

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

In re:)	
)	Chapter 11
PLASTIQ INC., <i>et al.</i> , ¹)	
)	Case No. 23-10671 (BLS)
Debtors.)	
)	(Jointly Administered)
)	
)	Ref. Docket No. 301

**DECLARATION OF VLADIMIR KASPAROV IN SUPPORT OF ENTRY OF ORDER
CONFIRMING AMENDED COMBINED DISCLOSURE STATEMENT AND JOINT
CHAPTER 11 PLAN OF PLASTIQ INC. AND ITS AFFILIATED DEBTORS**

1. I, Vladimir Kasparov, pursuant to 28 U.S.C. § 1746, and under penalty of perjury, declare the following to the best of my knowledge, information and belief:

2. I am a Managing Director at Triple P RTS, LLC (“**Portage Point**”) and the chief restructuring officer (“**CRO**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”). I am familiar with the Debtors’ business and financial affairs and assets and liabilities, as a result of having served as CRO since January 13, 2023. I submit this declaration in support of confirmation of the *Amended Combined Disclosure Statement and Chapter 11 Plan of Plastiq Inc. and its Affiliated Debtors* [Docket No. 301] (as may be amended, supplemented, or modified from time to time, the “**Combined Disclosure Statement and Plan**” or the “**Plan**”).²

3. Except as otherwise noted, all matters set forth herein are based on (a) my personal knowledge and belief, (b) my review of the relevant documents, including the Plan,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Plastiq Inc. (6125), PLV Inc. d/b/a/ PLV TX Branch Inc. (5084), and Nearside Business Corp. (N/A). The corporate headquarters and the mailing address for the Debtors is 1475 Folsom Street, Suite 400, San Francisco, California 94103.

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Plan.



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(c) information supplied to me by other representatives of the Debtors, including the Debtors' professional advisors, (d) my view, based on my personal and professional experience and knowledge of the Debtors' business affairs and financial condition, or (e) for matters involving the requirements for confirmation of the Plan under the Bankruptcy Code, my reliance on the advice of the Debtors' bankruptcy counsel. I am authorized to submit this Declaration on behalf of the Debtors in support of confirmation of the Plan. If called to testify, I could and would testify to the facts set forth herein.

THE PLAN

4. I have reviewed and am generally familiar with the terms and provisions of the Plan. With the Debtors' bankruptcy counsel, I was personally involved in the development of and discussions regarding the terms of the Plan. The Plan is the result of extensive, arm's-length and good faith negotiations among the Debtors and other interested parties, including the Committee and the Prepetition Secured Parties. Among other things, the Plan incorporates and effectuates the Global Settlement and the Colonnade Settlement, and establishes the Litigation Trust to, among other things, pursue the Retained Causes of Action, make Distributions in accordance with Article X of the Plan, and wind down the Debtors' affairs and the Estates.

5. On July 31, 2023, following an interim hearing on the adequacy of the information contained in the Combined Disclosure Statement and Plan, the Court entered an order [Docket No. 227] (the "**Interim Approval and Procedures Order**") approving the Combined Disclosure Statement and Plan basis for purposes of solicitation. To the best of my knowledge, information, and belief, the Debtors, with the assistance of the Claims Agent, complied with the solicitation and noticing procedures approved through the Interim Approval and Procedures Order, as well as the provisions of the Bankruptcy Code, the Bankruptcy Rules,

the Local Rules, and applicable non-bankruptcy law, as evidenced by the affidavit of service filed by the Claims Agent on August 18, 2023 [Docket No. 261].

6. On August 22, 2023, the Debtors filed the Plan Supplement, which included the Litigation Trust Agreement [Docket No. 263]. On August 29, 2023, the Debtors supplemented the Plan Supplement and identified Dundon Advisers as the Litigation Trustee and disclosed the compensation terms of the Litigation Trustee and identified the members of the Oversight Board [Docket No. 282].

SATISFACTION OF PLAN CONFIRMATION REQUIREMENTS

7. I have been advised by the Debtors' legal advisors and believe, based on my review of the Plan and my discussions with those advisors, that the Plan satisfies all applicable provisions of the Bankruptcy Code and should be confirmed.

Sections 1129(a)(1) and (2) and Sections 1122 and 1123

8. I have been advised by counsel and believe that the Debtors, as proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code, as required by section 1129(a)(1) and 1129(a)(2) of the Bankruptcy Code, respectively.

9. ***Classes of Claims.*** I believe that each Class under the Plan only contains Claims or Interests that are substantially similar to other Claims or Interests within the Class, and that the Classes under the Plan were not proposed for purposes of affecting the votes on the Plan or for any other inappropriate purposes. Further, the Plan provides for the same treatment of each Claim or Interest within a Class.

10. ***Release and Exculpation Provisions.*** The Plan includes certain release, exculpation, and limitation of liability provisions. I believe that the Debtor Released Parties, the Third-Party Released Parties, the Exculpated Parties have provided (a) many valuable contributions to the progress of the Chapter 11 Cases, including assisting in stewarding the

Debtors through the bankruptcy process, negotiating and implementing settlements with various parties, including the Global Settlement and the Colonnade Settlement, pursuing and closing the Sale, pursuing Confirmation of the Plan, and otherwise preserving the Debtors' assets for the benefit of all stakeholders, and/or (b) valuable concessions that paved the way for confirmation of the Plan.

11. In light of these different contributions and concessions, I believe the releases and exculpations included as part of the overall compromise and settlement embodied by the Plan are fair, equitable, and reasonable.

12. Article XIV of the Plan provides for certain releases of Claims and Causes of Action held by the Debtors and by third parties. I believe that the release provisions in the Plan are necessary and integral components of the Plan. In addition to being supported by the Committee and receiving the overwhelming support of creditors voting on the Plan, the releases in the Plan are in exchange for, and are supported by, fair, sufficient and adequate consideration provided by the parties receiving such releases, and are a good faith settlement and compromise of the Claims and Causes of Action released pursuant to the Plan. Under the consensual release provided for in Section 14.1(c) of the Plan (i.e., the Third Party Releases discussed more fully below), the Releasing Parties do not waive or release Claims or Causes of Action arising from any acts or omissions that are determined by a Final Order to have constituted gross negligence or willful misconduct.

13. ***Debtor Releases.*** Section 14.1(b) of the Plan (the "**Debtor Releases**") provides for certain releases of Claims and Causes of Action held by the Debtors against the Debtor Released Parties. It is my belief that the Debtor Releases were instrumental in formulating and obtaining support for the Plan, which is the result of, among other things, arm's-length and good

faith negotiations among the Debtors, the Committee, and the Prepetition Secured Parties. Based on my familiarity with the Debtors' business and financial and legal affairs as a result of being the CRO, in addition to my participation in the negotiations regarding the Plan, I am not aware of any valid Causes of Action that might be asserted against any of the Debtor Released Parties by the Debtors.

14. Many of the Debtor Released Parties, including a number of officers, directors and estate professionals, have served the Debtors during the Chapter 11 Cases, and I believe that they have worked tirelessly to maximize value for the benefit of all stakeholders. Based on my participation in the negotiations regarding the Plan, and based on my consideration of the information provided to me by the Debtors' legal and other advisors, I believe that the Debtor Releases are essential components of the Plan, including the Global Settlement and Colonnade Settlement, and constitute a sound exercise of the Debtors' business judgment. During the course of negotiations regarding the Plan, it was clear that the Debtor Releases would be necessary conditions to implementing the Plan. I believe that without the Debtor Releases, the Debtors would neither have been able to secure the significant benefits provided by the Plan, nor build consensus around the Plan. I believe that the Debtor Releases were a material inducement to the concessions and contributions from the Debtor Released Parties under the Plan.

15. ***Third-Party Releases.*** Section 14.1(c) of the Plan provides for releases by the Releasing Parties (the "**Third-Party Releases**") of any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative claims or claims asserted or assertable on behalf of the Debtors and the Estates, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or

contingent, matured or unmatured, existing or hereafter arising, in law, equity or otherwise against the Released Parties.

16. I believe that the Solicitation Package and other noticing materials filed and served in connection with the Plan provided recipients with timely, sufficient, appropriate and adequate notice of the Third-Party Releases, including that all holders of Claims that voted to accept or reject the Plan would grant the Third-Party Release unless they elected on their Ballot to opt out of the Third-Party Release or did not file a timely objection to the Third-Party Release. Accordingly, I believe that each Releasing Party consented to the Third-Party Releases and, therefore, the Third-Party Releases should be approved as consensual third-party releases.

17. Based on my participation in the negotiations regarding the Plan and discussions with the Debtors' legal advisors, I believe that the Third-Party Releases are an essential component of the Plan. I further believe that without the Third-Party Releases, the Debtors and their stakeholders would neither have been able to secure the substantial benefits provided by the Plan, including the Global Settlement and the Colonnade Settlement, and the other benefits noted above, nor build consensus around the Plan. It is my understanding that the Third-Party Releases were a critical component of the Plan and were material inducement concessions and contributions received by the Debtors and their Estates in the Plan. Accordingly, the Third-Party Releases are fair and necessary to the implementation of the Plan and should be approved.

18. ***Exculpation and Plan Injunction.*** Section 14.1(a) of the Plan provides for exculpation of the Exculpated Parties, which parties have fiduciary obligations to the Estates, except in cases involving willful misconduct or gross negligence by such parties as determined by a Final Order. Sections 14.1(a) and 14.1(d) of the Plan, together, provide that all Entities are permanently enjoined, on and after the Effective Date, on account of any Claim or Interest, from

commencing or continuing in any manner any actions or other proceeding of any kind in respect of any Claim, Interest, or Cause of Action released or exculpated under Article XIV of the Plan.

19. Based upon my review of the Plan, my personal knowledge of the circumstances leading up to its development, and my discussions with the Debtors' legal advisors, I believe that the exculpation and injunction provisions of Article XIV of the Plan are proper because, among other things, they are the product of extensive arm's-length negotiations, have been critical to obtaining the support of the various constituencies for the Plan, and are an essential part of the Plan. The Debtors are unaware of any claims against any Exculpated Party that are being released or otherwise barred through Section 14.1(a) of the Plan. Nonetheless, the exculpation and injunction provisions of the Plan are important in that they remove the threat of litigation from the Estates and the Exculpated Parties. I also believe the Exculpated Parties played critical roles in, and made significant contributions to, the Chapter 11 Cases and that such contributions represent good and valuable consideration to the Debtors, their Estates, and creditors.

20. Additionally, I believe that the injunction provisions of Section 14.1(d) are critical to the releases provided for in Article XIV of the Plan. It is also my understanding and belief that exculpation and injunction provisions provided for in Article XIV of the Plan are fair and equitable, confer material benefits on, and are in the best interests of, the Debtors, their Estates, and creditors, and are necessary to implementation of the Plan.

21. ***Substantive Consolidation.*** Section 9.2 of the Plan provides for the substantive consolidation of the Debtors' Estates for purposes of confirming and consummating the Plan, including but not limited to Distributions. Under the circumstances of the Chapter 11 Cases, I believe that it is appropriate and in the best interests of the Debtors' Estates, and that absent such consolidation, the process of winding down the Estates, liquidating the remaining Assets,

including pursuit of the Retained Causes of Action, and administering Distributions could be more time consuming and costly. I understand that no party has objected to the proposed substantive consolidation, which I believe is further proof that it is fair and equitable under the circumstances of the Chapter 11 Cases.

Section 1129(a)(3)

22. ***The Plan Has Been Proposed in Good Faith and Not by Any Means Forbidden by Law.*** The Plan has been proposed by the Debtors in good faith, with the legitimate and honest purpose of liquidating the Debtors' Assets and winding down the Debtors' business affairs in an orderly fashion and maximizing the value of the Debtors and the recoveries of all creditors under the circumstances of the Chapter 11 Cases. The Plan is the product of extensive, arm's-length negotiations among the Debtors' key stakeholders and is fully supported by the Committee and the Prepetition Secured Parties.

23. The Debtors filed the Plan with the expectation that it will allow for a timely and efficient liquidation and distribution of the Assets to the Debtors' creditors in accordance with the Plan. Further, I believe that the Plan maximizes the value of the Estates for their creditors.

Section 1129(a)(4)

24. ***The Plan Provides that Payments Made by the Debtors for Services or Costs and Expenses are Subject to Approval.*** Any payments made or to be made for services or for costs and expenses incurred in connection with the Chapter 11 Cases are subject to the Court's approval. I also believe that all of the payments to be made under the Plan are reasonable and appropriate in the Chapter 11 Cases, and I believe that the payments for the costs and expenses of the Litigation Trust set forth in the Plan will secure and compensate parties for providing services necessary to implementing the Plan and the wind-down of the Debtors' Estates.

Section 1129(a)(5)

25. ***Resignation of Debtors' Directors and Officers, and Establishment of the Litigation Trust.*** In accordance with section 1123(a)(5) of the Bankruptcy Code, Article IX of the Plan provides adequate means for the Plan's implementation, including the deemed resignation or termination of the Debtors' current directors and officers, and the establishment of the Litigation Trust. The Plan Supplement included the identity and compensation of the Litigation Trustee. I believe that the establishment of the Litigation Trust is in the best interests of creditors and consistent with public policy.

26. The responsibilities of the Litigation Trust will include: (1) winding down the Debtors' Estates as expeditiously as reasonably possible and liquidating the Assets, including the Retained Causes of Action, (2) resolving any Disputed Claims, (3) making Distributions to Allowed Claims in accordance with the Plan, (4) enforcing and prosecuting Claims, interests, rights, and privileges under any Retained Causes of Action in an efficient manner and only to the extent the benefits of such enforcement or prosecution are reasonably believed to outweigh the costs associated therewith, and (5) exercising such other powers as may be vested in it pursuant to an order of the Bankruptcy Court or pursuant to the Plan, or as it reasonably deems to be necessary and proper to carry out the provisions of the Plan. The Litigation Trust shall be vested with the right to liquidate the Assets and make Distributions to Holders of Allowed Claims in accordance with Section 9.8 of the Plan.

Section 1129(a)(6)

27. ***The Plan Does Not Contain Any Rate Changes Subject to the Jurisdiction of Any Governmental Regulatory Commission.*** The Debtors' business does not involve the

establishment of rates subject to approval of any governmental regulatory commission, and, as a result, the Plan does not propose the change of any such rates.

Section 1129(a)(7)

28. ***The Plan is in the Best Interests of Creditors.*** As described in Section 4.8 of the Plan, entitled “Best Interests Test and Liquidation Analysis,” because the Plan is a liquidating plan, the “best interests” test is substantially similar to the estimates of the results of the chapter 11 liquidation contemplated by the Plan. I have been advised that with respect to each Class of Claims and Interests that is Impaired under the Plan, each Holder of a Claim or Interest has either accepted the Plan or, to the extent that such Holder has not accepted the Plan, such Holder will receive under the Plan at least as much as would be received in a chapter 7 liquidation. This is based on my understanding and belief that a liquidation under chapter 7 of the Bankruptcy Code would increase costs to the Debtors’ estates and likely cause delay and uncertainty in the prosecution of the Debtors’ Chapter 11 Cases. The Debtors’ consummation of a chapter 11 plan is imminent. On the other hand, a chapter 7 trustee would need to retain professionals and familiarize himself or herself with the Debtors’ affairs and the status of the Chapter 11 Cases, which would result in substantial costs to the Debtors’ estates. Moreover, the addition of a chapter 7 trustee at this stage in the Chapter 11 Cases would likely provide little additional benefit, as substantially all of the Debtors’ assets have already been liquidated, and the Plan already provides for the appointment of the Litigation Trustee to wind down the Estates in a cost-effective manner and to, among other things, oversee Distributions, evaluate and prosecute of any Retained Cause of Action and liquidate of any remaining assets of value.

29. Accordingly, I believe, and as demonstrated by the Liquidation Analysis, that Holders of Allowed Claims would receive less than anticipated under the Plan if the Chapter 11

Cases were converted to chapter 7 cases; and therefore, the classification and treatment of Claims and Interests in the Plan comport with section 1129(a)(7) of the Bankruptcy Code. In light of the foregoing, the Plan satisfies the “best interests test” because no Holder of a Claim or Interest in Classes 3 through 7 (the Impaired Classes under the Plan) would receive or retain property on account of its Claim or Interest under a liquidation scenario of a value that is more than such party will receive under the Plan.

Sections 1129(a)(8) and 1129(b)

30. *The Plan Has Been Accepted by an Impaired Voting Class and Satisfies the “Cramdown” Requirements under Bankruptcy Code Section 1129(b) for Non-Accepting Classes.* I understand that Classes 1 and 2 are deemed to accept in accordance with the Plan. I understand that Class 3 unanimously voted to accept the Plan at all Debtors. I understand that Class 4 was consolidated for voting purposes and voted to accept the Plan. However, I understand that Classes 5, 6, and 7 (the “**Deemed Rejecting Classes**”) are deemed to reject the Plan. As such, I am advised that the Plan does not meet the requirements of section 1129(a)(8) of the Bankruptcy Code, but that the Plan can still be confirmed because the Plan satisfies the “cram down” provisions of 1129(b) of the Bankruptcy Code.

31. No Claims or Interests junior to the Deemed Rejecting Classes are receiving or retaining any property under the Plan, and on the basis of my discussions with the Debtors’ legal advisors, I believe that the Plan satisfies the “cram down” requirements. Furthermore, as evidenced by the estimated recoveries set forth in the Plan, no Class of Claims or Interests are receiving more than full payment on account of their Claims. Additionally, the Plan provides for similarly situated creditors to receive the same treatment and as a result, I do not believe the Plan

unfairly discriminates between any creditors. Accordingly, I believe that the cram down test of section 1129(b) of the Bankruptcy Code is satisfied.

Section 1129(a)(9)

32. ***The Plan Provides for Payment in Full of All Allowed Priority Claims.*** I have been advised and believe that the Plan's treatment of Administrative Expense Claims, Other Secured Claims, Professional Fee Claims, Priority Tax Claims, and Priority Non-Tax Claims satisfies section 1129(a)(9) of the Bankruptcy Code.

Section 1129(a)(10)

33. ***At Least One Impaired, Non-Insider Class Has Accepted the Plan.*** As demonstrated by the Voting Declaration, Class 3 and Class 4, which are Impaired under the Plan, voted to accept the Plan without counting any acceptance of an insider.

Section 1129(a)(11)

34. ***The Plan is Feasible.*** The Plan is a plan of liquidation designed to maximize the value of the Debtors' Assets, including the Retained Causes of Action, and to distribute the proceeds in an orderly and efficient manner to the holders of Allowed Claims in accordance with the Plan. Based on a review of actual claims asserted against the Debtors, the Debtors expect to have sufficient Cash, and any proceeds of the Retained Causes of Action to ensure that the holders of Allowed Administrative Expense Claims, Professional Fee Claims, Priority Tax Claims, Other Secured Claims, and Priority Non-Tax Claims will be Paid in Full. In addition, Holders of Allowed General Unsecured Claims will receive their *pro rata* share of the liquidated value of the Litigation Trust Assets. Any remaining Cash will be distributed in accordance with the Plan. Because the Debtors are liquidating their remaining assets and the Plan provides for their dissolution, I do not believe that the Debtors will require further financial reorganization

following the Effective Date. Accordingly, the Plan satisfies the requirements of feasibility under Bankruptcy Code section 1129(a)(11).

Section 1129(a)(12)

35. ***All Statutory Fees Have or Will be Paid.*** The Plan provides that all fees required under 28 U.S.C. § 1930 will be paid on or before the Effective Date, or when such fees come due in the ordinary course, and I believe the Debtors or the post-Effective Date Debtors, as applicable, have adequate means to make such payments.

Section 1129(a)(13)

36. ***The Plan Appropriately Treats Retiree Benefits.*** The Debtors do not have any retiree benefit programs within the meaning of section 1114 of the Bankruptcy Code.

Section 1129(c)

37. The Plan is the only chapter 11 plan that has been proposed in the Chapter 11 Cases.

Section 1129(d)

38. The Plan does not have as one of its principal purposes the avoidance of taxes or avoidance of the requirements of Section 5 of the Securities Act of 1933, and I am unaware of any filing by any governmental agency asserting such avoidance.

Section 1123(b)(2)

Article XII of the Plan provides for the rejection, and in some cases assumption, of executory contracts and unexpired leases that have not been previously assumed or rejected under section 365 of the Bankruptcy Code. The Debtors have reviewed their executory contracts and unexpired leases and determined which executory contracts and unexpired leases to assume or reject in connection with the Plan, and I believe that they have exercised sound business

judgment in identifying the executory contracts and unexpired leases to be assumed or rejected.

Section 1123(b)(3)

39. I have been informed that, in accordance with section 1123(b)(1) of the Bankruptcy Code, the Plan provides for the settlement and/or adjustment of certain claims or interests belonging to the Debtors or their estates.

40. In particular, the Global Settlement, which is a component of the Plan, represents a fair and reasonable resolution of certain disputes between the Debtors, the Committee, and the Prepetition Secured Parties, as provided for in the Plan. The Global Settlement, as set forth in the Plan: (i) is fair and equitable; (ii) obviates the expense, delay, inconvenience, and uncertainty that would be incurred as a result of certain litigation; and (iii) advances the paramount interest of creditors. The Global Settlement, which allows Holders of Allowed General Unsecured Claims to receive distributions, paves the way for the consensual resolution of the Chapter 11 Cases and confirmation of the Plan, and through the Global Settlement, among other things, the Debtors, the Committee, the DIP Secured Parties, and the Prepetition Secured Parties, have resolved, among other things (i) any potential Challenges (as defined in the Final DIP Order), (ii) allocation of the Amex Receivable, (iii) allocation of certain proceeds from the Sale, (iv) any potential Objections to the Plan. The Global Settlement will also facilitate potential distributions to Holders of Allowed General Unsecured Claims, for which there would be no possibility without such settlement. For these reasons, I believe that confirmation of the Plan as it pertains to the Global Settlement is necessary and appropriate.

CONCLUSION

41. I believe, in my business judgment, that the Plan will enable the Holders of Allowed Claims to realize the highest possible recoveries under the circumstances of the Chapter

11 Cases. I therefore conclude, in my business judgment, that the Plan is in the best interests of all creditors, and respectfully request that the Court enter an order confirming the Plan.

I certify under penalty of perjury that, based upon my knowledge, information, and belief as set forth in this Declaration, the foregoing is true and correct.

Executed: September 12, 2023

/s/ Vladimir Kasparov

Vladimir Kasparov
Chief Restructuring Officer