

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
NOVAN, INC., *et al.*,¹)
) Case No. 23-10937 (LSS)
Debtors.)
) (Jointly Administered)
)
_____)

SUPPLEMENTAL CERTIFICATE OF SERVICE

I, Heather Fellows, depose and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On August 15, 2023, at my direction and under my supervision, employees of KCC caused the following document to be served per postal forwarding address via First Class Mail upon the service list attached hereto as **Exhibit B**:

- **Notice of Motion and Hearing Regarding Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances and Designating Ligand Pharmaceuticals as a Stalking Horse Bidder, (B) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (C) Approving Assumption and Assignment Procedures and (D) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances After the Auction and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) in the Alternative, Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances to Ligand Pharmaceuticals if not Approved as the Stalking Horse Bidder** [attached hereto as **Exhibit A**]

Furthermore, on August 15, 2023, at my direction and under my supervision, employees of KCC caused the following document to be served per postal forwarding address via First Class Mail upon the service list attached hereto as **Exhibit C**:

- **Notice of Filing of Private Sale Order** [Docket No. 59]

Furthermore, on or before August 17, 2023, at my direction and under my supervision, employees of KCC caused the following documents to be served per postal forwarding address via First Class Mail upon the service list attached hereto as **Exhibit D**:

¹ The Debtors in these chapter 11 cases, along with the last four digitals of the Debtors' federal tax identification number (if applicable), are: Novan, Inc. (7682) and EPI Health, LLC (9118). The corporate headquarters and the mailing address for the Debtors is 4020 Stirrup Creek Drive, Suite 110, Durham, NC 27703.



- **Notice of Telephonic Section 341 Meeting** [Docket No. 70]
- **Notice of Chapter 11 Bankruptcy Cases** [Docket No. 71]

Furthermore, on August 17, 2023, at my direction and under my supervision, employees of KCC caused the following documents to be served per postal forwarding address via First Class Mail upon the service list attached hereto as **Exhibit C**:

- **Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) and Fed. R. Bankr. P. 9019 Approving Settlement with CSNK Working Capital Finance Corp. d/b/a Bay View Funding** [Docket No. 81]
- **Motion of Debtors for Entry of an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals** [Docket No. 83]
- **Debtors' Application for Entry of an Order Under 11 U.S.C. §§ 327(a), 328(a), and 1107(b), Fed.R. Bankr.P.2014 and 2016, and Del. Bankr. L.R. 2014-1 and 2016-1, Authorizing Retention and Employment of Morris, Nichols, Arsht & Tunnell LLP as Bankruptcy Counsel for the Debtors *Nunc Pro Tunc* to the Petition Date** [Docket No. 84]

Dated: August 20, 2023

/s/ Heather Fellows

Heather Fellows

KCC

222 N Pacific Coast Highway, 3rd Floor

El Segundo, CA 90245

Tel 310.823.9000

Exhibit A

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

In re:)
) Chapter 11
NOVAN, INC., *et al.*,¹)
) Case No. 23-10937 (LSS)
Debtors.) (Jointly Administered)
)
) **Hearing Date: Aug. 4, 2023, at 1:00 p.m. (ET)**
) **Bid Procedures Objection Deadline: Aug. 1, 2023,**
) **at 4:00 p.m. (ET)**
) **Committee Deadline at the Hearing**
)

**NOTICE OF MOTION AND HEARING REGARDING MOTION OF DEBTORS FOR
ENTRY OF ORDERS (I)(A) APPROVING BIDDING PROCEDURES FOR SALE OF
SUBSTANTIALLY ALL OF DEBTORS' ASSETS FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS, AND ENCUMBRANCES AND DESIGNATING LIGAND
PHARMACEUTICALS AS A STALKING HORSE BIDDER, (B) SCHEDULING AN
AUCTION AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF,
(C) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES AND (D)
SCHEDULING A SALE HEARING AND APPROVING THE FORM AND MANNER OF
NOTICE THEREOF; (II)(A) APPROVING THE SALE OF THE DEBTORS' ASSETS
FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES
AFTER THE AUCTION AND (B) APPROVING THE ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND
(III) IN THE ALTERNATIVE, APPROVING THE SALE OF THE DEBTORS'
ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND
ENCUMBRANCES TO LIGAND PHARMACEUTICALS IF NOT APPROVED
AS THE STALKING HORSE BIDDER**

PLEASE TAKE NOTICE that, on July 17, 2023 (the "Petition Date"), the above-captioned debtors and debtors in possession (collectively, the "Debtors") each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court"), commencing these chapter 11 cases (the "Chapter 11 Cases").

PLEASE TAKE FURTHER NOTICE that, on July 17, 2023, the Debtors filed the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances and Designating Ligand Pharmaceuticals as a Stalking Horse Bidder, (B) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (C) Approving*

¹ The Debtors in these chapter 11 cases, along with the last four digitals of the Debtors' federal tax identification number (if applicable), are: Novan, Inc. (7682) and EPI Health, LLC (9118). The corporate headquarters and the mailing address for the Debtors is 4020 Stirrup Creek Drive, Suite 110, Durham, NC 27703.

Assumption and Assignment Procedures and (D) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances after the Auction and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases: and (III) In the Alternative, Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances to Ligand Pharmaceuticals if Not Approved as the Stalking Horse Bidder (the "Bidding Procedures Motion") [D.I. 16].

PLEASE TAKE FURTHER NOTICE that, at the hearing on first day relief held on July 19, 2023, the Court scheduled the Bidding Procedures Motion for a hearing on **August 4, 2023, at 1:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that if the Court (i) denies entry of the Bidding Procedures Order at the hearing scheduled to be held on **August 4, 2023 at 1:00 p.m. (ET)**, or otherwise does not enter such Bidding Procedures Order on or before 35 days after the Petition Date; or (ii) does not enter the DIP Order on or before 35 days after the Petition Date, **the Debtors may sell the Assets to Ligand pursuant to the Private Sale Order.. The relevant sale documents may be viewed free of charge on the Debtors' case information website, located at <https://www.kccllc.net/Novan>, or can be requested by calling the Debtors' claims and noticing agent, Kurtzman Carson Consultants LLC at (888) 251-2954 (U.S./Canada) or (310) 751-2614 (International).**

PLEASE TAKE FURTHER NOTICE that, responses, if any, to the Bidding Procedures Motion, must be filed on or before **August 1, 2023, at 4:00 p.m. (ET)** (the "Objection Deadline") with the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. Notwithstanding the Objection Deadline, if an Official Committee of Unsecured Creditors (the "Committee") is appointed in these cases, any responses or objections from the Committee will be due at the Hearing.

PLEASE TAKE FURTHER NOTICE that, at the same time, you must serve a copy of the response on (a) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 Market Street, 16th Floor, Wilmington, Delaware 19801 (Attn: Derek C. Abbott, Esq. (dabbott@morrisnichols.com)); (b) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King St., Lockbox 35, Wilmington, DE 19801 (Attn: Linda J. Casey, Esq. (linda.casey@usdoj.gov)); (c) counsel to Ligand Pharmaceuticals, Incorporated, Morgan Lewis and Bockius LLP, 101 Park Ave. New York, NY 10174 (Attn: Craig A. Wolfe, Esq. (craig.wolfe@morganlewis.com), Jason A. Alderson (Jason.alderon@morganlewis.com), and David K. Shim (David.shim@morganlewis.com)); and (d) counsel to any statutory committee appointed in these Chapter 11 Cases.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THIS BIDDING PROCEDURES MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPT COURT MAY GRANT THE RELIEF REQUESTED IN THE BIDDING PROCEDURES MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 25, 2023
Wilmington, Delaware

Respectfully submitted,

/s/ Daniel B Butz

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

Derek C. Abbott (No. 3376)

Daniel B. Butz (No. 4227)

Tamara K. Mann (No. 5643)

Scott D. Jones (No. 6672)

1201 Market Street, 16th Floor

Wilmington, Delaware 19801

Telephone: (302) 658-9200

Facsimile: (302) 658-3989

Email: dabbott@morrisnichols.com

dbutz@morrisnichols.com

tmann@morrisnichols.com

sjones@morrisnichols.com

*Proposed Counsel to the Debtors and
Debtors in Possession*

Exhibit B

Exhibit B

Creditor Matrix

Served via First Class Mail

| CreditorName | CreditorNoticeName | Address | City | State | Zip |
|---------------------|---------------------------|-----------------------|-------------|--------------|------------|
| Stone Castle | Treasury Partners | 300 Madison Ave FL 29 | New York | NY | 10017-3826 |

Exhibit C

Exhibit C

Core/2002 Service List

Served via First Class Mail

| Description | CreditorName | CreditorNoticeName | Address | City | State | Zip |
|-----------------|---------------|--------------------|----------------------------|------------|-------|------------|
| Top 30 Creditor | Truveris, Inc | Ryan McGrath | 3 Beaver Valley Rd Ste 100 | Wilmington | DE | 19803-1125 |

Exhibit D

Exhibit D**Creditor Matrix****Served via First Class Mail**

| CreditorName | CreditorNoticeName | Address | City | State | Zip |
|---------------------------------------|---------------------------|-----------------------|-------------|--------------|------------|
| Lappenbusch Medical Writing Group LLC | | 104 E Sickle St | Kennett SQ | PA | 19348-2921 |
| Stone Castle | Treasury Partners | 300 Madison Ave Fl 29 | New York | NY | 10017-6436 |