Docket #0154 Date Filed: 11/18/2023

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	Chapter 11
OSG HOLDINGS, INC., *et al.*,[1]	Case No. 23-90799 (CML)
Debtors.	(Jointly Administered)

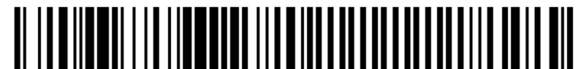
DECLARATION OF KEITH MAIB
IN SUPPORT OF CONFIRMATION OF THE SECOND
AMENDED JOINT PREPACKAGED PLAN OF REORGANIZATION
OF OSG HOLDINGS, INC. AND CERTAIN OF ITS DEBTOR AFFILIATES

I, Keith Maib, hereby declare under penalty of perjury to the best of my knowledge, information, and belief:

1. I submit this declaration (the "Declaration") in support of confirmation of the *Joint Prepackaged Chapter 11 Plan of Reorganization of OSG Holdings, Inc. and Certain of its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21] (as amended or modified from time to time, the "Plan").[2]

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number are: Applied Information Group, Inc. (7381); Diamond Marketing Solutions Group, Inc. (3531); DoublePositive Marketing Group, Inc. (8221); E-statement.com Corp. (1974); Globalex Corporation (5365); JJT Enterprises, Inc. (7792); Mansell Group Holding Company (9354); Mansell Group, Inc. (7898); Metrogroup PD-WI Acquisition, LLC (5979); Microdynamics Corporation (0423); Microdynamics Group Nebraska, Inc. (5711); Microdynamics Transactional Mail, LLC (4060); National Business Systems, Inc. (6946); National Data Services of Chicago, Inc. (9009); NCP Solutions, LLC (5620); OSG Group Holdings, Inc. (0311); OSG Group TopCo, LLC (0904); OSG Holdings, Inc. (2036); OSG Intermediate Holdings, Inc. (1288); Output Services Group, Inc. (8044); Payments Business Corporation (5590); The Pisa Group, Inc. (6299); PPS Business Corporation (6432); SouthData, Inc. (5336); Telereach, Inc. (4444); The Garfield Group, Inc. (9966); WhatCounts, Inc. (9306); and Words, Data and Images, LLC (2248). The debtors' service address is 900 Kimberly Drive, Carol Stream, Illinois 60188.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the *Disclosure Statement for the Joint Prepackaged Chapter 11 Plan of Reorganization of OSG Holdings, Inc. and Certain of Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 22] (the "Disclosure Statement"), as applicable.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2. I am a Senior Managing Director at Accordion Partners, LLC ("Accordion"), a financial consulting firm. I have more than 40 years of diverse business experience serving in a variety of roles, including in senior management positions, as a financial advisor, a principal investor, and director of public and private companies. I have extensive experience including serving as a partner in two international accounting firms. I have extensive experience in guiding companies through periods of change and turmoil and am nationally recognized as a leading turnaround executive. Prior to joining Accordion, I was the Interim Chief Financial Officer of Drybar Holdings LLC (national chain of hair salons); Chief Executive Officer of D&W Fine Pack LLC (plastics packaging); Chief Operating Officer of ARCA Technologies, LLC (electromechanical manufacturing); Chief Financial Officer of UniTek Global Services, Inc. (telecom infrastructure construction); Chief Restructuring Officer of Colt Defense, Inc. (commercial and military firearms manufacturing); Chief Restructuring Officer of AgFeed USA, LLC (international pork products); Chief Executive Officer of Playpower, Inc. (commercial playground manufacturing); Interim Chief Operating and Marketing Officer for Sunterra Corporation (hospitality, vacation ownership development, and marketing); Interim Chief Financial Officer of Norwood Promotional Products (consumer and promotional products); Chief Executive Officer of Worldnet Communications, Inc. (telecommunications); Chief Executive Officer of PennCorp Financial Group, Inc. (financial services and insurance); Chief Financial Officer of Acordia, Inc. (financial services and insurance brokerage); and Chief Operating Officer of Borland International, Inc. (technology and software development). My combination of restructuring, operating, and transaction experience spans multiple countries and a variety of industries. I am above 18 years of age, and I am competent to testify.

3. Accordion is a financial and technology consulting firm, serving companies and their stakeholders across a wide spectrum of industries and sizes. Accordion's relevant services include, but are not limited to, turnaround and restructuring advisory, interim management and Chief Restructuring Officer services, transaction advisory, operational and technical accounting advisory, transformation, data analytics, and strategic financial planning and analysis. Accordion has significant qualifications and experience in these matters and an excellent reputation for providing high quality, specialized interim management/CRO and restructuring advisory services to debtors, creditors, and investors in complex chapter 11 cases and other restructurings, both in and out of court.

4. On August 15, 2022, I was appointed Chief Restructuring Officer and was retained to provide restructuring and financial advisor services to OSG Holdings, Inc. and certain of its affiliated debtors and debtors-in-possession.

Background

I. Prepetition Challenges.

5. As described in my prior declaration in support of the Debtors' chapter 11 petitions and first day motions [Docket No. 23], the path forward from the Debtors' previous restructuring in 2022 has been difficult. Upon emergence from the 2022 Chapter 11 Cases in August of 2022, at the direction of the newly appointed board of managers of OSG Group Topco, LLC ("TopCo"), the Company's management team, with my active participation, completed a strategic, operational, and financial assessment of the U.S. and U.K. businesses. As to the U.S. businesses, the principal findings of this assessment were three-fold. First, the core print mail outsourcing platform had suffered from neglect and lack of investment and historical operational focus. Second, the existing executive leadership team lacked the requisite industry knowledge to address the issues inherent in the core print mail platform. Third, the level of debt carried through the 2022 Chapter 11 Cases

was not sustainable, particularly in light of the amount of investment that would be required to support the future business needs of the core print mail platform. This assessment led to the turnover of the entire executive leadership team and the hiring of Dean Cherry, a deeply skilled industry veteran, as Chief Executive Officer. Mr. Cherry in turn recruited a veteran, industry-experienced executive team to lead the strategic and operational turnaround of the U.S. business.

6. As to the U.K. businesses[3], the assessment yielded similar findings as to the state of the business. In addition, a decision was made in early 2022 to outsource the U.K. businesses' finance, accounting, and IT operations. The results of this outsourcing decision did not meet expectations. Accordingly, in January 2023, Communisis made the decision to reverse the outsourcing of finance and accounting operations which resulted in significant cost and disruption. The expected critical improvements of the outsourcing of IT operations were similarly not achieved and Communisis now believes that the cost and time to achieve those improvements will be substantial and will require significant future investment. The failures and negative commercial impacts, including the substantial capital infusion that would be required to evolve and remediate the U.K. operating and technology capabilities to meet minimum customer requirements, led the Company to decide in the first half of 2023 to divest the U.K. businesses. Additionally, as further described below, Debtor Output Services Group, Inc. has been unable to resolve a pension guarantee related to certain of its non-debtor subsidiaries in the U.K.

7. In light of these challenges in the U.S. and with the U.K.'s operations and facing both potential covenant defaults and upcoming interest and principal payments, the Company, with the assistance of its advisors, reached out to its largest stakeholders in early 2023 to begin

[3] The UK business are operated by non-debtor Communisis Limited and its subsidiaries (collectively, "Communisis").

discussions about a comprehensive restructuring. As further discussed below, the Company and certain of its prepetition stakeholders entered into the Waivers and the Forbearance Agreements (each as defined below) on March 7, 2023 and June 7, 2023, respectively, to extend the runway under their prepetition credit agreements for continued negotiations.

II. Out-of-Court Efforts.

8. Prior to filing, the Company engaged with the Consenting Funds in pursuit of a holistic out-of-court solution. The Consenting Funds were represented by independent and sophisticated advisors. Over the course of several months, the Company and the Consenting Funds explored potential financings, refinancings, recapitalizations, reorganizations, restructurings, or investment transactions involving the Company.

9. In September 2023, after months of intensive negotiations, it became evident that an in-court process was necessary for a number of reasons, including: (a) risks and costs of executing an out-of-court restructuring; (b) the Company's substantial debt service obligations; (c) liquidity constraints; (d) timing and uncertainty of achieving the U.K. Sale and release of the Pension Guarantee (each as defined in the Disclosure Statement); and (e) the inability to achieve a fully consensual resolution amongst the Company's prepetition lenders. Having lived through the 2022 Chapter 11 Cases, however, the Company has been singularly focused on a process that will fully and finally position the Company for long-term success without the need for a subsequent restructuring, and that will minimally impact the Company's businesses and operations.

III. The Plan and RSA.

10. After months of arm's-length negotiations between the Debtors and the Consenting Funds regarding the optimal path forward for the Debtor entities, the Debtors entered into that certain Amended and Restated Restructuring Support Agreement, dated October 12, 2023

(the "RSA"),[4] attached as Exhibit B to the Disclosure Statement, among the Company and the Consenting Stakeholders (as defined below).

11. On October 15, 2023 the Debtors filed their Plan. Thereafter, on October 28. 2023, the Debtors filed the *Amended Joint Prepackaged Chapter 11 Plan of Reorganization of OSG Holdings, Inc. and Certain of Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 111]. On November 18, 2023, the Debtors filed the *Second Amended Joint Prepackaged Chapter 11 Plan of Reorganization of OSG Holdings, Inc. and Certain of Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 152]. The Plan reflects a fully consensual deal with the Consenting Funds and leaves unimpaired all general unsecured trade creditor and general unsecured litigation creditors of the debtors. The central aims of the Plan are speed and, to the greatest degree possible, certainty.

12. The Plan and RSA provide for a comprehensive in-court restructuring with the following key pillars:

- **Unimpairment of Vast Majority of Unsecured Claims.** All Allowed General Unsecured Claims, including employee and vendor Claims.
- **Support of All Funded Debt Classes.** Overwhelming support across the Debtors' capital structure.
- **Meaningful Deleveraging and Access to Exit Facilities.** The Restructuring Transactions will deleverage the Plan Debtors' balance sheet by approximately $460 million. In conjunction with a $50 million capital raise via the Rights Offering available to all Holders of First Lien Claims and the Direct Allocation available to the Backstop Parties, at emergence, the Debtors will have over $50 million of liquidity via the Restructuring Transactions.

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[4] As further discussed in the *Declaration of Keith A. Maib, Chief Restructuring Officer of OSG Holdings, Inc. and Certain of Its Affiliates and Subsidiaries in Support of the Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 23], the Debtors and certain of their prepetition stakeholders executed an initial Restructuring Support Agreement on August 7, 2023 (the "Initial RSA"). The RSA, which amends and restates the Initial RSA, represents a global resolution amongst the Debtors and the Consenting Stakeholders and establishes a clear path for the Debtors to emerge from these chapter 11 cases as a stronger go-forward business.

- **Consensual Resolution with Pension Trustee.** After substantial negotiations, the Pension Trustee and Ad Hoc Group have reached an agreement in principle for the members of the Ad Hoc Group to direct the Existing First Lien Agent to enter into an intercreditor agreement whereby the Pension Trustee will agree to not object to or vote to reject the Plan.

13. Importantly, I believe that the deleveraging and liquidity-enhancing Restructuring Transactions set forth in the Plan represent a value-maximizing path forward. Consummation of the Restructuring Transactions will position the Debtors to capitalize on their core strengths to achieve long-term success. The Plan is in the best interests of the Debtors' estates and represents the best available alternative at this time.

Confirmation

14. For the reasons detailed below, I believe the Plan satisfies the relevant provisions of the Bankruptcy Code and that the discretionary components of the Plan are consistent with the Code.

I. Claims Classification.

15. It is my understanding that section 1122 of the Bankruptcy Code requires that "a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class."

16. Based on my familiarity with the Debtors' business and review of the Plan, the Plan Supplement, and the related documents, each of the Claims and Interests assigned to each particular Class are substantially similar to the other Claims or Interests in such Class. In addition, valid business, legal, and factual reasons justify the separate classification of the particular Claims or Interests into the Classes created under the Plan, and no unfair discrimination exists between or among Holders of Claims and Interests.

17. In general, it is my understanding that the Plan's claims classification scheme follows the Debtors' capital structure. Claims are generally categorized by priority, by secured

versus unsecured status, by type, or based on unique factors associated with particular series of debt. As such, I believe that each class comprises substantially similar claims and that there is a reasonable basis for the classification scheme.

II. Requirements of Section 1123(a) of the Bankruptcy Code.

A. Specification of Classes, Impairment, and Treatment - § 1123(a)(1–3)

18. Article III of the Plan specifies in detail the classification of Claims and Interests, and whether such Claims and Interests are impaired, and the treatment that each Class of Claims and Interests will receive under the Plan. I believe that the Plan provides a detailed description of (a) how Claims and Interests are classified, (b) whether such Claims and Interests are impaired or unimpaired, and (c) the precise nature of their treatment under the Plan; and no party has asserted otherwise. Based upon my familiarity with the Debtors and their business, I believe the Plan satisfies sections 1123(a)(1–3) of the Bankruptcy Code.

B. Equal Treatment of Similarly Situated Claims – § 1123(a)(4)

19. It is my understanding that the Plan provides equal treatment for each Claim or Interest of a particular Class. As a result, it is my belief that the Plan satisfies section 1123(a)(4) of the Bankruptcy Code.

C. Adequate Means for Implementation – § 1123(a)(5)

20. The Plan provides a detailed blueprint for the transactions that underlie the Plan and therefore provides adequate means for the Plan's implementation as required under section 1123(a)(5) of the Bankruptcy Code. I can confirm that Article IV of the Plan, in particular, sets forth the means for implementation of the Plan. Among other things, Article IV of the Plan:

a) constitutes a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan;

b) provides for funding and sources of consideration for the Plan distributions, including the Cash on hand, the DIP Facility, the New Take-Back Debt Loans, proceeds from the Rights Offering and the Backstop Commitment Letter, the Liquidating Trust Assets, and the Reorganized Common Equity

c) authorizes the Debtors, the Liquidating Trustee, and the Reorganized Debtors, as applicable, to take all actions necessary to effectuate the Plan, including those actions necessary to effectuate the Restructuring Transactions, the New Organizational Documents, the Rights Offering, the New First Lien Documents, the New Take-Back Debt Documents, the Liquidating Trust Agreement, the Separation Agreement, the Backstop Commitment Letter, the Optional ABL Facility, and any restructuring transaction steps set forth in the Plan Supplement, as the same may be modified or amended (in accordance with the terms of the Plan, the RSA, and the Backstop Commitment Letter) from time to time prior to the Effective Date;

d) authorizes the adoption of the New Organizational Documents;

e) preserves the Debtors' corporate existence following the Effective Date (except as otherwise provided in the Plan);

f) provides for the vesting of the Estates' assets in the respective Reorganized Debtors;

g) provides for the indemnification provisions in the Debtor's organizational documents in place as of the Petition Date;

h) authorizes the cancellation of existing agreements, securities, and Interests;

i) authorizes the Debtors to effectuate the New First Lien Loan Facility, the Facility, the New Take-Back Debt Facility, and the Optional ABL Facility;

j) authorizes the issuance of the Reorganized Common Equity;

k) authorizes the Rights Offering to be conducted and implemented in accordance with the Rights Offering Procedures;

l) approves the Backstop Commitment Letter;

m) grants Liens and security interests to secure the New First Lien Facility, the New Take-Back Debt Facility and the Optional ABL Facility, including all Liens and security interests that were previously granted under the Existing First Lien Documents;

n) authorizes and approves corporate actions contemplated under the Plan;

o) exempts certain registration and prospectus delivery requirements, transfer taxes, and recording fees;

p) authorizes the implementation of the New Board;

q) authorizes the adoption of the Management Incentive Plan;

r) authorizes the Debtors to enter into the Liquidating Trust Agreement;

s) authorizes the effectuation and implementation of other documents and agreements contemplated by, or necessary to effectuate, the transactions contemplated by the Plan; and

t) preserves the Claims and Causes of Action not released pursuant to the Plan.

21. The precise terms governing the execution of many of these transactions are set forth in greater detail in the applicable definitive documents or forms of agreements included in the Plan Supplement. Accordingly, it is my view that the Plan satisfies section 1123(a)(5), and no party has asserted otherwise.

D. Non-Voting Stock – § 1123(a)(6)

22. I am advised that section 1123(a)(6) of the Bankruptcy Code requires that a corporate debtor's chapter 11 plan of reorganization provide for the inclusion in the reorganized debtor's charter of a prohibition against the issuance of non-voting equity securities and related protections for holders of preferred shares. I can confirm that Section 4.17 of the Plan provides that the Reorganized Debtors' New Organizational Documents shall comply with section

1123(a)(6) of the Bankruptcy Code. Accordingly, I believe that the Plan satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

E. Selection of Officers and Directors – § 1123(a)(7)

23. I am advised that section 1123(a)(7) of the Bankruptcy Code requires that plan provisions with respect to the manner of selection of any director, officer, or trustee, or any other successor thereto, be "consistent with the interests of creditors and equity security holders and with public policy." Section 4.19 of the Plan outlines the manner of selecting the members of the New Board, which based on my understanding and the advice of counsel accords with applicable state law, the Bankruptcy Code, the interests of creditors and equity security holders, and public policy. Accordingly, I believe the Plan satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code, and no party has asserted otherwise.

III. Requirements of Section 1129 of the Bankruptcy Code.

A. The Debtors Proposed the Plan in Good Faith - § 1129(a)(3)

24. The Plan was the result of extensive, arms'-length negotiations among the Debtors and their major stakeholders, and I believe it was proposed in good faith. In early 2023, the Debtors began discussions regarding comprehensive restructurings with certain holders of the Debtors' prepetition funded debt around a potentially deleveraging transaction. Having spent months exploring all viable transaction alternatives (including out-of-court options and various in-court options), by September 2023, it became clear that an out-of-court solution was not viable and would not ultimately position the Debtors for long-term success or stability. As a result, the Debtors engaged with their stakeholders to formulate a plan with high levels of support and execution certainty, while minimizing the impact on the Debtors' business and operations.

25. These efforts culminated in the Plan, which will deleverage the Plan Debtors' balance sheet by approximately 70 %, from approximately $669.9 million to approximately $207.5

million. Upon emergence, the Reorganized Debtors capital structure will consist of a New First Lien Facility of $50 million, a New Take-Back Debt Facility of $135 million, and access to the Optional ABL Facility with a commitment amount of $50 million, which will collectively fund the businesses upon emergence from chapter 11 and allow the Company to emerge as a more streamlined and effective business.

26. Based on my prior professional experience advising companies in financial distress and on my personal involvement in the Debtors' restructuring negotiations, I believe the Plan represents the best possible outcome for all of the Debtors' stakeholders.

B. Payment of professional fees and expenses are subject to court approval – § 1129(a)(4)

27. It is my understanding that the professional fees and expenses that have or will be paid by the Debtors have either been or will be (a) authorized under the Interim DIP Orders and Final DIP Orders, with respect to payments to the DIP Lenders and/or payments as adequate protection or (b) will be authorized by separate Court order, with respect to payments to be made to the Debtors' various retained professionals.

C. Compliance with governance disclosure requirements – § 1129(a)(5)

28. It is also my understanding that the necessary disclosures regarding the known identity of the Debtors' directors and officers and the status and compensation of any insiders will be made in accordance with the Debtors' governance disclosure requirements.

D. Governmental regulatory approval of any rate changes – § 1129(a)(6)

29. It is my understanding that the Bankruptcy Code requires regulatory approval of certain rate changes. It is my understanding, however, that the Plan does not provide for any rate changes of the kind requiring approval under section 1129(a)(6).

E. Best Interests of Creditors – § 1129(a)(7)

30. I believe that the current deal envisioned in the Plan and related documents is in the best interests of the creditors. As discussed in greater detail below, the Plan represents an outcome far superior to a hypothetical chapter 7 liquidation.

F. Priority cash payments – § 1129(a)(9)

31. It is my understanding that section 1129(a)(9) of the Bankruptcy Code generally requires that claims entitled to administrative priority must be repaid in full in cash or receive certain other specified treatment. I can confirm that Section 2.1 of the Plan provides that Allowed Administrative Claims will be satisfied in full.

G. The Plan is feasible – § 1129(a)(11)

32. In connection with filing the Disclosure Statement, the Debtors and their advisors prepared financial projections for the Reorganized Debtors (the "Financial Projections"). The Financial Projections are set forth in Exhibit D to the Disclosure Statement.

33. I am familiar with the methods used, and the conclusions reached, in the preparation of the Financial Projections. I have reviewed the material assumptions included in the Financial Projections and I believe that the assumptions embodied therein were made in good faith and are reasonable and appropriate to provide the foundation for the Financial Projections and the Plan. I believe that the process for developing and preparing the Financial Projections was robust and that the Financial Projections are reasonable.

34. I believe that the Plan will provide the Debtors with a reasonable assurance of commercial viability upon emergence and will not be followed by liquidation or the need for further financial reorganization of the Debtors or any successor to the Debtors. The Plan will deleverage the Plan Debtors' balance sheet by approximately 70 %, from approximately $669.9 million to approximately $207.5 million. Upon emergence, the Reorganized Debtors will have a

New First Lien Facility of $50 million, a New Take-Back Debt Facility of $135 million, and access to the Optional ABL Facility with a commitment amount of $50 million, which will collectively fund the businesses upon emergence from chapter 11 and allow the Company to emerge as a more streamlined and effective business. This deleveraging and additional liquidity will position the Reorganized Debtors for post-emergence success. I believe that the Financial Projections included in the Disclosure Statement demonstrate that the Debtors will be well-positioned when they emerge from bankruptcy to execute their business plan and to serve their debt obligations, and operate their business in the event that industry headwinds challenge the business in the future. Based on the foregoing, I believe that the Plan is feasible and satisfies section 1129(a)(11) of the Bankruptcy Code.

H. The Plan provides for payment of all fees – § 1129(a)(12)

35. I have confirmed on review of the Plan that it includes an express provision requiring payment of all fees required to be paid under 28 U.S.C. § 1930, contained in Section 11.2. I believe that the Plan provides for the payment of all fees payable under 28 U.S.C. § 1930.

I. The Plan provides for payment of retiree benefits – § 1129(a)(13)

36. Section 1129(a)(13) requires that all retiree benefits continue post-confirmation at any levels established in accordance with section 1114 of the Bankruptcy Code. From and after the Effective Date, all retiree benefits, if any, shall continue to be paid in accordance with applicable law. The Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code, and no party has asserted otherwise.

J. No unfair discrimination between impaired classes – § 1129(b)

37. I believe that the Plan does not unfairly discriminate with respect to impaired classes that have not voted to accept the Plan and that it is also fair and equitable with respect to those classes. First, similarly situated classes are treated comparably at each Debtor. Second, the

Plan satisfies the absolute priority rule because all senior classes of claims are either rendered unimpaired or are otherwise consenting to any junior class of claims receiving a recovery under the Plan.

IV. The Plan's Releases and Exculpations of Current Directors and Officers.

38. The Debtors' creditors, the Debtors, and other interested stakeholders all engaged in extensive negotiations regarding the settlement of potential claims and the scope of releases that would be contained in Plan. Pursuant to the heavily negotiated RSA, the Debtors and their creditors proposed the Debtor Release (as defined in the Plan) and the consensual Third-Party Release (as defined in the Plan) of Claims and Causes of Action against the Debtors, their current directors, officers, and employees by the Debtors, the RSA parties, and any participating third - parties. I believe the releases to be a critical component of the overall negotiations with the stakeholders, and they are a component of the overall agreements reached with each of the Consenting Funds.

39. The Plan's releases consist of (a) certain releases of claims by the Debtors (as described in Section 9.3(a) of the Plan, the "Debtor Release"); (b) certain consensual third party releases by the Releasing Parties (as described in Section 9.3(b) of the Plan, the "Third-Party Release"); and (c) certain limited exculpation provisions solely for the benefit of the Debtors for claims arising on or after the Petition Date (as described in Section 9.4 of the Plan, the "Exculpation Provision," and, together with the Debtor Release and the Third-Party Release, the "Releases"). I believe the Exculpation Provision comports with applicable law in this jurisdiction.

40. As part of the combined notice sent to all parties listed on the creditor matrix, the Debtors informed all parties, including Holders or potential Holders of Claims or Interests in nonvoting classes, that they could opt out of, or object to, the Third-Party Releases contained in

the Plan. Holders of Claims that are deemed to accept the Plan are all given the option to affirmatively opt out of the releases provided by the Plan. Many of these Holders elected to opt out of the releases. As set forth in Exhibit C to the *Declaration of Sydney Reitzel Regarding the Solicitation and Tabulation of Votes on the Joint Prepackaged Plan of Reorganization of OSG Group Holdings, Inc. and Certain of Its Debtor Affiliates*, one Holder of Claims in Class 6 exercised its rights to opt out as of the November 15, 2023, deadline to submit Opt-Out Forms. In total, 44 individuals not entitled to vote validly submitted Opt-Out Forms.

41. In short, I believe that the Releases are appropriate, justified, in the best interest of all stakeholders, and an integral part of the Plan. In my opinion, the Plan's settlement of potential claims and releases are critical to providing the Debtors with a fresh start and are supported by those creditors who will own the equity in New TopCo.

Liquidation Analysis

42. In connection with and in support of confirmation of the Plan, my team and I were asked to develop a hypothetical liquidation analysis (the "Liquidation Analysis").[5] As set forth in detail below, it is my opinion that each holder of a claim or interest of an impaired class of claims or interests that does not accept the Plan will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would so receive or retain in a hypothetical chapter 7 liquidation.

43. The Liquidation Analysis is prepared for the purpose of evaluating whether the Plan satisfies the best interests of creditors tests under section 1129(a)(7) of the Bankruptcy Code. My understanding is that Section 1129(a)(7) requires that each Holder of an Impaired Allowed Claim or Interest must either accept the Plan, or receive or retain under the Plan property of a

[5] The Liquidation Analysis is attached as Exhibit C to the Disclosure Statement.

value, as of the effective date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated pursuant to chapter 7 of the Bankruptcy Code.

44. The results of the Liquidation Analysis reflect estimated recoveries, by Classes of Claims that may be obtained in a hypothetical chapter 7 liquidation. Because the Liquidation Analysis estimates recoveries premised upon disposition of assets as opposed to continued operation of the business under the Plan, asset values discussed herein and in connection with the Liquidation Analysis may be different than values referred to in the Plan.

45. The analysis, methodology, assumptions, and conclusions in the Liquidation Analysis are set out in greater detail in Exhibit C to the Disclosure Statement. As set forth more fully therein, the Liquidation Analysis represents an estimate of recovery values and percentages based on a hypothetical scenario whereby the Debtors convert their cases from chapter 11 cases to chapter 7 cases on or about November 30, 2023 (the "Liquidation Date"), and a chapter 7 trustee (the "Trustee") is appointed by the Bankruptcy Court to convert assets into cash. Based on my involvement in the preparation of the Liquidation Analysis and my experience as a restructuring advisor, I believe that the methodology and assumptions used to prepare the Liquidation Analysis is appropriate and the assumptions and conclusions set forth therein are fair and reasonable under the circumstances.

46. Based upon the methodologies employed in the Liquidation Analysis, the estimated gross proceeds available for distribution to creditors under a chapter 7 liquidation would range from approximately $91.9 million to $115.6 million for the Debtors on a consolidated basis. Wind-down costs, including the cost of a chapter 7 trustee and their professionals, and company personnel required to support the liquidations, would range from approximately $11.1 million to $13.2 million. Chapter 11 administrative expenses, including accrued chapter 11 professional and

US Trustee fees, post-petition payables and accrued expenses, and Section 503(b)(9) claims, would range from approximately $27.1 million to $33.1 million. This leaves net proceeds of approximately $53.8 million to $69.3 million. It is my belief that the foregoing range reasonably estimates the potential proceeds that would be realized from a hypothetical chapter 7 liquidation of the Debtors and that would be available to satisfy Claims under the assumptions set forth in the Liquidation Analysis.

47. Based on the assumptions described in the Liquidation Analysis, the Holders of the DIP Claims, which for purposes of the Liquidation Analysis are estimated to be approximately $50 million, would be expected to receive a 100% recovery on their Claims in a liquidation scenario. As reflected in the Liquidation Analysis, the Holders of the Existing First Lien Claims would receive an estimated recovery on their Claims in a liquidation scenario ranging between 1% and 3%. As reflected in the Liquidation Analysis, Holders of Mezzanine Loan Claims would not be expected to receive any recovery.

48. In contrast, under the Plan, Holders of Existing First Lien Claims will receive an estimated recovery on their Claims of approximately 30.1%. Under the Plan, Holders of Intercompany Claims, Existing Interests, and Intercompany Interests are deemed to reject the Plan under the terms of the Plan.

49. Based on the Liquidation Analysis, I believe that the Plan satisfies the so-called "best interests test" under section 1129(a)(7) of the Bankruptcy Code. As set forth above and in the Liquidation Analysis, each Holder of an impaired Class of Claims or Interests receiving distributions under the Plan (a) has accepted the Plan; (b) will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than

the amount that such Holder would receive or retain if the Debtor entity were liquidated on the Effective Date; or (c) has agreed to receive less favorable treatment.

Conclusion

50. Based on the foregoing analysis, I believe the Plan satisfies the relevant provisions of the Bankruptcy Code and that confirmation of the Plan will provide each holder of a claim or interest in an impaired class of creditors who does not accept the Plan with property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would so receive or retain in a hypothetical chapter 7 liquidation.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: November 18, 2023

/s/ Keith Maib
Name: Keith Maib
Title: Senior Managing Director
Accordion Partners, LLC