral Motion in accordance with Bankruptcy Rule 4001(c) and the Local Rules.

29. The Debtor is currently in a liquidity crisis and has a critical and immediate need for incremental financing. As of the Petition Date, the Debtor's cash on hand totals approximately \$66,000, an amount that is not sufficient to meet its current payroll obligation,

which is due on April 14, 2017, and which requires funding no later than April 13, 2017. Moreover, the Debtor lacks the liquidity to pay its current operating expenses to maintain its ordinary course, going-concern business, let alone the required further expense of its restructuring advisors. Absent an immediate new funding source, the Debtor would be required to cease operations. Accordingly, the Debtor determined that it needs postpetition financing to meet working capital and general business obligations while it seeks to sell substantially all of its assets on a going-concern basis through its Chapter 11 Case.

30. The Debtor has been unable to obtain financing necessary to meet these obligations on either a secured or unsecured basis on terms more favorable than the DIP Facility. As detailed above, prior to the Petition Date, the Debtor engaged in an extensive marketing process either to sell substantially all of its assets or to find stand-alone financing options to capitalize the business in or out of chapter 11. The Debtor solicited proposals from financing sources, but could not come to terms with any other financing source, whether on a stand-alone basis or in conjunction with a planned asset sale or restructuring.

31. In connection with the Debtor's pre-petition marketing efforts, the DIP Lender emerged as the only party willing and able to provide the Debtor with the postpetition financing necessary to bridge operations to the conclusion of a section 363 sale process. Accordingly, and contemporaneously with the negotiations entered into between the parties regarding the terms of the Stalking Horse Agreement, the Debtor and the DIP Lender conducted a series of arm's-length, good-faith negotiations of the terms of a proposed financing that culminated in the parties' entry into the documentation evidencing the DIP Facility. The Debtor and the DIP Lender have also agreed upon an Approved Budget, a true and correct copy of which is annexed as Exhibit B to the DIP and Cash Collateral Motion, which projects cash flow, accruals and

resulting funding requirements for 13 weeks. The Debtor believes that the Approved Budget is achievable and will allow the Debtor to meet its postpetition obligations as they arise.

32. Prior to the Petition Date, CGI solicited prospective lenders for terms of an alternative DIP facility, but was unable to obtain postpetition financing on better terms than the proposed debtor-in-possession financing set forth in the DIP Facility. The Debtor therefore believes that the DIP Facility is the best available financing option, and is in the best interests of the Debtor's estate and its stakeholders.

33. The Debtor has determined that entering into the DIP Facility is necessary and appropriate to fund this Chapter 11 Case. Approval of the DIP Facility will provide the Debtor with immediate and ongoing access to borrowing availability to pay its current and ongoing operating expenses through the conclusion of the sale process, and thereafter to fund a responsible wind-down process. As indicated above, absent the DIP Facility, the Debtor would not be able to meet its current payroll and other current obligations, and would be forced to cease operations, thereby immediately impeding the Debtor's ability to maximize the value of its assets. The DIP Facility is essential, in other words, to maximizing the realizable value of the Debtor's business on a going-concern basis, furthering the interests of all case stakeholders, including the Debtor's employees, customers and creditors.

34. It is my understanding that the DIP Lender would not provide a DIP loan unless it received a priming lien on the Debtor's assets and a superpriority claim in the Debtor's Chapter 11 Case. The Debtor is also seeking authority to use the Cash Collateral of its prepetition lender. I understand that American Capital, as Collateral Agent under the prepetition loan documents, has no objection to to the priming lien, superiority claim, and use of Cash Collateral as requested in the DIP and Cash Collateral Motion.

35. In light of the foregoing, I believe that the relief requested in the DIP and Cash Collateral Motion is in the best interests of the estate.

B. Debtor's Motion for Order Authorizing (I) Payment of Wages, Compensation and Employee Benefits and (II) Financial Institutions to Honor and Process Checks and Transfers Related to Such Obligations ("Wage Motion")

36. The Debtor seeks to minimize (i) the personal hardship to its employees (collectively, the "Employees") as a result of the filing of this Chapter 11 Case and (ii) the disruption to its business for the benefit of its creditors and its estate, by requesting the authority (a) to pay and/or honor certain prepetition claims for, among other items, wages, salaries, and certain incentive payments adopted prepetition in the ordinary course of business (collectively, the "Wages"), employee benefits, and other compensation or reimbursements (collectively, the "Benefits"), and to pay all costs incident to the foregoing (collectively, the "Wages and Benefits"), which are estimated not to exceed \$185,000 in the aggregate; and (b) to continue to pay and/or honor such Wages and Benefits as they become due postpetition in the ordinary course of the Debtor's business. As of the Petition Date, the Debtor's average bi-weekly gross payroll is approximately \$130,000. The Wages and Benefits for which this relief is sought are set forth in detail in the Wage Motion.

37. Upon approval on an interim basis of the DIP and Cash Collateral Motion and the initial funding of the DIP Facility, the Debtor will have sufficient postpetition funds both to promptly pay all Wages and Benefits to the extent described in the Wages Motion and to continue its operations on an ongoing basis, pending the Court's consideration of the Sale Motion described above. In addition, the payments made to any Employees on account of unpaid prepetition wages or other benefits would not exceed the \$12,850 statutory cap per Employee provided under Section 507(a)(4) of the Bankruptcy Code. Consequently, there is no reason for the payment of the Wages and Benefits to the Employees as outlined in the Wage Motion to be

delayed, which would directly harm the Employees and disrupt the Debtor's efforts in this Chapter 11 Case.

C. Debtor's Motion for Orders Under Bankruptcy Code Sections 105(a), 345, 363, 364, 503(b), 1107, and 1108 (i) Authorizing (A) Maintenance of Existing Bank Accounts, (B) Continued Use of Existing Business Forms, and (C) Continued Use of Existing Cash Management System, and (ii) Granting Interim and Final Waivers of Section 345(b) Deposit and Investment Requirements ("Cash Management Motion")

38. The Debtor needs to maintain its current bank accounts with Heritage Bank of Commerce to continue to make ordinary course disbursements, including payment of payroll obligations, to collect customer receipts, corporate credit card, and other obligations.

39. In the Cash Management Motion, the Debtor seeks (i) authorization to maintain its existing bank accounts and to pay any prepetition banking fees imposed by the financial institution where the Debtor's bank account is maintained, if any, (ii) authorization to continue to use its existing business forms and checks, (iii) authorization to continue to use its existing cash management system, and (iv) interim and final waiver of the deposit and investment guidelines imposed under section 345(b) of the Bankruptcy Code.

40. I believe the relief requested in the Cash Management Motion is essential to facilitate the orderly operation of the Debtor's business and reorganization process.

D. Debtor's Motion for Order Pursuant to Bankruptcy Code Sections 105(a) and 366 (I) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service, (II) Deeming Utility Providers Adequately Assured of Future Payment, and (III) Establishing Procedures for Determining Requests for Additional Assurance of Payment ("Utility Motion")

41. In the normal course of business, the Debtor has relationships with various utility companies and other providers (the "Utility Providers") for the provision of telephone, gas, electricity and related services (the "Utility Services"). The Utility Providers include, without limitation, the entities set forth on Exhibit A attached to the Utility Motion. The Debtor estimates

that its average monthly postpetition payments to the Utility Providers will aggregate approximately \$3,000.

42. Uninterrupted Utility Services are critical to the Debtor's ongoing operations. The Debtor proposes to provide adequate assurance to the Utility Providers by maintaining an aggregate deposit of \$6,000. This amount, which is equal to approximately two months of the Debtor's estimated average postpetition monthly aggregate cost of utility services, will be held in a newly created and segregated account as adequate assurance of the Debtor's future payment to its Utility Providers. In addition, as set forth in the Utilities Motion, the Debtor seeks to establish reasonable procedures by which a Utility Provider may request additional adequate assurance of future payment, in the event that such Utility Provider believes that it has not been provided with satisfactory adequate assurance.

E. Debtor's Application for an Order Appointing Donlin, Recano & Company, Inc. as Claims and Noticing Agent for the Debtor Pursuant to 28 U.S.C. § 156(c), *Nunc Pro Tunc* to the Petition Date ("DRC Retention Application")

43. The Debtor requests entry of an order, pursuant to 28 U.S.C. § 156(c) and Local Rule 2002-1(f), authorizing the retention and appointment of Donlin, Recano & Company, Inc. ("DRC") as claims and noticing agent in this Chapter 11 Case. In accordance with the Protocol for the Employment of Claims and Noticing Agents Under 28 U.S.C. § 156(c), instituted by the Clerk of this Court on February 1, 2012, prior to the selection of DRC, the Debtor obtained and reviewed engagement proposals from three other court-approved claims and noticing agents to ensure selection through a competitive process. I believe, based on all engagement proposals obtained and reviewed, that DRC's rates are competitive and reasonable given DRC's quality of services and expertise. I believe that the relief requested in the DRC Retention Application will ease the administrative burden on the Clerk of the Court in connection with this Chapter 11 Case. In addition, I have been advised by the Debtor's proposed counsel that the retention of a claims

and noticing agent is required by the Local Rules in light of the Debtor's anticipated number of creditors.

For all of the foregoing reasons, I respectfully request that the Court grant the relief requested in each of the First-Day Motions filed concurrently herewith.

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

Dated: April 12, 2017

/s/ Kimberly Bridges-Rodriguez
Kimberly Bridges-Rodriguez