

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

In re:

SGR WINDDOWN, INC., *et al*

Debtors.<sup>1</sup>

Chapter 11

Case No. 19-11973 (MFW)  
(Jointly Administered)

**DI 517, 587, 601, 604, 616, 622, 625, 627, and  
631**

**CERTIFICATION OF COUNSEL REGARDING PROPOSED CONFIRMATION ORDER**

I, Jeffrey R. Waxman, counsel to the above-captioned Debtors and Debtors-in-Possession (the “Debtors”) respectfully certify and state as follows:

1. On May 12, 2020, the United States Bankruptcy Court for the District of Delaware (the “Court”) conducted a hearing (the “Confirmation Hearing”) to consider approval of the Plan of Reorganization for SGR Winddown, Inc. and Affiliated Debtors Dated February 24, 2020 [Docket No. 518] (as modified, amended, or supplemented from time to time, the “Plan”). All objections to the Plan had been resolved prior to the Confirmation Hearing.

2. During the Confirmation Hearing, the Court sua sponte, raised the issue regarding the third party releases set forth in Section 8.03 of the Plan, titled “Releases by Third Parties.” At the conclusion of the Confirmation Hearing, the Court approved the Plan, other than the proposed release of third parties set forth in Section 8.03 of the Plan.

3. The Debtors’ have subsequently revised the proposed Findings of Fact, Conclusions of Law and Order Confirming the Plan of Reorganization for SGR Winddown, Inc.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number or Canadian Revenue Agency, as applicable are (1) SGR Winddown, Inc., a Delaware corporation (4356), (2) SGR Winddown International, LLC, a Delaware limited liability company (1254), and (3) SGR Canada Winddown Legacy, Ltd. (4480). The location of the Debtors' corporate headquarters is 4712 Admiralty Way #552, Marina Del Rey, CA 90292.

and Affiliated Debtors Dated February 24, 2020 (the “Confirmation Order”) to include a new paragraph 25 of the Confirmation Order:

REVISED PLAN SECTION 5.18. Section 8.03 of the Plan, titled “Releases by Third Parties” shall be amended to provide as follows: the following provision:

To the extent allowed by applicable law, on, and as of, the Effective Date and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Released Parties shall be forever released from any and all claims, obligations, actions, suits, rights, debts, accounts, causes of action, remedies, avoidance actions, agreements, promises, damages, judgments, demands, defenses, and liabilities throughout the world under any law or court ruling through the Effective Date (including all claims based on or arising out of facts or circumstances that existed as of or prior to the Effective Date, including claims based on negligence or strict liability, and further including any derivative claims asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise) which the Debtors, their Estates, the Reorganized Debtor, Creditors or other persons receiving or who are entitled to receive distributions under the Plan may have against any of them in any way related to the Chapter 11 Cases, the Debtors (or their predecessors), or any of their operations or businesses; provided however that the foregoing release is granted only by the (a) Creditors who are unimpaired, and (b) Creditors who returned a Ballot and did not check the opt-out box on the Ballots; and provided further, however, that the release provided in this Section shall not extend to any claims by any Governmental Unit with respect to criminal liability under applicable law, willful misconduct or bad faith under applicable law, or ultra vires acts under applicable law.

This new paragraph amends Section 8.03 of the Plan by removing the following provision:

“ . . . (c) Creditors or potential Creditors (including those who were listed on the Schedules of Assets and Liabilities) who were sent a solicitation package but did not vote and did not return a Ballot with the opt-out box checked; provided further, however that the release provided in this Section shall not apply to any Creditor in category (c) above if the solicitation package was returned to the Debtors as undelivered, and that such Creditor did not otherwise file a Ballot. . . “

A copy of the proposed Confirmation Order is attached hereto as Exhibit A, and a blackline reflecting the changes to the prior version of the Order is attached hereto as Exhibit B.

4. The undersigned has conferred with the Official Committee of Unsecured Creditors, Goldman Sachs Specialty Lending Group, L.P., and SFCC Loan Investors, LLC, and each has approved the revised language to Section 8.03 contained in the Confirmation Order. In addition, the undersigned has conferred with the Office of the United States Trustee, who does not object to the revised language to Section 8.03 contained in the Confirmation Order.

WHEREFORE, the Debtors respectfully request that the Court enter the Confirmation at its earliest convenience.

DATED: May 13, 2020

**MORRIS JAMES LLP**

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