

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

In re:

Halt Medical, Inc.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 17-10810 (LSS)

**DECLARATION OF KIMBERLY BRIDGES-RODRIGUEZ  
REGARDING MODIFICATION OF DEBTOR'S  
COMMISSION SALES COMPENSATION PROGRAM**

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. Prior to joining Halt Medical, I had almost twenty years of medical device experience, including (i) service at Spectranetics [NYSE:SBNC], a global medical technology leader focusing on cardiovascular solutions, as Senior Vice President of the Vascular Intervention Division, and (ii) 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.

2. On April 12, 2017 (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

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<sup>1</sup> 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.

(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 to apprise the Court and parties in interest of a change to Halt Medical’s commission sales compensation program that was made in the ordinary course of business post-petition.

4. Historically, the company’s commission sales employees have been paid approximately 50% on salary and 50% on a pure commission basis. Commissions are calculated on a calendar quarter basis. During the first two months of a particular quarter, the employee is paid commission at a rate based on sales at 100% of the employee’s sales quota. At the end of month three, the sales for the quarter are trued up, and any remaining commission amount owed is paid for month three. On average, the company’s commission sales employees have achieved 85% of their quota, and therefore they have received 85% of their quota-based commissions.

5. In light of the Chapter 11 Case and pending sale process, Halt Medical has modified the commission component for its five commission sales employees, to provide a minimum floor of 90% of the employees’ quota-based commissions. On average, this is expected to increase the actual payout to each employee by only the difference between the historical average 85% of quota and the proposed 90% figure. While this differential is minor from the company’s standpoint, I believe it will provide meaningful benefits to the employees, and thus will aid in the preservation of the company’s going-concern value.

6. Both the percentage modification of the commission component and the commission program so modified are consistent with the Debtor’s historical compensation programs that are routinely evaluated quarterly. Accordingly, I believe the percentage modification of the commission component and the commission program so modified (i) are

transactions that creditors could reasonably have expected the Debtor to enter into in the normal course of its business, and (ii) do not subject creditors to economic risks different from those bargained for when credit was extended prepetition.

7. In addition, both the percentage modification of the commission component and the commission program so modified are consistent with, and comparable to, commission sales compensation packages offered for comparable sales jobs at other companies involved in business activities that are the same as or similar to the Debtor's.

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

Dated: April 24, 2017

*/s/ Kimberly Bridges-Rodriguez*

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Kimberly Bridges-Rodriguez