

## Business Description

- Headquartered in Minneapolis, Minnesota, Sleep Number Corporation ("SNBC," Nasdaq: SNBR), along with its Debtor<sup>(1)</sup> affiliates (collectively, "Sleep Number" or the "Company"), is a vertically integrated developer, manufacturer, retailer, and servicer of personalized "smart beds" sold direct-to-consumer, positioning itself as the leader in personalized sleep wellness.
  - Its mattresses are designed to evolve with each sleeper, featuring adjustable firmness, pressure-relieving support, and temperature-balancing comfort
  - The Company holds over 1,000 patents and patents pending, has accumulated billions of hours of sleep data, and claims to have helped more than 16 million people achieve better sleep across nearly 40 years of operation
- As of the Petition Date, Sleep Number employs approximately 2,920 employees across multiple U.S. sites, with contract workers typically accounting for approximately 18% of its total workforce.
- The Company operates 572 Sleep Number stores across all 50 U.S. states, targeting high-quality, convenient, and visible locations.

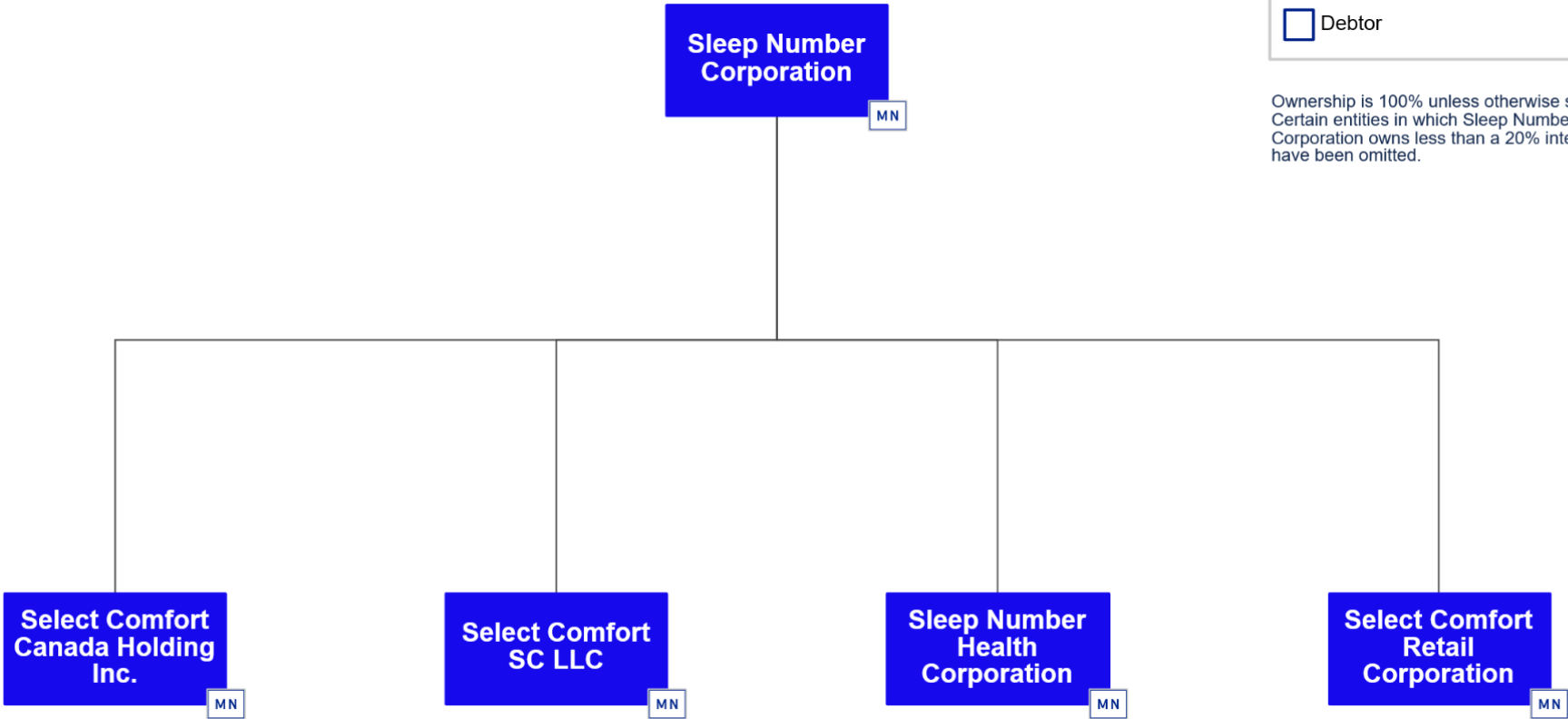
## Corporate History

- Founded in 1987 as Select Comfort Corporation; the Company opened its first retail store in 1992 and introduced home delivery and professional set-up services in 2000.
- The Company became publicly traded in 1998 and is listed on the Nasdaq Global Select Market under the symbol "SNBR."
- In 2017, Select Comfort Corporation changed its legal name to Sleep Number Corporation and rebranded as "Sleep Number."
- SNBC is a Minnesota corporation and public holding company that wholly owns its four direct subsidiaries, each a co-Debtor in the Chapter 11 Cases.

1) Sleep Number Corporation and four affiliated Debtors filed for Chapter 11 protection on June 12, 2026 (the "Petition Date") in the U.S. Bankruptcy Court for the Southern District of New York, reporting \$642.3 million in assets and \$1.3 billion in liabilities (as of April 30, 2026). For a complete list of Debtor entities, see the organizational structure chart below.

## Sleep Number Corporation

Organizational Chart



**Key**

**Flags**

MN Minnesota

**Shapes**

Debtor

Ownership is 100% unless otherwise stated. Certain entities in which Sleep Number Corporation owns less than a 20% interest have been omitted.

## Operating Model

- Sleep Number runs an exclusively direct-to-consumer model it calls “Total Retail,” selling through its own stores, online, phone, and chat rather than any third-party mattress retailer.
  - Stores function largely as showrooms within a “sell-from-anywhere” framework, with digital channels driving education, conversion, and retention
- During the LTM period ended April 4, 2026, Sleep Number generated approximately \$1.34 billion in net sales, with retail stores contributing approximately \$1.17 billion, or roughly 87% of total revenue.

## Product Portfolio

- Sleep Number's mattresses and bases are “smart” products combining physical and digital innovations, built around four core capabilities:
  - (1) signature firmness adjustability; (2) digital sensing providing sleep health and quality metrics; (3) “sense and do” technology that automatically adjusts the mattress throughout the night; and (4) individualized temperature control, including the Climate360® system
  - Smart mattresses are updated regularly through over-the-air software updates
- In March 2026, the Company announced a redesigned portfolio, streamlining its lineup from 12 to seven beds across three collections — ComfortMode™, ComfortNext™, and Climate™ — with two new beds introducing Sleep Number's first Tri-Brid™ design combining micro coils, foam, and adjustable air.
- The Company has received broad industry recognition, including #1 in customer satisfaction in the J.D. Power 2025 U.S. Mattress Satisfaction Study, America's Best in Customer Service by USA Today in 2026, and One of the Most Trustworthy Companies in America by Newsweek in 2026.
  - The ClimateCool® smart bed was recognized by TIME, Forbes, Esquire, Men's Health, and Oprah Daily in 2025, and the Climate360® was named Best Smart Bed for Temperature Control by Forbes

### Supply Chain and Manufacturing

- Raw Materials Sourcing:
  - Sleep Number sources raw materials and components from a network of third-party global suppliers; to mitigate disruption risk, it has strengthened primary supplier relationships, identified alternate suppliers, redesigned products, explored alternative components, and maintained safety stocks
  - The Company operates a dedicated cut and sew facility for cover production in Irmo, SC, and an advanced engineering and prototyping facility in Salt Lake City, UT
- Smart Beds Assembly:
  - All smart beds and mattresses are pre-assembled on a made-to-order basis with minimal raw materials, work-in-process, and finished goods inventories across five assembly distribution centers in Minneapolis, MN; Cincinnati, OH; Dallas, TX; Irmo, SC; and Salt Lake City, UT, with bedding fulfillment centralized in Ohio
  - The Company continues to evolve its outbound logistics network with truckload carriers and dedicated cross docks to reduce product handling, damage, and costs in transit to customers' homes
- Delivery and Installation:
  - Delivery and installation are handled by Sleep Number delivery technicians or trained third-party providers under a blended model, with post-purchase support provided via phone, email, chat, and social media (a portion outsourced for efficiency)
- Research & Development:
  - The global R&D team operates onshore in Minneapolis, MN and San Jose, CA, with offshore teams in Europe and Asia; R&D expenses were \$34 million in 2025, down from \$45 million in 2024
  - The sleep wellness platform leverages ballistocardiography, AI/ML algorithms, and cloud infrastructure, having accumulated more than 38 billion hours of sleep data from over 4.8 billion real-world sleep sessions

### Sales and Marketing

- Sleep Number operates an exclusive direct-to-consumer distribution model integrating digital and physical touchpoints; as the exclusive distributor of its own products, it maintains a nationwide portfolio of retail stores in high-quality, convenient, and visible locations selected by market potential, geography, demographics, and brand proximity.
  - Since 2010, the Company has repositioned a large percentage of its mall stores to stronger, optimally sized non-mall locations; in 2025, stores accounted for 88% of net sales, with the remaining 12% from online and other channels
- The loyalty rewards program, Smart Sleepers<sup>SM</sup>, has accumulated over 1.9 million members, with the most dedicated participating in over 3 million engagements per year through video, web, email, and blog content and posting product reviews on social media.
- In 2025, Sleep Number reset its marketing strategy to reach a larger addressable market, and in April 2026 launched “To a Good Life's Sleep,” its first major integrated campaign in several years, shifting from feature- and utility-based messaging toward a benefit-focused narrative spanning every price point.

### Intellectual Property

- Sleep Number's intellectual property portfolio is a key component of its business, centered on patent holdings focused on smart features that improve sleep quality and thermal solutions for temperature disruptions.
  - As of the Petition Date, the Company holds various U.S. and foreign patents and applications covering air control systems, remote control systems, air chamber features, mattress construction, foundation systems, sensing systems, automated adjustments, and in-bed temperature control, among other technologies
  - The Company also owns U.S.-registered trademarks and service marks (several registered or pending in foreign countries) and holds trade secrets, trade dress, and copyrights related to its products, processes, and technologies

### Partnerships and Collaborations

- Sports & Entertainment:
  - Sleep Number has been the Official Sleep and Wellness Partner of the NFL since 2018, with the partnership extending to the NFL Players Association and the Professional Football Athletic Trainers Society; at the club level, 2025 partnerships included the Los Angeles Rams, Dallas Cowboys, and Minnesota Vikings
  - In January 2026, the Company announced a strategic partnership with three-time Super Bowl Champion Travis Kelce, who committed to acquire common stock on the open market, receive compensatory restricted stock units vesting over the initial three-year term, and participate in future marketing efforts
- Health & Research Institutions:
  - Sleep Number leverages its longitudinal sleep data in research partnerships with the Mayo Clinic, the American Cancer Society, Northwestern University, and the University of Pittsburgh
  - A 2020 Mayo Clinic collaboration covers studies on disrupted sleep and markers of aging, the cardiovascular implications of excessive daytime sleepiness, and disordered sleep among patients with Somali heritage; a 2022 American Cancer Society partnership studies the connection between cancer and sleep quality over a six-year research period, and the Company has donated sleep products to the Society's Hope Lodge locations

# Prepetition Obligations

## Debtors' Prepetition Obligations

USD in Millions

As of June 12, 2026

Debt Instrument	Agent / Lender	Rate	Maturity	Borrowers	Guarantors / Obligors	Security	Amount Outstanding
<b>Secured Debt:</b>							
<b>Prepetition Revolving Credit Facility (\$475M)</b> <sup>(1)(2)</sup>	U.S. Bank National Association (Agent)	SOFR + 4.0% or Base + 5.0% <sup>(3)</sup>	12/3/27	Sleep Number Corporation	Each of the Debtors	First lien on substantially all assets of the Debtors <sup>(4)</sup>	\$ 475.0 <sup>(5)</sup>
<b>Prepetition 2021 Term Loans</b> <sup>(2)</sup>		SOFR + 4.0% or Base + 5.0% <sup>(3)</sup>					177.5
<b>Prepetition 2026 Term Loans (\$25M)</b> <sup>(6)</sup>		SOFR + 8.0% or Base + 7.0%	6/30/26	Sleep Number Corporation	Each of the Debtors	First lien on substantially all assets of the Debtors <sup>(4)</sup>	20.0
<b>Total Secured Debt</b>							<b>\$ 672.5</b>
<b>Other Obligations:</b>							
<b>Trade Claims</b> <sup>(7)</sup>	Various	N/A	N/A	The Debtors	N/A	Unsecured	66.7
<b>Total Other Obligations</b>							<b>\$ 66.7</b>
<b>Total Debt</b>							<b>\$ 739.2</b>

1) The revolving commitment was reduced from \$485 million to \$475 million under the November 2025 Twelfth Amendment, and steps down to \$465 million effective July 31, 2026.

2) On April 27, 2026, Sleep Number entered into a Forbearance Agreement and Thirteenth Amendment regarding the Prepetition Credit Agreement, which required the lenders to forbear from exercising certain rights and remedies in respect of certain events of default under the Prepetition Credit Agreement, revised the minimum liquidity financial covenant to not apply from the period covering April 27, 2026 until the last Business Day of the first week ending after July 1, 2026, prohibited Sleep Number from permitting disbursements or new draws under the RCF outstanding under the credit agreement to exceed an agreed permitted variance amount, and required Sleep Number to satisfy certain milestones, including milestones relating to Sleep Number's efforts to consummate a strategic transaction that provides for payment in full under the prepetition credit agreement.

3) Interest rate through December 31, 2026. Interest rate on the Prepetition Revolving Credit Facility and Prepetition 2021 Term Loans is Term SOFR + 4.25% or Base + 5.25% effective January 1, 2027.

4) Notwithstanding their pari passu lien ranking, the Prepetition 2026 Term Loans carry payment priority over the Prepetition Revolving Loans and Prepetition 2021 Term Loans in any post-remedies distribution of collateral proceeds.

5) Additional \$8.3 million in letters of credit outstanding under the revolving credit facility as of the Petition Date. The Debtors do not expect a request for them to be cash collateralized.

6) \$25 million term loan issued in connection with the Forbearance Agreement and Thirteenth Amendment to the Prepetition Credit Agreement, with a \$5 million amortization payment paid on June 1, 2026.

7) Reflects \$51.2 million outstanding for critical vendor claims and \$15.5 million foreign vendor claim shown available in Critical Vendors Motion. Total prepetition trade exposure is likely higher.

# Top Unsecured Claims

## 30 Largest Unsecured Creditors

USD in Thousands

As of June 12, 2026

	Creditor	Nature of Claims	Amount of Claim		Creditor	Nature of Claims	Amount of Claim
1	Leggett & Platt Inc	Trade Payables	\$ 10,207.1	16	Infosys BPM Ltd	Trade Payables	1,034.3
2	Horizon Media, Inc.	Trade Payables	7,366.7	17	Future Textiles Inc	Trade Payables	1,021.4
3	Elite Comfort Solutions LLC	Trade Payables	6,173.4	18	Springs Creative Products GRP	Trade Payables	993.6
4	Flextronics International Europe BV	Trade Payables	6,042.4	19	Federal Express Corp	Trade Payables	969.4
5	Gumotex	Trade Payables	3,791.1	20	Carpenter Co.	Trade Payables	951.7
6	NFL Ventures LLP	Trade Payables	2,622.5	21	TCA Logistics Corp	Trade Payables	913.7
7	PCI Private Ltd	Trade Payables	2,546.2	22	Fish & Richardson PC	Trade Payables	882.2
8	Ergomotion Inc	Trade Payables	2,532.1	23	SHI International Corp	Trade Payables	702.3
9	Homtex, Inc	Trade Payables	2,530.1	24	Bernhardt Furniture Company	Trade Payables	672.3
10	Electropedic Manufacturing Corporation	Trade Payables	2,409.6	25	Future Foam, Inc	Trade Payables	658.5
11	Diverse Logistics and Distribution LLC	Trade Payables	2,213.3	26	Briskheat Corp	Trade Payables	652.0
12	Microsoft Corp	Trade Payables	1,966.5	27	Culp Home Fashions	Trade Payables	612.9
13	East Rock Limited	Trade Payables	1,564.4	28	Bay and Bay Transportation Services Inc	Trade Payables	598.9
14	Meta Platform Inc	Trade Payables	1,472.1	29	Segerdahl Corp	Trade Payables	561.8
15	Microsoft Online Inc	Trade Payables	1,226.5	30	Servicenow Inc	Trade Payables	528.2
<b>30 Largest Unsecured Claims</b>							<b>\$ 66,417.2</b>

## Events Leading to Bankruptcy

### Pandemic-Era Overexpansion

- Sleep Number's financial distress was compounded by strategic decisions made during the pandemic, when a significant demand spike led the Company to pursue an expansion strategy that over-extended its cost structure across store footprint, manufacturing capabilities, and debt levels.
  - The resulting leverage ultimately reduced the Company's ability to navigate prolonged macroeconomic headwinds

### Macroeconomic Headwinds

- Over the past decade, the mattress retail industry has experienced broad-based distress driven by a structural shift toward e-commerce, declining in-store foot traffic, challenges in maintaining a right-sized real estate and distribution footprint, and compressing profit margins.
- Sleep Number was not immune, facing heightened competition, reduced discretionary consumer spending, an unpredictable regulatory environment, elevated inflation and interest rates, and a less dependable global supply chain.
- Beginning in April 2025, shifting U.S. trade policy imposed a new wave of tariffs under various schemes, including the International Emergency Economic Powers Act of 1977 (“IEEPA”), which applied to certain of Sleep Number's direct import products during fiscal year 2025.
  - While the U.S. Supreme Court's February 2026 ruling determined that IEEPA does not authorize the President to impose tariffs, the broader trade landscape remained complex, and the Company continued to navigate uncertainties regarding potential alternative tariff frameworks

### Internal Cost-Cutting Measures

- In April 2025, the Company appointed Linda Findley as CEO to lead its turnaround; she immediately moved to fix the capital structure and streamline operations by consolidating roles across key functions, strengthening accountability, and creating a nimbler organization for faster decision-making.
  - These efforts reduced operating costs by \$136 million compared to 2024 (excluding restructuring and other non-recurring costs) by optimizing the real estate portfolio and right-sizing the fixed cost base
- In November 2025, the Company introduced its turnaround strategy, “Sleep Number Shifts,” a focused, company-wide effort centered on three pillars:
  - Product — simplifying the offering to grow the customer base while building on repeat customer demand
  - Marketing — modernizing efforts by expanding channels and reach with new creative to drive engagement and improve return on investment
  - Distribution — optimizing store footprints and exploring opportunities to expand into new physical and digital channels
- Collectively, these efforts improved the Company's liquidity position and provided the breathing room necessary to transition to exploring long-term restructuring options in 2026.

### Financing Efforts

- To assess its financing needs and develop capital structure solutions, Sleep Number retained Guggenheim Securities, LLC as investment banker in February 2026, engaged AlixPartners, LLP as operational advisor, and mandated Davis Polk & Wardwell LLP as counsel.
  - The Company pursued a range of alternatives, including recapitalization and financing from new and existing sources, strategic combinations, and marketing its assets and operations to third parties
- In March 2026, Guggenheim contacted 33 parties soliciting recapitalization and bridge financing proposals; 26 executed non-disclosure agreements and were granted access to diligence materials.
  - Only one written recapitalization proposal was received, which the Company deemed not actionable nor in stakeholders' best interests; several senior bridge financing proposals were received, but the existing lender group would not consent to being primed, and no actionable unsecured or junior financing proposals emerged
  - The Company concluded that the only viable pathway was to raise incremental bridge liquidity from its existing lenders while launching a marketing process for a going-concern sale
- To shore up liquidity, the Company incurred the Prepetition 2026 Term Loans in April 2026 for general corporate purposes, and on May 13, 2026 sold to a third-party buyer all of its rights in its claims for IEEPA tariff refunds previously paid to U.S. Customs and Border Protection (the "IEEPA Tariff Refund Sale").
  - Although insufficient to fully address the Company's obligations, the cost-cutting measures, Prepetition 2026 Term Loan financing, and IEEPA Tariff Refund Sale provided sufficient runway to pursue a prepetition marketing process and identify the Stalking Horse Bidder

## Events Leading to Bankruptcy (cont'd)

### Special Transactions Committee

- In connection with its financing efforts, the Board implemented several governance enhancements, including creating a Special Transactions Committee in March 2026 to lead the refinancing and strategic alternatives initiative.
- On June 4, 2026, the Board appointed Colin M. Adams — a director with significant restructuring experience — to the boards of each Debtor and to the Special Transactions Committee, with Mr. Adams also serving as the sole member of the Special Investigations Committee evaluating certain potential claims the Debtors may hold.
- On June 12, 2026, the Board appointed Kent Percy of AP Services, LLC as Chief Restructuring Officer to assist with the Chapter 11 filings and provide certain management services.

### Prepetition Sale and Marketing Process

- Prior to the Petition Date, Sleep Number conducted a robust 14-week prepetition marketing process for the sale of substantially all of its assets.
  - With Guggenheim's assistance, the Company contacted 53 potential strategic and financial purchasers; 19 executed non-disclosure agreements and received a confidential information memorandum and data room access, and five submitted preliminary proposals
- The process yielded an agreement with SNBR Inc., an affiliate of Sleep Country Canada Inc. (the “Stalking Horse Bidder” or “Sleep Country”), to serve as stalking horse bidder for substantially all of the Company's assets.
  - Sleep Country, founded in 1994 and operating under the Sleep Country, Dormez-vous, Casper (Casper Canada), Endy, Hush, Silk & Snow, and Simba (United Kingdom) banners, is Canada's leading specialty sleep retailer with over 300 corporate-owned stores
  - Under the Stalking Horse APA dated June 12, 2026, the bidder committed, subject to Court approval, to acquire substantially all assets for a base purchase price of \$415 million in cash plus the assumption of certain liabilities, subject to certain potential purchase price adjustments

### The DIP Facility

- The Debtors obtained a \$260 million superpriority priming DIP facility, documented as the Fourteenth Amendment to the existing Amended and Restated Credit and Security Agreement, with U.S. Bank National Association as administrative agent.
  - All prepetition lenders participated — 100% of the revolving, 2021 term, and 2026 term loan lenders — eliminating any priming consent issue
- Facility Size — \$65 million in new money term loans structured as delayed draws (up to \$50 million upon the Interim Order and the balance upon the Final Order), plus a \$195 million 3:1 roll-up of prepetition secured obligations that builds draw-by-draw; pricing is Term SOFR plus 800 basis points.
- DIP Fees — approximately \$11.4 million in total, comprising a \$5.2 million upfront fee, a \$5.2 million exit fee, and approximately \$1 million in agent administrative fees, with maturity approximately three months from the Fourteenth Amendment effective date.
- Structural Protections — a standard Carve-Out for professional fees (post-trigger fees capped at \$2.5 million) with a segregated funded reserve requiring weekly prefunding; parties in interest may investigate but not prosecute the prepetition liens within a \$100,000 budget, and the Challenge Deadline runs to the earlier of 60 days after committee formation (or 75 days after the Interim Order if no committee is appointed) and commencement of the Sale Hearing.
- Sale Milestones — binding milestones whose breach constitutes default: the Interim Order within three days and the Final Order within 30 days of the Petition Date; bidding procedures approved and qualified bids submitted within 28 days; an auction by July 13, 2026; a sale order by July 15; and closing by July 31, 2026.

### The Stalking-Horse Sale

- SNBR Inc., a Delaware corporation and an affiliate of Sleep Country Canada Inc., committed to buy substantially all of the Company's assets for \$415 million in cash plus the assumption of certain liabilities.
- Purchase Price — the \$415 million base is adjusted at closing: plus Prepaid Rent; plus or minus Closing Working Capital versus a \$101.4 million target (Inventory capped at \$105.5 million, Accounts Payable capped at \$10.28 million); minus a \$25 million Adjustment Escrow released post-reconciliation; minus Cure Costs exceeding the \$8 million Cure Cap plus all post-petition cure amounts; minus the Processor Reserve Deposit; minus any Additional Inventory Shortfall (40% of Customer Deposit Balance over actual inventory, one-way downward only); and minus any Marketing Expenditure Shortfall versus a \$30 million spend commitment.
- Bid Protections — a break-up fee of \$12.45 million (3% of the base purchase price) plus an expense reimbursement capped at \$4 million, both constituting allowed administrative expense claims that survive termination of the APA, conversion of the cases, and plan confirmation.
  - To displace the stalking horse, a competing bidder must clear an effective floor of \$441.45 million — the \$415 million base price, \$16.45 million in bid protections payable in cash, and a \$10 million minimum overbid (in cash or non-cash consideration) — while the stalking horse receives a credit equal to the full bid protections amount in each auction round
  - A good faith deposit of \$41.5 million is required; in the event of a buyer breach, forfeiture of that deposit is the estate's sole remedy absent fraud or willful breach

### Lease Considerations

- Sleep Number's lease portfolio is one of the more consequential open variables in the sale; the Company operates 572 leased retail stores across all 50 states — owning no real property — carrying approximately \$348 million in present value of operating lease liabilities as of April 4, 2026.
  - The \$18 million in lease impairment charges recorded in Q1 2026 alone, reflecting locations that had already ceased or were planning to cease operations before the filing, signals a portfolio already under stress heading into Chapter 11
- The Debtors filed a rejection schedule covering 44 locations — all under the Select Comfort Retail Corporation entity — with rejection effective as of the June 12, 2026 Petition Date, representing approximately 8% of the total store portfolio.
  - Affected landlords are left with capped rejection-damages claims under Bankruptcy Code Section 502(b)(6) and, given the capital structure, face little to no prospect of meaningful recovery in the unsecured creditor pool
- The remaining roughly 528 locations are preserved through closing under tight APA restrictions — the Debtors cannot enter into, modify, or terminate any lease with annual rent exceeding \$50,000 without the buyer's prior written consent, and no additional store closures are permitted outside the pre-agreed list.
  - The buyer's decisions on the surviving portfolio come post-closing, during a Designation Rights Period running up to 60 days after closing (ending earlier if a plan-confirmation hearing is set, and extendable by agreement), in which it designates each unassumed lease for assumption and assignment or rejection; any lease not designated by the deadline is automatically rejected
  - With closing targeted by July 31, 2026, that window could extend into late September 2026, meaning the full picture of which locations survive under Sleep Country's ownership will not be known until months after the sale closes
- On assumed leases, prepetition cure costs are capped at \$8 million in the aggregate, with any excess reducing the purchase price dollar-for-dollar; A&G Realty Partners, the Debtors' real estate advisor, is required to cooperate fully with the buyer through closing.

### First-Day Highlights

- The employee motion seeks authority to continue paying wages, benefits, and workers' compensation programs for the Company's roughly 2,920 employees.
  - Notably absent is any insider retention package — the Debtors explicitly reserved executive retention for a separate motion subject to the stricter § 503(c) standard, signaling that the case is being run with an eye toward creditor scrutiny
- The customer obligations motion seeks to preserve the consumer relationships that underpin Sleep Number's going-concern value, covering the loyalty rewards program, financing arrangements with Synchrony and Affirm, the 100-night return policy, product warranties, and customer service operations.
- The critical vendor motion — the most contested of the three, drawing the U.S. Trustee's same-day objection — seeks authority to pay suppliers, foreign vendors, shippers, and holders of 503(b)(9) claims, capped at approximately \$17.3 million in the first three weeks and \$35.8 million over the life of the case.
  - The Debtors argue that sole-source component suppliers and foreign manufacturers unfamiliar with U.S. bankruptcy law could walk away without immediate payment, jeopardizing the supply chain the stalking horse bidder is counting on remaining intact at closing

### The U.S. Trustee Objection

- On the Petition Date, the U.S. Trustee filed an objection challenging two of Sleep Number's most consequential first-day motions: the Critical Vendor Motion and the DIP financing facility.
- The objection centers on a capital structure problem: Sleep Number is selling substantially all of its assets for \$415 million while carrying \$672.5 million in prepetition secured debt.
  - The DIP facility adds a 3:1 roll-up converting up to \$195 million of that prepetition debt into superpriority DIP obligations, places first-priority liens on all previously unencumbered assets, and carries \$11.4 million in fees — all for \$65 million in new money in a case expected to close roughly seven weeks after filing
- The U.S. Trustee argues that the proposed trade-creditor payments of up to \$35.8 million cannot satisfy the standard that favoring certain creditors not prejudice the remaining unsecured creditor body, since sale proceeds are expected to flow entirely to secured lenders, leaving unsecured creditors with nothing.