

Hearing Date and Time: November 19, 2019 at 10:00 a.m. (prevailing Eastern Time)

Objection Deadline: November 15, 2019 at 4:00 p.m. (prevailing Eastern Time)

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*Proposed Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PURDUE PHARMA L.P., et al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 19-23649 (RDD)**

**(Jointly Administered)**

**NOTICE OF HEARING ON DEBTORS' APPLICATION  
TO EMPLOY PJT PARTNERS LP AS INVESTMENT BANKER  
NUNC PRO TUNC TO THE PETITION DATE**

**PLEASE TAKE NOTICE** that Purdue Pharma L.P. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) will present the *Debtors' Application to Employ PJT Partners LP as Investment Banker Nunc Pro Tunc to the Petition Date* (the “**Application**”). A hearing on the Application will be held on **November 19, 2019, at 10:00 a.m. (Prevailing Eastern Time)** (the “**Hearing**”) before the

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.



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Honorable Judge Robert D. Drain, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, at the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601 (the “**Bankruptcy Court**”), or at such other time as the Bankruptcy Court may determine.

**PLEASE TAKE FURTHER NOTICE** that copies of the Application may be obtained free of charge by visiting the website of Prime Clerk LLC at <https://restructuring.primeclerk.com/purduepharma>. You may also obtain copies of any pleadings by visiting the Bankruptcy Court’s website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

**PLEASE TAKE FURTHER NOTICE** that the Hearing may be continued or adjourned thereafter from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing or a later hearing. The Debtors will file an agenda before the Hearing, which may modify or supplement the motions to be heard at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that any responses or objections to the Application shall be in writing, shall comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted *pro hac vice*, electronically in accordance with General Order M-399 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with General Order M-399 and the *Amended Order Establishing Certain Notice, Case Management, and Administrative Procedures*,

entered on October 23, 2019 [Docket No. 342], so as to be filed and received no later than **November 15, 2019 at 4:00 p.m. (prevailing Eastern Time)** (the “**Objection Deadline**”).

**PLEASE TAKE FURTHER NOTICE** that any objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted upon default.

**PLEASE TAKE FURTHER NOTICE** that if no objections are timely filed and served with respect to the Application, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Application, which order may be entered without further notice or opportunity to be heard.

Dated: November 5, 2019  
New York, New York

DAVIS POLK & WARDWELL LLP

By: /s/ Eli J. Vonnegut

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PURDUE PHARMA L.P., et al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 19-23649 (RDD)**

**(Jointly Administered)**

**DEBTORS' APPLICATION TO EMPLOY PJT PARTNERS LP  
AS INVESTMENT BANKER *NUNC PRO TUNC* TO THE PETITION DATE**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**” or “**Purdue**”) seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), (i) authorizing the Debtors to employ and retain PJT Partners LP (“**PJT**”) as investment banker for the Debtors, in accordance with the terms and conditions set forth in that certain engagement letter, including any amendments and schedules

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

thereto, dated as of May 6, 2019 (the "**Engagement Letter**"), effective *nunc pro tunc* to the Petition Date (as defined below), (ii) modifying the time-keeping requirements under Bankruptcy Rule 2016(a) and Rule 2016-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**") in connection with PJT's proposed engagement by the Debtors, and (iii) granting related relief. In support of this Application, the Debtors submit the declaration of Timothy Coleman, a Partner at PJT (the "**Coleman Declaration**"), annexed hereto as **Exhibit B**, and the declaration of Tara Flanagan, the Chief Compliance Officer of PJT (the "**Flanagan Declaration**"), annexed hereto as **Exhibit C**.

### **Jurisdiction and Venue**

1. This Court has jurisdiction to consider this Application under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b) and, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedures (the "**Bankruptcy Rules**"), the Debtors consent to entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter a final order or judgment consistent with Article III of the United States Constitution.

2. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

3. The legal predicates for the relief requested are sections 327(a) and 328(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1.

### **Background**

4. On September 15, 2019 (the "**Petition Date**"), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On September 27, 2019, the United States Trustee for

the Southern District of New York appointed the official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code [D.I. 131]. No request has been made for the appointment of a trustee or examiner in these chapter 11 cases.

5. These chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [D.I. 59] entered by the Court in each of the chapter 11 cases.

6. Additional information about the Debtors' businesses and the events leading up to the Petition Date can be found in the *Debtors' Informational Brief* [D.I. 17].

### **Relief Requested**

7. By this Application, the Debtors seek entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, (i) authorizing the Debtors to employ and retain PJT as investment banker for the Debtors, in accordance with the terms and conditions set forth in the Engagement Letter, effective *nunc pro tunc* to the Petition Date, (ii) modifying the time-keeping requirements of Bankruptcy Rule 2016(a) and Local Rule 2016-1(a) in connection with PJT's proposed engagement by the Debtors, and (iii) granting related relief.

### **PJT's Qualifications**

8. As detailed in the Coleman Declaration, PJT's Restructuring and Special Situations Group is one of the industry's leading advisors to companies and creditors in a variety of complex restructurings and bankruptcies. PJT was spun off from The Blackstone Group L.P. ("**Blackstone**") effective October 1, 2015.<sup>2</sup> Upon the consummation of the spinoff, Blackstone's

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<sup>2</sup> On October 7, 2014, the board of directors of Blackstone's general partner approved a plan to spin off its financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill fund placement businesses, and to combine these businesses with an independent financial advisory firm founded by Paul J. Taubman, to form an independent, publicly traded company called PJT Partners Inc. PJT is a wholly-owned subsidiary of PJT Partners Holdings LP, a holding partnership that is controlled by PJT Partners Inc., as

Restructuring and Reorganization advisory group became a part of PJT, and Blackstone's restructuring professionals became employees of PJT. The former Blackstone restructuring professionals, in their capacity as PJT employees, have been conducting business and providing their clients with the same high-quality restructuring services that Blackstone had itself provided since the formation of its restructuring advisory practice 28 years ago. PJT professionals have extensive experience working with financially troubled companies in complex financial restructurings. Since 1991, PJT professionals have advised on more than 600 distressed situations, both in and out of court, involving more than \$2.0 trillion of total liabilities.

9. The partners and members of PJT's Restructuring and Special Situations Group have assisted and advised in numerous chapter 11 cases. In particular, they have provided services to debtors, creditors' committees, and other constituencies in numerous chapter 11 cases, including, among others: AbitibiBowater Inc.; Aegean Marine Petroleum Network Inc.; Adelphia Communications Corporation; Allen Systems Group, Inc.; Ambac Financial Group, Inc.; Apex Silver Mines Ltd.; Arch Coal, Inc.; Ascent Resources Marcellus Holdings, LLC; The Bon-Ton Stores, Inc.; Caesars Entertainment Operating Corporation; Cengage Learning, Inc.; Chaparral Energy LLC; CHC Group Ltd.; Cumulus Media Inc.; Delta Air Lines, Inc.; Dixie Electric, LLC; Dynegy Inc.; Eastman Kodak Company; Edison Mission Energy; Energy Future Holdings Corporation; Energy XXI Ltd.; Endeavor International Corporation; Energy & Exploration Partners, Inc.; Enron Corporation; Excel Maritime Carriers, Ltd.; EXCO Resources, Inc.; FirstEnergy Solutions Corp.; Flag Telecom Holdings Limited; Flying J. Inc.; FullBeauty Brands Holding Corp.; Fusion Connect, Inc.; Genco Shipping & Trading Limited; General

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general partner. PJT Partners Inc. is led by Paul J. Taubman, as chairman and chief executive officer. This spinoff was effected via a multi-step transaction.

Motors Corporation; Global Crossing Ltd.; Hálcon Resources Corporation; Hawker Beechcraft, Inc.; Hercules Offshore, Inc.; Homer City Generation, L.P.; Hostess Brands, Inc.; Houghton Mifflin Harcourt Publishing Company; Lee Enterprises Inc.; Legend Parent Inc.; LightSquared Inc.; Los Angeles Dodgers LLC; LyondellBasell Industries; Magnetation LLC; Magnum Hunter Resources Corporation; Merisant Worldwide, Inc.; Mirant Corp.; New Gulf Resources, LLC; NewPage Corporation; NTK Holdings, Inc.; Paragon Offshore plc; Patriot Coal Corporation; Penn Virginia Corporation; PES Holdings, LLC; PHI, Inc.; Quicksilver Resources, Inc.; Relativity Media, LLC; Sabine Oil & Gas Corp.; Samson Resources Corporation; SemGroup; Stearns Holdings, LLC; Toisa Ltd.; TerreStar Networks Inc.; Triangle USA Petroleum Corporation; Trident Holding Company, LLC; Tribune Company; Ultra Petroleum Corp.; Venoco Inc.; VER Technologies Holdco LLC; Verso Corporation; Walter Energy, Inc.; Westinghouse Electric Company LLC; W.R. Grace & Co.; Windstream Holdings, Inc.; and Winn-Dixie Stores, Inc. In addition, the restructuring group has provided general restructuring advice to major companies such as Clearwire Corporation, Ford Motor Company, The Goodyear Tire & Rubber Company, and Xerox Corporation.

10. More specific to this matter, the partners and members of PJT's Restructuring and Special Situations Group have advised companies in situations involving potential mass tort liability. These companies include The Babcock & Wilcox Company, Dow Corning Corporation, Specialty Products Holding Corp. (parent of Bondex International), and W. R. Grace & Co.

11. PJT was initially retained on or around November 13, 2017 as Purdue faced mounting litigation related to its opioid medications. The scope of PJT's initial work, which lasted approximately three months, focused primarily on assessing Purdue's business plan. In



connection with this assessment, Purdue decided to scale back certain functions, including sales initiatives, research and development investment, and pipeline product development.

12. Several months later, beginning on or around May 1, 2018, PJT started a second engagement with Purdue. The scope of this assignment included the analysis of intercompany relationships with Rhodes Technologies and Rhodes Pharmaceuticals L.P. (“**Rhodes**”),<sup>3</sup> the evaluation of manufacturing arrangements, the analysis of the financial impact of potential settlement and restructuring options and the assessment of business risks resulting from an ever-increasing number of lawsuits. These risks included, among others, a substantial reduction in the amount of cash on hand as a result of significant legal defense and related indemnification expenses and potential business interruption resulting from suppliers and vendors requiring more onerous trade terms.

13. The third phase of PJT’s engagement began on or around April 1, 2019 and has included the ongoing evaluation of the business plan, the support of Debtors’ counsel in negotiations with advisors to various litigants and the preparation of the Debtors’ chapter 11 bankruptcy filing.

14. To date, PJT has engaged in extensive due diligence of the Debtors’ businesses, including their operations, assets, corporate structure, and contractual arrangements to build a foundation for a restructuring strategy. Moreover, PJT has performed diligence on the Debtors’ cash flows and liquidity. PJT has played a key role in arms’ length negotiations among the Debtors and their key stakeholders in furtherance of the Debtors’ restructuring efforts. Finally, PJT has participated in Board of Directors meetings throughout its engagement.

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<sup>3</sup> At this time, Rhodes was under a different ownership chain than Purdue (although Rhodes and Purdue, I understand, have always shared the same ultimate owners). In May 2019, Rhodes was contributed to Purdue, becoming a Purdue subsidiary.

15. As a result of the prepetition work performed by PJT on behalf of the Debtors, PJT has acquired significant knowledge of the Debtors' financial affairs, business operations, corporate structure, assets, key stakeholders and other related material information. Likewise, in providing prepetition services to the Debtors, PJT's professionals have worked closely with the Debtors' management, board of directors, and other advisors. If this Application is approved, several of PJT's professionals, all with substantial expertise in the areas discussed above, will continue to provide services to the Debtors and will work closely with the Debtors' management and other professionals to complete the Debtors' reorganization. Accordingly, as a result of PJT's representation of the Debtors prior to the commencement of these chapter 11 cases and PJT's extensive experience representing chapter 11 debtors, PJT is well qualified to provide these services and represent the Debtors during these chapter 11 cases.

16. Indeed, if the Debtors were required to retain an investment banker other than PJT in connection with these chapter 11 cases, the Debtors, their estates, and other parties in interest would be unduly prejudiced by the time and expense necessary to familiarize another investment banker with the intricacies of the Debtors and their business operations and the unique complexities involved in these chapter 11 cases.

#### **Services Provided By PJT**

17. Subject to further order of the Court, and consistent with the terms of the Engagement Letter, PJT's services in these chapter 11 cases, to the extent necessary, appropriate, and feasible, and as may be requested by the Debtors, include the following<sup>4</sup>:

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<sup>4</sup> The summary of the Engagement Letter in this Application is qualified in its entirety by reference to the provisions of the Engagement Letter. To the extent there is any discrepancy between the summary contained in this Application and the terms set forth in the Engagement Letter, the terms of the Engagement Letter shall govern. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Engagement Letter.

- a. assist in the evaluation of the Debtors' businesses and prospects, opportunities and financial condition;
- b. assist in the evaluation of the Debtors' long-term business plan and related financial projections;
- c. assist in the development of presentations to the Debtors' Board of Directors, various creditors and other third parties;
- d. analyze the Debtors' financial liquidity;
- e. analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the Restructuring;<sup>5</sup>
- f. participate in negotiations among the Debtors and their creditors, and other interested parties;
- g. value securities offered by the Debtors in connection with a Restructuring;
- h. assist in arranging financing for the Debtors, as requested;
- i. provide expert witness testimony concerning any of the subjects encompassed by the other investment banking services;
- j. assist the Debtors in preparing marketing materials in conjunction with a possible Transaction;<sup>6</sup>
- k. assist the Debtors in identifying potential buyers or parties in interest to a Transaction and assist in the due diligence process;
- l. assist and advise the Debtors concerning the terms, conditions and impact of any proposed Transaction; and

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<sup>5</sup> As provided for in the Engagement Letter, a "**Restructuring**" means, "collectively, (i) any restructuring, reorganization (whether or not pursuant to chapter 11 of the United States Bankruptcy Code ("**Chapter 11**")) and/or recapitalization of the Company affecting all or a significant portion of its existing or potential obligations or other claims against the Company, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, preferred stock, and obligations or claims in respect of litigation (whether or not reduced to judgment) or legal settlement, but excluding any settlement of the current litigation by the State of Oklahoma (collectively, the "**Obligations**"), and/or (ii) a sale or other acquisition or disposition of all or substantially all of the assets and/or equity of the Company, and/or (iii) any repurchase, refinancing, extension or repayment by the Company of all or a significant portion of its Obligations."

<sup>6</sup> As provided for in the Engagement Letter, a "Transaction" means "the sale, merger or other disposition of all or a portion of the Company or its assets."

- m. provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a transaction similar to a potential Restructuring and/or Transaction, as requested and mutually agreed.

### **Professional Compensation**

18. PJT's decision to advise and assist the Debtors in connection with these chapter 11 cases is subject to its ability to be retained in accordance with the terms of the Engagement Letter pursuant to section 328(a), and not section 330, of the Bankruptcy Code.

19. In consideration of the services to be provided by PJT, and as more fully described in the Engagement Letter, subject to the Court's approval, the Debtors and PJT have agreed that PJT shall, in respect of its services, be compensated under the following fee structure (the "**Fee Structure**")<sup>7</sup>:

- a. **Monthly Fee.** The Debtors shall pay PJT a monthly advisory fee (the "**Monthly Fee**") of \$225,000 per month. Fifty percent (50%) of all Monthly Fees paid to PJT between the period beginning on April 1, 2019 and ending on March 31, 2021 shall be credited against any Restructuring Fee (as defined below).
- b. **Capital Raising Fee.** The Debtors shall pay PJT a capital raising fee (the "**Capital Raising Fee**") for any financing arranged by PJT, earned and payable upon receipt of a binding commitment letter. The Capital Raising Fee will be calculated as:
  - **Senior Debt.** 1.0% of the total issuance size for senior debt financing;
  - **Junior Debt.** 3.0% of the total issuance size for junior debt financing; and
  - **Equity Financing.** 5.0% of the issuance amount for equity financing.

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<sup>7</sup> The summary of the Fee Structure in this Application is qualified in its entirety by reference to the provisions of the Engagement Letter. To the extent there is any discrepancy between the summary contained in this Application and the terms set forth in the Engagement Letter, the terms of the Engagement Letter shall govern.

- c. **Restructuring Fee.** The Debtors shall pay PJT a restructuring fee equal to \$15,000,000 (the “**Restructuring Fee**”) upon the consummation of a Restructuring, in accordance with the Engagement Letter.
- d. **Transaction Fee.** Upon consummation of a Transaction, the Debtors shall pay PJT a transaction fee of 2.0% of the Transaction Value<sup>8</sup> (the “**Transaction Fee**”); provided that, the Transaction Fee in respect of a Transaction involving (a) a sale of the products Lemborexant or Adhansia shall, in each case, not be less than \$1,500,000 (\$3,000,000 for a sale involving both products) or (b) a sale of the Debtors’ over-the-counter drug business shall not be less than \$3,000,000 (each such fee, a “**Minimum Fee**”). Each Transaction Fee shall be payable in cash at the closing of the applicable Transaction (the “**Closing**”); provided, however, to the extent any amount of Transaction Value in respect of such Transaction is to be paid to the Company after the applicable Closing (each, a “**Post-Closing Payment**”), any portion of the applicable Transaction Fee payable with respect to such Post-Closing Payment shall not be payable at Closing but instead shall be paid to PJT promptly after the Company receives such Post-Closing Payment; provided, further, that each Transaction Fee paid to PJT at the Closing shall not be less than the applicable Minimum Fee. To the extent any Minimum Fee paid to PJT at the Closing of a Transaction exceeds the Transaction Fee that would

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<sup>8</sup> As provided for in the Engagement Letter, “**Transaction Value**” means “the gross value of all cash, securities and other properties and consideration paid or payable, directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid or to be paid (A) pursuant to covenants not to compete or similar arrangements and (B) to holders of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Transaction Value shall also include (i) (I) in the case of the sale, exchange or purchase of the Company’s equity securities the principal amount of any indebtedness for borrowed money (net of cash on the Company’s balance sheet), preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities as set forth on the most recent consolidated balance sheet of the Company prior to the consummation of such sale, exchange or purchase or (II) in the case of a sale or disposition of assets by the Company the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities indirectly or directly assumed or acquired, and (ii) any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities that are or otherwise repaid or retired, in connection with or in anticipation of the Transaction. Transaction Value shall also include (x) any and all consideration received by the Company for securities of the Company issued in connection with the Transaction as to which PJT Partners is not also receiving a Capital Raising Fee and (y) the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the closing of the Transaction. Transaction Value shall include all amounts paid into escrow and all contingent payments including, without limitation, contingent or milestone payments and payments to be made in connection with any regulatory filing, product approval, or based on achievement of predetermined sales levels, payable in connection with the Transaction. If the Transaction Value to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Transaction Value is paid.”

otherwise be payable to PJT at such Closing absent any requirement to pay the applicable Minimum Fee, such difference shall be credited against any Transaction Fee payable to PJT with respect to any Post-Closing Payment in respect of such Transaction

Notwithstanding any provision on the Engagement Letter to the contrary, the maximum aggregate amount payable to PJT in respect of all Restructuring Fees, Transaction Fees, and Capital Raising Fees, after giving effect to any crediting of other fees earned under the Engagement Letter, shall be \$23,500,000. For the avoidance of doubt, the foregoing cap on fees shall not include or affect any Monthly Fees due under the Engagement Letter, the Company's obligations to pay PJT Partners' out-of-pocket expenses or the Company's obligations under and in respect of the Indemnification Agreement (as defined below).

e. **Expense Reimbursements.**

- In addition to the fees described above, the Debtors agree to reimburse PJT for all reasonable and documented out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing, document production, publishing services and communication charges, courier services, working meals, reasonable and documented fees and expenses of PJT's counsel (without the requirement that the retention of such counsel be approved by the Court) and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses.
- Further, in connection with the reimbursement, contribution and indemnification provisions set forth in the Engagement Letter and **Attachment A** to the Engagement Letter (the "**Indemnification Agreement**"), which is incorporated therein by reference, the Debtors agree to reimburse each Indemnified Party (as defined in the Indemnification Agreement) for its reasonable and documented legal and other out of pocket expenses (including the cost of any investigation and preparation) as such expenses are incurred in connection with any claim, suit, action, proceeding, investigation, or inquiry arising out of or in connection with PJT's engagement.

20. The terms of the Engagement Letter and Indemnification Agreement were negotiated at arm's length and the Debtors respectfully submit that the indemnification, contribution, and reimbursement provisions are reasonable and appropriate under the circumstances.

21. Moreover, the Debtors request, and PJT has agreed, that the Court approve the indemnification, contribution, and reimbursement provisions reflected on the Indemnification Agreement, subject to the modifications reflected in the Proposed Order. The Debtors believe that the provisions of the Indemnification Agreement, as modified by the Proposed Order, are appropriate and should be approved.

22. To the best of the Debtors' knowledge, information, and belief, no promises have been received by PJT as to compensation in connection with these chapter 11 cases other than as outlined in the Engagement Letter, and PJT has no agreement with any other entity to share any compensation received with any person other than the principals and employees of PJT.

23. PJT intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court, including any order granting this Application (to the extent compliance is not waived).

24. PJT will maintain records in support of any actual, necessary costs and expenses incurred in connection with the rendering of its services in these chapter 11 cases. However, because: (a) it is not the general practice of investment banking firms such as PJT to keep detailed time records similar to those customarily kept by attorneys; (b) PJT does not ordinarily keep time records on a "project category" basis; and (c) PJT's compensation is based on a fixed Monthly Fee, the Restructuring Fee, the Transaction Fee and/or the Capital Raising Fee, the Debtors respectfully request that PJT's professionals only be required to maintain records (in summary format) of the services rendered for the Debtors, including summary descriptions of those services, the approximate time expended in providing those services (in one-half hour

increments), and the identity of the professionals who provided those services. PJT will present such records to the Court in its fee applications. Moreover, the Debtors respectfully request that PJT's professionals not be required to keep time records on a "project category" basis, that its non-investment banking professionals and personnel in administrative departments (including legal) not be required to maintain any time records, and that it not be required to provide or conform to any schedule of hourly rates. To the extent that PJT would otherwise be required to submit more detailed time records for its professionals by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, or other applicable procedures and orders of the Court, the Debtors respectfully request that this Court waive or excuse compliance with such requirements or guidelines.

25. The Debtors believe that the Fee Structure described above and in the Engagement Letter is consistent with, and typical of, compensation arrangements entered into by PJT and other comparable firms in connection with the rendering of similar services under similar circumstances and is reasonable, market-based, and merited by PJT's restructuring expertise. After discussions and arm's-length negotiations, the Debtors believe that the Fee Structure is reasonable, market-based, and designed to compensate PJT fairly for its work and to cover customary expenses.

26. PJT's strategic and financial expertise, as well as its M&A and capital markets knowledge, financing skills and restructuring capabilities, some or all of which has been and will be required by the Debtors during the term of PJT's engagement, were all important factors to the Debtors in determining the Fee Structure. The Debtors believe that the ultimate benefit of PJT's services hereunder cannot be measured by reference to the number of hours to be expended by PJT's professionals in the performance of such services. The Debtors and PJT have



agreed upon the Fee Structure in anticipation that a substantial commitment of professional time and effort will be required of PJT and its professionals in connection with these chapter 11 cases and in light of the fact that: (i) such commitment may foreclose other opportunities for PJT and (ii) the actual time and commitment required of PJT and its professionals to perform its services under the Engagement Letter may vary substantially from week-to-week and month-to-month, creating “peak load” issues for PJT.

#### **Efforts to Avoid Duplication of Services**

27. PJT’s services are intended to complement, and not duplicate, the services to be rendered by any other professional retained by the Debtors in these chapter 11 cases. PJT has informed the Debtors that it understands that the Debtors have retained and may retain additional professionals during the term of the engagement and that it will use its reasonable efforts to work cooperatively with such professionals to integrate any respective work conducted by the professionals on behalf of the Debtors.

#### **PJT’s Disinterestedness**

28. PJT has reviewed the list of parties in interest provided by the Debtors. To the best of PJT’s knowledge, as of the date hereof, and except to the extent disclosed herein, in the Coleman Declaration or in the Flanagan Declaration, PJT: (i) is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code; (ii) does not hold or represent an interest adverse to the Debtors’ estates; and (iii) has no connection to the Debtors, their creditors, or related parties.

29. Given the large number of parties in interest in these chapter 11 cases, and despite the efforts to identify and disclose PJT’s relationships with parties in interest in these chapter 11 cases, PJT is unable to state with certainty that every client relationship or other connection has been disclosed in the Coleman Declaration and/or the Flanagan Declaration. PJT will make

continued inquiries following the filing of the Application, on a periodic basis, with additional disclosures to the Court if necessary or otherwise appropriate.

30. According to the Debtors' books and records, during the 90-day period before the Petition Date, the Debtors paid PJT \$780,000 for monthly fees earned and \$21,771.63 for expenses incurred. Prior to the Petition Date, PJT had also received an advance payment of \$195,000. Given the timing of the filing, PJT may not yet have accounted for all expenses it incurred before the Petition Date. In the event PJT subsequently becomes aware of additional prepetition expenses incurred on behalf of the Debtors, PJT will reduce its advance by such amounts. To the extent that amounts paid by the Debtors to PJT prior to the Petition Date exceed amounts incurred by PJT prepetition, such excess will be credited to amounts incurred postpetition.

31. The Debtors are informed that PJT will not share any compensation to be paid by the Debtors, in connection with services to be performed after the Petition Date, with any other person, other than other principals and employees of PJT, to the extent required by section 504 of the Bankruptcy Code.

32. To the extent that any new relevant facts or relationships bearing on the matters described herein during the period of PJT's retention are discovered or arise, PJT will use reasonable efforts to file promptly a supplemental declaration, as required by Bankruptcy Rule 2014(a).

#### **Basis for Relief Requested**

33. The Debtors seek authority to employ and retain PJT as their investment banker under section 327 of the Bankruptcy Code, which provides that a debtor is authorized to employ professional persons "that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [Debtors] in carrying out the [Debtors'] duties

under this title.” 11 U.S.C. § 327(a). Section 1107(b) of the Bankruptcy Code elaborates upon sections 101(14) and 327(a) of the Bankruptcy Code in cases under chapter 11 of the Bankruptcy Code and provides that “a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person’s employment by or representation of the debtor before the commencement of the case.” 11 U.S.C. § 1107(b).

34. In addition, the Debtors seek approval of the Fee Structure and the Engagement Letter (including the Indemnification Agreement) pursuant to section 328(a) of the Bankruptcy Code, which provides, in relevant part, that the Debtors “with the court’s approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a). Accordingly, section 328 of the Bankruptcy Code permits the compensation of professionals, including investment bankers, on flexible terms that reflect the nature of their services and market conditions. Thus, section 328 is a significant departure from prior bankruptcy practice relating to the compensation of professionals. Indeed, as the United States Court of Appeals for the Fifth Circuit recognized in *Donaldson Lufkin & Jenrette Sec. Corp. v. Nat’l Gypsum Co. (In re Nat’l Gypsum Co.)*:

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants “reasonable compensation” based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

123 F.3d 861, 862 (5th Cir. 1997) (internal citations omitted).

35. Furthermore, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 amended section 328(a) of the Bankruptcy Code to read as follows:

The trustee, or a committee appointed under section 1102 of this title, with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.

11 U.S.C. § 328(a). It is thus clear that debtors may retain a professional on a fixed or percentage fee basis with Court approval, such as the Fee Structure for PJT in the Engagement Letter.

36. Similar fixed and contingency fee arrangements have been approved and implemented by courts in other large chapter 11 cases. *See, e.g., In re FirstEnergy Solutions Corp.*, Case No-18-50757 (AMK) (Bankr. N.D. Ohio May 8, 2018); *In re VER Technologies Holdco LLC*, Case No. 18-10834 (KG) (Bankr. D. Del. Apr. 5, 2018); *In re Ascent Resources Marcellus Holdings, LLC*, Case No. 18-10265 (LSS) (Bankr. D. Del. Feb. 6, 2018); *In re The Bon-Ton Stores, Inc.*, Case No. 18-10248 (MFW) (Bankr. D. Del. Feb. 4, 2018); *In re PES Holdings, LLC*, Case No. 18-10122 (KG) (Bankr. D. Del. Jan. 21, 2018); *In re Castex Energy Partners, L.P.*, Case No. 17-35835 (MI) (Bankr. S.D. Tex. Dec. 4, 2017); *In re Cumulus Media Inc.*, Case No. 17-13381 (SCC) (Bankr. S.D.N.Y. Nov. 29, 2017); *In re GulfMark Offshore, Inc.*, Case No. 17-11125 (KG) (Bankr. D. Del. June 15, 2017); *In re Westinghouse Electric Company LLC*, Case No. 17-10751 (MEW) (Bankr. S.D.N.Y. Mar. 29, 2017); *In re Vanguard Nat. Res., LLC*, Case No. 17-30560 (MI) (Bankr. S.D. Tex. Mar. 20, 2017); *In re Azure Midstream Partners, LP*, Case No. 17-30461 (DRJ) (Bankr. S.D. Tex. Mar. 10, 2017); *In re Am. Gilsonite Co.*, Case No. 16-12316 (CSS) (Bankr. D. Del. Nov. 18, 2016); *In re CJ Holding Co.*, Case No. 16-33590 (DRJ) (Bankr. S.D. Tex. Sept. 12, 2016); *In re Midstates Petroleum Co., Inc.*, Case No. 16-32237 (DRJ) (Bankr. S.D. Tex. July 12, 2016); *In re Chaparral Energy, Inc.*, Case No. 16-11144 (LSS) (Bankr. D. Del. June 10, 2016); *In re Ryckman Creek Res., LLC*, Case No. 16-10292 (KJC) (Bankr. D. Del. Feb. 29, 2016); *In re Energy & Exp. Partners, Inc.*, Case No. 15-44931 (RFN) (Bankr. N.D. Tex. Feb. 8, 2016); *In re Parallel Energy LP*, Case No. 15-12263

(KG) (Bankr. D. Del. Dec. 16, 2015); *In re The Great Atl. & Pac. Tea Co., Inc.*, Case No. 15-23007 (RDD) (Bankr. S.D.N.Y. Aug. 11, 2015); *In re Altegrity, Inc.*, Case No. 15-10226 (LSS) (Bankr. D. Del. March 16, 2015); *In re Mineral Park, Inc.*, Case No. 14-11996 (KJC) (Bankr. D. Del. Sept. 23, 2014 & Oct. 2, 2014); *In re Energy Future Holdings Corp.*, Case No. 14-10979 (CSS) (Bankr. D. Del. Sept. 16, 2014); *In re FAH Liquidating Corp. (Fisker Auto.)*, Case No. 13-13087 (KG) (Bankr. D. Del. March 31, 2014); *In re Synagro Techs., Inc.*, Case No. 13-11041 (BLS) (Bankr. D. Del. May 23, 2013); *In re Ormet Corp.*, Case No. 13-10334 (MFW) (Bankr. D. Del. Apr. 18, 2013); *In re Otelco Inc.*, Case No. 13-10593 (MFW) (Bankr. D. Del. Apr. 18, 2013); *In re RDA Holding Co.*, Case No. 13-22233 (RDD) (Bankr. S.D.N.Y. Mar. 25, 2013); *In re Inspiration Biopharma-ceuticals, Inc.*, Case No. 12-18687 (WCH) (Bankr. D. Mass. Dec. 19, 2012); *In re Broadview Networks Holdings, Inc.*, Case No. 12-13581 (SCC) (Bankr. S.D.N.Y. Sept. 14, 2012); *In re Circus & Eldorado Joint Venture*, Case No. 12-51156 (BTB) (Bankr. D. Nev. July 6, 2012); *In re Delta Petroleum Corp.*, Case No. 11-14006 (KJC) (Bankr. D. Del. Jan. 11, 2012); *In re Trico Marine Servs., Inc.*, Case No. 10 12653 (BLS) (Bankr. D. Del. Oct. 6, 2010); *In re CIT Grp. Inc.*, Case No. 09-16565 (ALG) (Bankr. S.D.N.Y. Nov. 24, 2009); *In re Gen. Motors Corp.*, Case No. 09-50026 (MG) (Bankr. S.D.N.Y. Oct. 28, 2009).

37. The Fee Structure set forth in the Engagement Letter sets forth reasonable terms and conditions of employment and should be approved under section 328(a) of the Bankruptcy Code. The Fee Structure adequately reflects: (i) the nature of the services to be provided by PJT and (ii) fee structures and indemnification provisions typically utilized by PJT and other leading investment banking firms, which do not bill their time on an hourly basis and generally are compensated on a transactional basis. Furthermore, PJT did not vary its rate based on the location of these chapter 11 cases.

38. As set forth above, and notwithstanding approval of the Engagement Letter under section 328 of the Bankruptcy Code, PJT intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court, with certain limited modifications.

39. Specifically, the Debtors request that the requirements of Bankruptcy Rule 2016 and Local Rule 2016-1 be tailored to the nature of PJT's engagement and its compensation structure. PJT has requested, pursuant to section 328(a) of the Bankruptcy Code, payment of its fees on a fixed-rate and contingency basis and the payment of the fees described in the Engagement Letter, which, as set forth above, is customary in the investment banking industry. Additionally, it is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. As discussed above, however, PJT's personnel in these chapter 11 cases will keep summary time records in one-half hour increments describing their daily activities and the identity of persons who performed such tasks. In addition, apart from the time-recording practices described above, PJT's personnel do not maintain their time records on a "project category" basis. As such, the Debtors request modification of the requirements under Local Rule 2016-1.

40. In addition, the provisions of the Indemnification Agreement are reasonable and have been approved and implemented in other large chapter 11 cases by courts in and outside of this jurisdiction. Accordingly, the relief requested in the Application is in the best interests of the Debtors' estates, creditors, and all parties in interest to these chapter 11 cases.

41. Additionally, Bankruptcy Rule 2016 and Local Rule 2016-1 require retained professionals to submit applications for payment of compensation in chapter 11 cases. The guidelines relating to Local Rule 2016-1(a) also require retained professionals to submit detailed time entries, arranged by project category, and to set forth a narrative description of the project performed, an identification of each person providing services on the project, the amount of time spent (in time periods of tenths of an hour), and the amount of compensation requested for each professional on the project. However, the Court has discretion to alter these billing requirements.

42. The Debtors will regularly monitor the fees and expenses of PJT to ensure that PJT's professionals are assisting the Debtors in the most cost-effective and efficient manner. The Debtors will employ similar procedures for reviewing professional invoices as they have employed since before the commencement of the chapter 11 cases.

43. Denial of the relief requested herein would deprive the Debtors of the assistance of a uniquely qualified investment banking firm. Moreover, with close to two years of services having been provided by PJT to the Debtors, a denial of PJT's employment would result in an unjust disadvantage to the Debtors and all parties in interest because of PJT's familiarity with the Debtors, their business operations and the unique complexities involved in these chapter 11 cases.

44. Based on the foregoing, the Debtors submit that they have satisfied the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules to support entry of an order authorizing the Debtors to retain and employ PJT in these chapter 11 cases on the terms described herein and in the Engagement Letter.

**Notice and No Prior Request**

45. Notice of this Motion will be provided to: (a) the entities on the Master Service List (as defined in the Case Management Order and available on the Debtors' case website at

<https://restructuring.primeclerk.com/purduepharma>) and (b) any person or entity with a particularized interest in the subject matter of this motion. The Debtors respectfully submit that no further notice is required.

46. The Debtors have not previously sought the relief requested herein from this or any other court.

*[Remainder of Page Intentionally Left Blank]*



WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested herein and granting such other relief as the Court deems just and proper.

Dated: November 5, 2019

**PURDUE PHARMA L.P.**

(for itself and on behalf of its affiliates that are debtors and debtors in possession)

*/s/ Jon Lowne*

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Jon Lowne

Senior Vice President and Chief Financial Officer  
Purdue Pharma L.P.

**Exhibit A**

**Proposed Order**

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 701-5800  
Marshall S. Huebner  
Benjamin S. Kaminetzky  
Timothy Graulich  
Eli J. Vonnegut

*Proposed Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PURDUE PHARMA L.P., et al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 19-23649 (RDD)**

**(Jointly Administered)**

**ORDER APPROVING DEBTORS' EMPLOYMENT OF PJT PARTNERS LP  
AS INVESTMENT BANKER *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the application (the “**Application**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”), pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1, for authority to employ and retain PJT Partners LP (“**PJT**”) as

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Application.

investment banker to the Debtors in these chapter 11 cases, effective *nunc pro tunc* to the Petition Date, pursuant to the terms of the Engagement Letter, as more fully set forth in the Application; and upon the Coleman Declaration and the Flanagan Declaration; and this Court having found that the Debtors' notice of the Application, and the opportunity for a hearing on the Application, were appropriate under the circumstances, and that no other notice need be provided; and this Court having reviewed the Application; and this Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and this Court having found and determined that PJT has the capability and the experience to provide the services described in the Application, that PJT is disinterested and does not hold or represent an interest adverse to the Debtors or their estates, and that the relief sought in the Application is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and after due deliberation; and good and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED, AND DECREED that:**

1. The Application is granted as set forth herein.
2. The Debtors are authorized to retain and employ PJT as investment banker to the Debtors in these chapter 11 cases pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1, *nunc pro tunc* to the Petition Date, on the terms and conditions set forth in the Application and the Engagement Letter.
3. Except to the extent set forth herein, the Engagement Letter (together with all annexes thereto), including without limitation the Fee Structure, is approved pursuant to Bankruptcy Code sections 327(a) and 328(a), and the Debtors are authorized and directed to perform their payment, reimbursement, contribution, and indemnification obligations and their

non-monetary obligations in accordance with the terms and conditions of, and at the times specified in, the Engagement Letter. Subject to paragraph 7 of this Order, all compensation and reimbursement of expenses payable under the Engagement Letter shall be subject to review only pursuant to the standards set forth in Bankruptcy Code section 328(a), and shall not be subject to any other standard of review, including but not limited to, that set forth in Bankruptcy Code section 330.

4. The Debtors are authorized to pay PJT's fees and to reimburse PJT for its reasonable costs and expenses as provided in the Engagement Letter, and, in particular, all of PJT's fees and expenses in these chapter 11 cases, including the Monthly, Capital Raising, Restructuring and Transaction Fees, are hereby approved pursuant to section 328(a) of the Bankruptcy Code. For the avoidance of doubt, PJT shall be paid (a) each Capital Raising Fee as to which PJT may be entitled under the Engagement Letter as soon as such financing is approved by order of this Court (or, if such approval occurred prior to entry of this Order, immediately following entry of this Order) and with respect to amounts available to the Debtors; (b) each Transaction Fee upon consummation of the applicable Transaction; and (c) the Restructuring Fee upon consummation of a Restructuring, in each case subject to subsequent Court approval of any such Capital Raising Fee, Transaction Fee or Restructuring Fee pursuant to PJT's interim and/or final fee application, as applicable.

5. PJT shall file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of this Court; *provided, however*, that the requirements of the Bankruptcy Code, the Bankruptcy Rules, and Local Rule 2016-1 are hereby modified such that

PJT's restructuring professionals shall only be required to maintain summary records in half-hour increments describing each professional's tasks on a daily basis in support of each fee application, including reasonably detailed descriptions of those services and the individuals who provided those services, and will present such records to this Court; *provided, further*, that PJT's professionals shall not be required to keep time records on a project category basis or provide or conform to any schedules of hourly rates.

6. None of the fees payable to PJT shall constitute a "bonus" or fee enhancement under applicable law.

7. PJT shall be compensated in accordance with the terms of the Engagement Letter, and, in particular, all of PJT's fees and expenses in these chapter 11 cases are hereby approved pursuant to section 328(a) of the Bankruptcy Code. Notwithstanding anything to the contrary herein, the fees and expenses payable to PJT pursuant to the Engagement Letter shall be subject to review only pursuant to the standards set forth in Bankruptcy Code section 328(a) and shall not be subject to the standard of review set forth in Bankruptcy Code section 330, except by the United States Trustee. This Order and the record relating to the Court's consideration of the Application shall not prejudice or otherwise affect the rights of the United States Trustee to challenge the reasonableness of PJT's compensation and expense reimbursements under Bankruptcy Code sections 330 and 331. Accordingly, nothing in this Order or the record shall constitute a finding of fact or conclusion of law binding on the United States Trustee, on appeal or otherwise, with respect to the reasonableness of PJT's compensation.

8. Notwithstanding anything to the contrary herein, the indemnification, contribution, and reimbursement provisions set forth in the Engagement Letter and the Indemnification Agreement are approved.

9. All requests for payment of indemnity, contribution, or otherwise pursuant to the Indemnification Agreement shall be made by means of a final fee application and shall be subject to the approval of, and review by, the Court to ensure that such payment conforms to the terms of the Indemnification Agreement, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and other orders of this Court and is reasonable based on the circumstances of the litigation or settlement in respect of which indemnity is sought.

10. In no event shall any Indemnified Parties (as defined in the Indemnification Agreement) be indemnified or receive contribution or other payment under the Indemnification Agreement if the Debtors or a representative of the Debtors' estates asserts a claim for, and a court determines by final order that such claims primarily arose out of, the gross negligence, willful misconduct, or fraud of any Indemnified Parties.

11. In the event an Indemnified Party seeks reimbursement of attorneys' fees from the Debtors pursuant to the Indemnification Agreement, the invoices and supporting time records from such attorneys shall be attached to PJT's own interim and final fee applications, and such invoices and time records shall be subject to the United States Trustee guidelines and the approval of the Bankruptcy Court under the standards of section 330 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

12. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

13. Notwithstanding anything to the contrary in the Application and/or Engagement Letter, PJT shall have whatever duties, fiduciary or otherwise, that are imposed upon it by applicable law.

14. Notwithstanding anything in the Application or the Engagement Letter to the contrary, PJT shall (i) to the extent that PJT uses the services of independent contractors, subcontractors, or employees of foreign affiliates or subsidiaries (collectively, the “Contractors”) in these cases, pass through the cost of such Contractors to the Debtors at the same rate that PJT pays the Contractors; and (ii) seek reimbursement for actual costs only. The Debtors shall ensure that any such Contractors are subject to the same conflict checks as required for PJT and that they shall file with the Court such disclosures as required by Bankruptcy Rule 2014.

15. In the event of any inconsistency between the Engagement Letter, the Application, and this Order, this Order shall govern.

16. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

17. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: \_\_\_\_\_, 2019  
White Plains, New York

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THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE



**Exhibit 1**

**Engagement Letter**

May 6, 2019

Marshall S. Huebner  
Davis Polk & Wardwell LLP  
450 Lexington Avenue  
New York, NY 10017

Dear Marshall:

This letter confirms the understanding and agreement (the “**Agreement**”) between PJT Partners LP (“**PJT Partners**”) and Davis Polk & Wardwell LLP (“**Counsel**”), as counsel to Purdue Pharma L.P., Purdue Pharma Inc., Avrio Health Inc., Rhodes Technologies and Rhodes Pharmaceuticals L.P. (collectively with each of their subsidiaries, the “**Company**”), regarding the retention of PJT Partners on an exclusive basis for the benefit of the Company effective as of April 1, 2019 (the “**Effective Date**”) as its investment banker for the purposes set forth herein. PJT is being retained by Counsel to provide financial advice to assist Counsel in Counsel’s provision of legal services to the Company and will report to and take direction from Counsel notwithstanding that PJT Partners’ fees and expenses will be paid by the Company as set forth herein. Reference is hereby made to that certain engagement letter, dated April 24, 2018 (the “**Prior Agreement**”), by and among PJT Partners, the Company and Counsel, as counsel to the Company, which Prior Agreement is hereby terminated effective as of the Effective Date.

Under this Agreement, PJT Partners will provide investment banking services to Counsel in connection with a possible Restructuring (as defined below) and/or the sale, merger or other disposition of all or a portion of the Company or its assets (a “**Transaction**”) and will assist Counsel in analyzing, structuring, negotiating and effecting the Restructuring or Transaction pursuant to the terms and conditions of this Agreement. As used in this Agreement, the term “**Restructuring**” shall mean, collectively, (i) any restructuring, reorganization (whether or not pursuant to chapter 11 of the United States Bankruptcy Code (“**Chapter 11**”)) and/or recapitalization of the Company affecting all or a significant portion of its existing or potential obligations or other claims against the Company, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, preferred stock, and obligations or claims in respect of litigation (whether or not reduced to judgment) or legal settlement, but excluding any settlement of the current litigation by the State of Oklahoma (collectively, the “**Obligations**”), and/or (ii) a sale or other acquisition or disposition of all or substantially all of the assets and/or equity of the Company, and/or (iii) any repurchase, refinancing, extension or repayment by the Company of all or a significant portion of its Obligations. For the avoidance of doubt, an out-of-court sale, merger or other disposition of any portion of the Company or its assets to any direct or indirect holder of the common equity of the Company as of the Effective Date or any entity owned and/or controlled by any such holder (collectively, the “**Current Equity Holders**”) will not be considered a Transaction or Restructuring for purposes of this Agreement.

The investment banking services to be rendered by PJT Partners for the benefit of the Company will, if appropriate and at the request of Counsel, include the following:

- (a) assist in the evaluation of the Company’s businesses and prospects, opportunities and financial condition;
- (b) assist in the evaluation of the Company’s long-term business plan and related financial projections;
- (c) assist in the development of presentations to the Company’s Board of Directors, various creditors and other third parties;
- (d) analyze the Company’s financial liquidity;
- (e) analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the Restructuring;
- (f) participate in negotiations among the Company and its creditors, and other interested parties;

Purdue Pharma L.P.  
May 6, 2019

- (g) value securities offered by the Company in connection with a Restructuring;
- (h) assist in arranging financing for the Company, as requested;
- (i) provide expert witness testimony concerning any of the subjects encompassed by the other investment banking services;
- (j) assist the Company in preparing marketing materials in conjunction with a possible Transaction;
- (k) assist the Company in identifying potential buyers or parties in interest to a Transaction and assist in the due diligence process;
- (l) assist and advise the Company concerning the terms, conditions and impact of any proposed Transaction; and
- (m) provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a transaction similar to a potential Restructuring and/or Transaction, as requested and mutually agreed.

Notwithstanding anything contained in this Agreement to the contrary, PJT Partners shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity. PJT Partners makes no representations or warranties about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a Restructuring and/or Transaction. PJT Partners is retained under this Agreement solely to provide advice regarding a Restructuring and/or a Transaction, and is not being retained to provide "crisis management" or any legal, tax, accounting or actuarial advice. It is understood and agreed that nothing contained herein shall constitute a commitment, express or implied, on the part of PJT Partners to underwrite, purchase or place any securities, in a financing or otherwise.

It is agreed that the Company will pay the following fees to PJT Partners for its investment banking services (all fees and expenses payable to PJT Partners pursuant to this Agreement shall be payable solely by the Company; it being understood, notwithstanding anything to the contrary herein or in the indemnification agreement, that Counsel shall not in any event be liable or responsible to PJT Partners or any other party for any fees, expenses, obligations, liabilities, indemnities or damages incurred or any other amounts that may from time to time become payable relating to PJT Partners' investment banking services hereunder or this Agreement):

- (i) a monthly advisory fee (the "**Monthly Fee**") in the amount of \$225,000 per month, payable by the Company in cash as follows: (a) to the extent that the Effective Date occurs after the 1<sup>st</sup> day of the month, for the period beginning on the Effective Date through the end of the first calendar month (the "**Stub Period**"), a pro-rated monthly fee in advance upon execution of this Agreement; (b) for the first full calendar month following the Stub Period, if applicable, or the Effective Date if there is no Stub Period, in advance upon execution of this Agreement; and (c) for each month thereafter, in advance on the first day of each month, subject to pro ration for a portion of a month. Fifty percent (50%) of the Monthly Fees paid to PJT Partners in respect of the period beginning on the Effective Date and ending on March 31, 2021 shall be credited against any Restructuring Fee (as defined below) payable hereunder;
- (ii) a capital raising fee (the "**Capital Raising Fee**") for any financing arranged by PJT Partners, at the Company's request, earned and payable upon receipt of a binding commitment letter. If access to the financing is limited by orders of the bankruptcy court, a proportionate fee shall be payable with respect to each available commitment (irrespective of availability blocks, borrowing base, or other similar restrictions). The Capital Raising Fee will be calculated as 1.0% of the total issuance size for senior debt financing, 3.0% of the total issuance size for junior debt financing, and 5.0%

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of the issuance amount for equity financing, it being understood that no Capital Raising Fee will be paid in respect of the portion of any financing provided by the Current Equity Holders;

- (iii) an additional fee (the “**Restructuring Fee**”) equal to \$15,000,000. Except as otherwise provided herein, a Restructuring shall be deemed to have been consummated upon (a) in the case of an out-of-court Restructuring, the closing of the Restructuring, including, to the extent applicable the binding execution and effectiveness of all necessary waivers, consents, amendments or restructuring agreements between the Company and its creditors involving (1) the compromise of the face amount of all or a significant portion of the Obligations, (2) the conversion of all or part of such Obligations into alternative securities, including equity, or (3) any other Restructuring; or (b) in the case of an in-court Restructuring, the consummation of a Chapter 11 plan or any other Restructuring pursuant to an order of the Bankruptcy Court or other applicable court. The Restructuring Fee will be:
  - (I) earned on the earliest of:
    - (w) consummation of the Restructuring, and
    - (x) in the event that the Company attempts to implement the Restructuring by means of a pre-negotiated Chapter 11 plan, the receipt of sufficient commitments, agreements or other expressions of intention to accept such plan that the Company elects to file a Chapter 11 case and therein represent to the Bankruptcy Court hearing such case that the Company will seek to confirm a plan based on the pre-negotiated plan, and
  - (II) payable, in immediately available funds, on the earliest of:
    - (A) consummation of the Restructuring,
    - (B) the first business day immediately following, the receipt of such commitments, agreements or expressions of intention to accept the pre-negotiated Chapter 11 plan, provided that at least one class of creditors impaired by such plan has accepted such plan, and
    - (C) two years after the date on which any such Restructuring Fee is earned.
- (iv) upon the consummation of a Transaction, a Transaction fee (“**Transaction Fee**”) payable directly out of the gross proceeds of the Transaction calculated as 2.00% of the Transaction Value (as defined below); provided that, the Transaction Fee in respect of a Transaction involving (a) a sale of the products Lemborexant or Adhansia shall, in each case, not be less than \$1,500,000 (\$3,000,000 for a sale involving both products) or (b) a sale of the Company’s over-the-counter drug business shall not be less than \$3,000,000 (each such fee, a “**Minimum Fee**”). Each Transaction Fee shall be payable in cash at the closing of the applicable Transaction (the “**Closing**”); provided, however, to the extent any amount of Transaction Value in respect of such Transaction is to be paid to the Company after the applicable Closing (each, a “**Post-Closing Payment**”), any portion of the applicable Transaction Fee payable with respect to such Post-Closing Payment shall not be payable at Closing but instead shall be paid to PJT Partners promptly after the Company receives such Post-Closing Payment; provided, further, that each Transaction Fee paid to PJT Partners at the Closing shall not be less than the applicable Minimum Fee. To the extent any Minimum Fee paid to PJT Partners at the Closing of a Transaction exceeds the Transaction Fee that would otherwise be payable to PJT Partners at such Closing absent any requirement to pay the applicable Minimum Fee, such difference shall be credited against any

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Transaction Fee payable to PJT Partners with respect to any Post-Closing Payment in respect of such Transaction.

In this Agreement, "**Transaction Value**" means the gross value of all cash, securities and other properties and consideration paid or payable, directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid or to be paid (A) pursuant to covenants not to compete or similar arrangements and (B) to holders of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Transaction Value shall also include (i) (I) in the case of the sale, exchange or purchase of the Company's equity securities the principal amount of any indebtedness for borrowed money (net of cash on the Company's balance sheet), preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities as set forth on the most recent consolidated balance sheet of the Company prior to the consummation of such sale, exchange or purchase or (II) in the case of a sale or disposition of assets by the Company the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities indirectly or directly assumed or acquired, and (ii) any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities that are or otherwise repaid or retired, in connection with or in anticipation of the Transaction. Transaction Value shall also include (x) any and all consideration received by the Company for securities of the Company issued in connection with the Transaction as to which PJT Partners is not also receiving a Capital Raising Fee and (y) the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the closing of the Transaction. Transaction Value shall include all amounts paid into escrow and all contingent payments including, without limitation, contingent or milestone payments and payments to be made in connection with any regulatory filing, product approval, or based on achievement of predetermined sales levels, payable in connection with the Transaction. If the Transaction Value to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Transaction Value is paid.

In this Agreement, the value of any securities (whether debt or equity) or other property paid or payable as part of the Transaction Value shall be determined as follows: (1) the value of securities that are freely tradable in an established public market will be determined on the basis of the last market closing price prior to the public announcement of the Transaction; and (2) the value of securities that are not freely tradable or have no established public market or, if the Transaction Value utilized consists of property other than securities, the value of such other property shall be the fair market value thereof as mutually agreed by the parties hereto;

- (v) reimbursement of all reasonable, documented out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing, document production, publishing services and communication charges, courier services, working meals, reasonable and documented fees and expenses of PJT Partners' counsel (without the requirement that the retention of such counsel be approved by the court in any bankruptcy case) and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Company shall pay PJT Partners on the Effective Date and maintain thereafter a \$75,000 expense advance for which PJT Partners shall account upon termination of this Agreement.

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Notwithstanding any provision herein to the contrary, the maximum aggregate amount payable hereunder in respect of all Restructuring Fees, Transaction Fees, and Capital Raising Fees, after giving effect to any crediting of other fees earned hereunder, shall be \$23,500,000. For the avoidance of doubt, the foregoing cap on fees shall not include or affect any Monthly Fees due under this Agreement, the Company's obligations to pay PJT Partners' out-of-pocket expenses pursuant to this Agreement or the Company's obligations under and in respect of the indemnification agreement attached hereto as Attachment A.

PJT Partners will direct all communications and notices regarding financial matters, including billing, to the contacts designated by the Company on Schedule I (the "**Company Financial Matters Contacts**"). Please note that any invoices in excess of \$500,000 will be provided to the Company Financial Matters Contacts in an encrypted form or other secure manner and subject to an authentication process. Payments to PJT Partners shall be made pursuant to the wire instructions set forth on Schedule II, and any changes to the PJT Partners' wire instructions will be provided by the PJT Partners financial matters contacts, as set forth on Schedule I, (the "**PJT Partners Financial Matters Contacts**") to the Company Financial Matters Contacts in an encrypted form or other secure manner and subject to an authentication process. Any notices and communications regarding financial matters, including billing, from the Company shall be directed to one of the PJT Partners Financial Matters Contacts.

All amounts herein are stated in U.S. dollars and all payments under this Agreement shall be paid in immediately available funds in U.S. dollars, free and clear of any tax, assessment or other governmental charge (with appropriate gross-up for withholding taxes). If any amount to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted in U.S. dollars at the prevailing exchange rate on the date such amount is paid.

In the event that the Company is or becomes a debtor under Chapter 11, the Company shall use its best efforts to promptly apply to the bankruptcy court having jurisdiction over the Chapter 11 case or cases (the "**Bankruptcy Court**") for the approval pursuant to sections 327 and 328 of the Bankruptcy Code of (A) this Agreement, including the attached indemnification agreement, and (B) PJT Partners' retention by the Company under the terms of this Agreement and subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code. The Company shall supply PJT Partners with a draft of such application and any proposed order authorizing PJT Partners' retention sufficiently in advance of the filing of such application and proposed order to enable PJT Partners and its counsel to review and comment thereon.

PJT Partners shall have no obligation to provide any services under this Agreement in the event that the Company becomes a debtor under Chapter 11 unless PJT Partners' retention under the terms of this Agreement is approved under section 328(a) of the Bankruptcy Code by a final order entered by the Bankruptcy Court that is no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to PJT Partners in all respects.

The Company will use its commercially reasonable efforts to ensure that PJT Partners' post-petition compensation, expense reimbursements and payment received pursuant to the provisions of the indemnification agreement attached hereto as Attachment A shall be entitled to priority as expenses of administration under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, and, for purposes of the payment of its Monthly Fees and out-of-pocket expenses, shall be entitled to the benefits of any "carve-outs" for professional fees and expenses in effect pursuant to one or more cash collateral and/or financing orders entered by the Bankruptcy Court. Following entry of an order authorizing PJT Partners' retention, the Company will assist PJT Partners in preparing, filing and serving fee statements, interim fee applications, and a final fee application. The Company will support PJT Partners' fee applications that are consistent with this Agreement in papers filed with the Bankruptcy Court and during any Bankruptcy Court hearing. The Company will pay promptly the fees and expenses of PJT Partners, in

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each case, which are both (i) owed pursuant to this Agreement and (ii) approved by the Bankruptcy Court in accordance with the orders of the Bankruptcy Court.

PJT Partners acknowledges that in the event that the Bankruptcy Court approves its retention by the Company, PJT Partners' fees and expenses shall be subject to the jurisdiction and approval of the Bankruptcy Court under section 328(a) of the Bankruptcy Code and any applicable fee and expense guideline orders; provided, however, that PJT Partners shall not be required to maintain time records and, provided further, that PJT Partners shall not be required to maintain receipts for expenses in amounts less than \$75. In the event that the Company becomes a debtor under Chapter 11 and PJT Partners' engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of PJT Partners hereunder as promptly as practicable in accordance with the terms hereof. Prior to commencing a Chapter 11 case, the Company shall pay all invoiced amounts to PJT Partners in immediately available funds by wire transfer.

With respect to PJT Partners' retention under sections 327 and 328 of the Bankruptcy Code, the Company acknowledges and agrees that PJT Partners' restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of PJT Partners' engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of PJT Partners' services hereunder could not be measured merely by reference to the number of hours to be expended by PJT Partners' professionals in the performance of such services. The Company also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of PJT Partners and its professionals hereunder over the life of the engagement, and in light of the fact that such commitment may foreclose other opportunities for PJT Partners and that the actual time and commitment required of PJT Partners and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which PJT Partners may be required to address in the performance of its services hereunder, PJT Partners' commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for PJT Partners' services for engagements of this nature in an out-of-court context, the Company agrees that the fee arrangements hereunder (including the Monthly Fee, Capital Raising Fee, Restructuring Fee and Transaction Fee) are reasonable under the standards set forth in 11 U.S.C. Section 328(a).

The advisory services and compensation arrangement set forth in this Agreement do not encompass other investment banking services or transactions that may be undertaken by PJT Partners at the request of both Counsel and the Company, including the arranging of debt or equity capital (except as provided above), issuing fairness opinions or any other specific services not set forth in this Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between PJT Partners and the appropriate party.

PJT Partners agrees that, until five (5) years after the date of expiration or termination hereof (or such longer period as may be applicable in respect of Identified Information, defined below) (the "Confidentiality Term"), PJT Partners will hold confidential all, and not disclose any proprietary or non-public information concerning the network of independent associated companies that includes the Company made available to PJT Partners by or on behalf of the Company in connection with PJT Partners' engagement hereunder (the "**Information**"), except and only to the extent that such disclosure (a) has been consented to be disclosed by the Company in writing, (b) on advice of PJT Partner's counsel, is required by law, regulation, supervisory authority or other applicable judicial or governmental order or (c) is reasonably necessary in connection with PJT Partners' engagement hereunder to be disclosed to Counsel or those of PJT Partners' employees, affiliates, agents, attorneys and other representatives (collectively, "**Representatives**") but in such event only to those Representatives who need to know such Information for the purpose of assisting PJT Partners with PJT Partners' engagement hereunder (it being understood that such Representatives will be informed of the confidential nature of the Information) and are



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bound to comply with this paragraph. The Information covered by the foregoing obligation shall not include Information that (a) is or becomes generally available to the public (other than as a result of disclosure by PJT Partners or any of its Representatives in violation of this Agreement); (b) was available to PJT Partners or its Representatives on a non-confidential basis prior to its disclosure by or on behalf of the Company as proven by prior written records, (c) becomes available to PJT Partners or its Representatives on a non-confidential basis from a person other than the Company or its Representatives who is not, to PJT Partners' knowledge, bound by a duty of confidentiality to the Company with respect to such Information or otherwise prohibited from disclosing such information. PJT Partners shall be responsible for any non-compliance with, or breach of, its confidentiality obligations under this paragraph by any of the foregoing parties to which it discloses any Information. In the event that the Company requests that PJT Partners comply with its confidentiality obligations set forth in this paragraph for a specified period in excess of the five (5) year term set forth above with respect to any expressly identified Information (the "**Identified Information**") as to which the Company or the network of independent associated companies is bound in respect of such Identified Information by a confidentiality agreement with a third party, such Identified Information shall only be provided to PJT Partners to the extent that PJT Partners provides its written consent to such extended term (which can be via email). Once PJT Partners provides its written consent, the agreed upon extended term shall constitute the Confidentiality Term with respect to such Identified Information only. Upon the Company's or Counsel's written request, PJT Partners will, at its election, return to Company and/or destroy the Information (and any copies thereof) received hereunder, and destroy any notes or other materials prepared by PJT Partners that embody or incorporate such Information, including any copies thereof, and will promptly deliver to Company a written certificate executed by a duly authorized officer of PJT Partners attesting to such return and/or destruction. Notwithstanding the foregoing, (i) PJT Partners may keep a reasonable number of archival copies of the Information as may be required by its standard document retention policies, law, regulation or any applicable self-regulatory agency to which PJT Partners is subject, and (ii) PJT Partners will not be required to erase electronically stored Information that has been saved to a back-up file or other electronic medium in accordance with its ordinary back-up practices, which shall instead be destroyed upon the normal expiration of its back-up files and practices. PJT Partners shall continue to be bound by the terms and conditions of this Agreement with respect to any such Information retained in accordance with the foregoing sentence for the duration of the Confidentiality Term.

The Company will furnish or cause to be furnished to PJT Partners such Information regarding the Company or the network of independent associated companies as PJT Partners reasonably requests and believes appropriate to its assignment. The Company further agrees that it will provide PJT Partners with reasonable access upon reasonable prior notice and during regular business hours to the Company and its directors, officers, employees, accountants, counsel and other advisers. To the best of the Company's knowledge, the Information will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. During the term of the engagement, the Company will use commercially reasonable efforts to inform PJT Partners promptly upon becoming aware of (i) any material developments relating to the Company that the Company reasonably expects may impact PJT Partners' services under this Agreement, or (ii) any Information provided to PJT Partners is, or has become, untrue, unfair, inaccurate or misleading in any material respect. Furthermore, the Company warrants and undertakes to PJT Partners that, in respect of all Information supplied by the Company, the Company has not, to its knowledge, obtained any such Information other than by lawful means and that disclosure to PJT Partners will not, to its knowledge, breach any agreement or duty of confidentiality owed to third parties. The Company and Counsel recognize and confirm that PJT Partners (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, (b) does not assume responsibility for the accuracy or completeness of the Information and such other information, (c) is entitled to rely upon the Information without independent verification, and (d) will not make an appraisal of any assets in connection with its assignment.



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In the event that the Information belonging to the Company is stored electronically on PJT Partners' computer systems, PJT Partners shall not be liable for any damages resulting from unauthorized access, misuse or alteration of such information by persons not acting on its behalf, provided that PJT Partners exercises the same degree of care in protecting the confidentiality of, and in preventing unauthorized access to, the Company's information that it exercises with regard to its own most sensitive proprietary information. PJT Partners shall take reasonable steps, consistent with the practices and professional standards applied by investment banks handling similarly sensitive information, to preserve and protect against any anticipated or actual threats or hazards to the integrity and security of, and prevent any unauthorized access to or destruction, use, modification and disclosure of, Information belonging to the Company that is stored electronically on PJT Partners' computer systems (including personally identifiable information) while in its possession and control. In performing the Services, PJT Partners will observe and comply, in all material respects, with all applicable data privacy and data protection laws and regulations, including applicable consumer privacy laws.

Notwithstanding anything to the contrary herein, PJT Partners acknowledges and agrees that the work product produced by PJT Partners pursuant to this Agreement is for the purpose of facilitating the rendering by Counsel of legal advice to the Company and constitutes attorney work product, and that any communication to Counsel, including, without limitation, any correspondence, analyses, reports and related materials that PJT Partners prepares, constitutes confidential and privileged communications and PJT Partners will not disclose the same or any of the Information to any other person except as requested by Counsel.

Except as required by applicable law, any advice to be provided by PJT Partners under this Agreement shall not be disclosed publicly or made available to third parties (other than the Company's other professional advisors) without the prior written consent of PJT Partners, not to be unreasonably withheld, conditioned or delayed, except as required by applicable law or regulation. In the event disclosure is required by subpoena or court order, the Company will, unless otherwise prohibited by law, provide PJT Partners with reasonable advance notice and permit PJT Partners to comment on the form and content of the disclosure. All services, advice and information and reports provided by PJT Partners to Counsel and the Company in connection with this assignment shall be for the sole benefit of Counsel and the Company and shall not be relied upon by any other person.

The Company acknowledges and agrees that PJT Partners will provide its investment banking services to Counsel on behalf of the Company. The Company further acknowledges and agrees that PJT Partners has been retained for the purposes set forth herein and does not in such capacity act as a fiduciary for the Company or any other person. PJT Partners shall act as an independent contractor and any duties of PJT Partners arising out of its engagement pursuant to this Agreement shall be owed solely to Counsel and the Company. Following the public announcement of a Restructuring and/or Transaction, PJT Partners may, at its own expense, place announcements or advertisements in financial newspapers and journals or place tombstones on its marketing materials, including its website, describing PJT Partners' services hereunder and the Company agrees that PJT Partners may use the Company's logo in any such advertisements or tombstones. In any press release or other public announcement made by the Company regarding a Restructuring and/or Transaction that references the services hereunder, the Company shall refer to PJT Partners LP or such entity as PJT Partners may direct.

In consideration of PJT Partners' agreement to provide investment banking services to Counsel in connection with this Agreement, it is agreed that the Company will indemnify PJT Partners and its agents, representatives, members and employees by executing the indemnification agreement attached to this Agreement as Attachment A. The indemnification agreement is an integral part of this Agreement and the terms thereof are incorporated by reference herein. PJT Partners acknowledges that Counsel has no obligation to indemnify PJT Partners.

PJT Partners' engagement hereunder may be terminated upon 30 days' written notice without cause by Counsel, the Company or PJT Partners; or immediately upon written notice of termination for cause by Counsel, the Company or PJT Partners. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and

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expenses accrued through the date of termination, the status of PJT Partners as an independent contractor, the limitation as to whom PJT Partners shall owe any duties, and any other provision of this Agreement that, by its terms, survives termination, will survive any such termination, (b) any such termination shall not affect the Company's obligations under the indemnification agreement attached as Attachment A or PJT Partners' confidentiality obligations hereunder. Without limiting the foregoing, PJT Partners shall be entitled to the Restructuring Fee, Capital Raising Fee and/or Transaction Fee, as applicable, in the event that, at any time prior to the expiration of 24 months following the termination of this Agreement either (i) a Restructuring, a capital raise and/or a Transaction, as applicable, is consummated or (ii) a definitive agreement with respect to a Restructuring, a capital raise and/or a Transaction, respectively, is executed and a Restructuring, a capital raise and/or a Transaction, respectively, is thereafter consummated.

The Company represents that neither it nor any of its affiliates under common control, nor, to the knowledge of the Company, any of their respective directors or officers, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is: (i) a Person with whom dealings are prohibited or restricted under U.S. economic sanctions (including those administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control and the U.S. Department of State) or under sanctions imposed by the United Nations Security Council, Canada, the European Union, or member countries of the European Union ; (ii) a Person subject to anti-money laundering prohibitions, restrictions, or sanctions imposed by the United States, Canada, the European Union, member countries of the European Union, or any other relevant jurisdiction; or (iii) to the knowledge of the Company, not in compliance in all material respects with all applicable anti-money laundering laws and Sanctions laws.

PJT Partners maintains a conflicts management program (the "Conflicts Management Program"). The Conflicts Management Program is a program designed to include (i) every active matter on which PJT Partners is currently engaged, (ii) the entities represented by PJT Partners in such engagements, (iii) the material parties involved in each current matter (inclusive of adverse and related parties, as identified to PJT Partners by the prospective client and/or its counsel in the case of a restructuring advisory assignment), and (iv) the professional at PJT Partners that is knowledgeable about the matter. As a regulated broker-dealer, PJT Partners maintains compliance policies and procedures which include requirements pertaining to the monitoring, receipt and dissemination of client confidential information. It is the policy of PJT Partners that no new matter may be accepted or opened within the firm without completing and submitting to those charged with administering the Conflicts Management Program the information necessary to check such matter for conflicts. The scope of the review is a function of the completeness and accuracy of the information submitted by the PJT Partners professional opening a new matter. For purposes of monitoring and avoiding conflicts of interest, PJT Partners maintains a list of companies with which PJT Partners is doing business, either as an advisor or with respect to which PJT Partners is in possession of material, nonpublic information or has entered into a confidentiality agreement. The Conflicts Management Program and accompanying policy and procedures are maintained by PJT Partners' internal Legal and Compliance Department. PJT Partners' Legal and Compliance Department is responsible for maintaining and reviewing the firm's centralized repository of conflicts of interest information and for performing reviews in conjunction with senior business management.

The Company should be aware that PJT Partners and/or its affiliates may be providing and may in the future provide financial or other services to other parties with conflicting interests. In addition, the Company should be aware that PJT Partners maintains relationships throughout the pharmaceutical industry, including with other opioid manufacturers that are, or may become, involved in opioid-related litigation. Consistent with PJT Partners' policy to hold in confidence the affairs of its clients, PJT Partners will not use any Information except in connection with PJT Partners' services to, and PJT Partners' relationship with, the Company, nor will PJT Partners use on the Company's behalf or have any obligation to disclose or otherwise have any liability with respect to any confidential information obtained from any other client. Notwithstanding anything to the contrary provided elsewhere herein, the Company expressly acknowledges and agrees that none of the provisions of this Agreement shall in any way

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restrict PJT Partners from being engaged or mandated by any third party, or otherwise participating or assisting with any transaction involving any other party (other than a transaction that is the subject of this Agreement prior to the termination of this Agreement).

This Agreement (including the indemnification agreement attached hereto as Attachment A) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect or impair such provision or the remaining provisions of this Agreement in any other respect, which will remain in full force and effect. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Agreement and any dispute or claim that may arise out of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

Each of the Company and Counsel hereby agrees that any action or proceeding brought by the Company and/or Counsel against PJT Partners based hereon or arising out of PJT Partners' engagement hereunder, shall be brought and maintained by the Company and/or Counsel exclusively in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York; provided, if the Company commences a Chapter 11 case, all legal proceedings pertaining to this engagement arising after such case is commenced may be brought in the Bankruptcy Court handling such case. Each of the Company and Counsel irrevocably submits to the jurisdiction of the courts of the State of New York located in the City and County of New York and the United States District Court for the Southern District of New York and appellate courts from any thereof for the purpose of any action or proceeding based hereon or arising out of PJT Partners' engagement hereunder and irrevocably agrees to be bound by any judgment rendered thereby in connection with such action or proceedings. Each of the Company and Counsel hereby irrevocably waives, to the fullest extent permitted by law, any objection it may have or hereafter may have to the laying of venue of any such action or proceeding brought in any such court referred to above and any claim that such action or proceeding has been brought in an inconvenient forum and agrees not to plead or claim the same.

**Notices.** Any notices required or permitted to be given hereunder by either party hereto to the other parties will be given in writing (i) by personal delivery, email or facsimile transmission, (ii) by nationally-recognized overnight delivery company or (iii) by prepaid first class, registered or certified mail, postage prepaid, in each case addressed to the other parties hereto as set forth on Schedule I (or to such other address as the other party hereto may request in writing by notice given pursuant to this section). Notices will be deemed received on the earliest of: (a) if personally delivered, emailed or sent via facsimile, the same day; (b) if sent by overnight delivery company, on the second working day after the day it was sent; or (c) if sent by mail, when actually received.

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. A facsimile of a signed copy of this Agreement or other copy made by reliable mechanical means may be relied upon as an original.

Purdue Pharma L.P., Rhodes Technologies and Rhodes Pharmaceuticals L.P. each hereby represent and warrant that (a) it is duly authorized to execute and deliver this Agreement for and on behalf of each of its subsidiaries and (b) the execution and delivery of this Agreement and the performance of the obligations of Purdue Pharma L.P., Rhodes Technologies and Rhodes Pharmaceuticals L.P. and each of their respective subsidiaries under this Agreement has been duly authorized and this Agreement constitutes a valid and legal agreement binding on each such party and enforceable in accordance with its terms.


[SIGNATURE PAGE FOLLOWS]

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

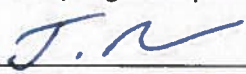
By:   
Name: Timothy R. Coleman  
Title: Partner

Accepted and Agreed to as  
of the date first written above:

PURDUE PHARMA L.P.

(on behalf of itself and its subsidiaries)

By: Purdue Pharma Inc., its general partner

By:   
Name: Jon Laune  
Title: SVP, CFO

RHODES TECHNOLOGIES

(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title

RHODES PHARMACEUTICALS

(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title

DAVIS POLK & WARDWELL LLP

By: \_\_\_\_\_  
Name: Marshall S. Huebner  
Title: Partner

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

PJT PARTNERS LP

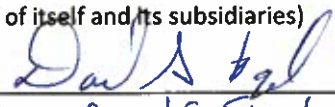
By: PJT Management, LLC, its general partner

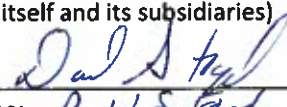
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Partner

Accepted and Agreed to as  
of the date first written above:

PURDUE PHARMA L.P.  
(on behalf of itself and its subsidiaries)  
By: Purdue Pharma Inc., its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RHODES TECHNOLOGIES L.P.  
(on behalf of itself and its subsidiaries)  
By:  \_\_\_\_\_  
Name: David S. Fogel  
Title: V.P. Finance

RHODES PHARMACEUTICALS L.P.  
(on behalf of itself and its subsidiaries)  
By:  \_\_\_\_\_  
Name: David S. Fogel  
Title: V.P. Finance

DAVIS POLK & WARDWELL LLP

By: \_\_\_\_\_  
Name: Marshall S. Huebner  
Title: Partner

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By: \_\_\_\_\_  
Name:  
Title: Partner

Accepted and Agreed to as  
of the date first written above:

PURDUE PHARMA L.P.  
(on behalf of itself and its subsidiaries)  
By: Purdue Pharma Inc., its general partner

By: \_\_\_\_\_  
Name:  
Title:

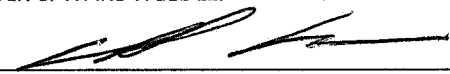
RHODES TECHNOLOGIES L.P.  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title

RHODES PHARMACEUTICALS L.P.  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title

DAVIS POLK & WARDWELL LLP

By:  \_\_\_\_\_  
Name: Marshall S. Huebner  
Title: Partner

Purdue Pharma L.P.  
May 6, 2019

ATTACHMENT A

May 6, 2019

PJT Partners LP  
280 Park Avenue  
New York, NY 10017

INDEMNIFICATION AGREEMENT

Ladies and Gentlemen:

This letter will confirm that PJT Partners LP ("**PJT Partners**") has been engaged to advise and assist Davis Polk & Wardwell LLP ("**Counsel**"), as counsel to Purdue Pharma L.P., Purdue Pharma Inc., Avrio Health Inc., Rhodes Technologies and Rhodes Pharmaceuticals L.P. (collectively with each of their subsidiaries, the "**Company**") in connection with the matters referred to in the letter of agreement, dated as of May 6, 2019, by and between PJT Partners and Counsel (the "**Engagement Letter**"). In connection with the engagement of PJT Partners to advise and assist Counsel for the benefit of the Company as described in the attached Engagement Letter (the "**Engagement**"), in the event that PJT Partners becomes involved in any capacity in any claim, suit, action, proceeding, investigation or inquiry (including, without limitation, any shareholder or derivative action or arbitration proceeding) (collectively, a "**Proceeding**") in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, the Company agrees to indemnify, defend and hold PJT Partners and its affiliates, and their respective current and former directors, officers, agents, employees, attorneys and other representatives and the successors and assigns of all of the foregoing persons (each an "**Indemnified Party**") harmless to the fullest extent permitted by law, from and against any losses, claims, damages, fines, penalties, liabilities and expenses ("**Losses**"), whether they be joint or several, in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that such Losses resulted from the gross negligence, fraud, bad faith or willful misconduct of such Indemnified Party or an intentional breach of the confidentiality obligations set forth in the Engagement Letter by (or a breach thereof resulting from the gross negligence of) such Indemnified Party. In the event that any Indemnified Party becomes involved in any capacity in any Proceeding (regardless of whether or not such or any Indemnified Party is a party to or the subject of such Proceeding) in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter (including, without limitation, in enforcing the Engagement Letter), the Company will reimburse such Indemnified Party for its reasonable, documented legal and other expenses (including the cost of any investigation and preparation) as such expenses are incurred by such Indemnified Party in connection therewith; provided, that if it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that Losses resulted from the gross negligence, fraud, bad faith or willful misconduct of such



Purdue Pharma L.P.  
May 6, 2019

Indemnified Party or an intentional breach of the confidentiality obligations set forth in the Engagement Letter by (or a breach thereof resulting from the gross negligence of) such Indemnified Party, such Indemnified Party shall return to the Company such reimbursed amounts.. The Company also agrees to cooperate with any Indemnified Party and to give, and so far as it is reasonably able to procure the giving of, all such reasonable information and render all such reasonable assistance to such Indemnified Party as such Indemnified Party may reasonably request in connection with any Proceeding and not to take any action which might reasonably be expected to prejudice the position of any Indemnified Party in relation to any Proceeding without the consent of PJT Partners (such consent not to be unreasonably withheld, conditioned or delayed). In the event that any Indemnified Party is requested or authorized by the Company or required by government regulation, subpoena or other legal process to produce documents, or to make its current or former personnel available as witnesses at deposition or trial, arising as a result of or in connection with the matters referred to in the Engagement Letter, the Company will, so long as PJT Partners is not a party to the Proceeding in which the information is sought, pay PJT Partners the reasonable fees and expenses of its counsel incurred in responding to such a request.

If such indemnification is for any reason not available or insufficient to hold an Indemnified Party harmless, the Company agrees to contribute to the Losses involved in the proportion appropriate to reflect the relative benefits received or sought to be received by the Company and its security holders and affiliates and other constituencies, on the one hand, and the Indemnified Party, on the other hand, in connection with the matters contemplated by the Engagement Letter, or, if such allocation is determined by a court or arbitral tribunal to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of the Company or its security holders and affiliates or other constituencies, on the one hand, and of the Indemnified Parties, on the other hand; provided, however, that, to the extent permitted by applicable law, the Indemnified Parties shall not be responsible for amounts which in the aggregate are in excess of the amount of all fees actually received by PJT Partners from the Company in connection with the Engagement. The Company agrees that for the purposes of this paragraph the relative benefits received, or sought to be received, by the Company and its security holders and affiliates and other constituencies, on the one hand, and the Indemnified Party, on the other hand, in connection with the matters contemplated by the Engagement Letter shall be deemed to be in the same proportion that the total value received or paid or contemplated to be received or paid by the Company or its security holders or affiliates and other constituencies, as the case may be, as a result of or in connection with the matters (whether or not consummated) for which PJT Partners has been retained to perform financial services bears to the fees paid to PJT Partners under the Engagement Letter; provided, however, to the extent permitted by applicable law, the Indemnified Parties, taken together, shall not be liable for Losses which in the aggregate are in excess of the amount of fees actually received by PJT Partners pursuant to the Engagement Letter (exclusive of amounts paid for reimbursement of expenses under the Engagement Letter).

The Company agrees that no Indemnified Party shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that such Losses incurred by the Company resulted from the gross negligence, fraud, bad faith or willful misconduct of such Indemnified Party or an intentional breach of the confidentiality obligations set forth in the Engagement Letter by (or a breach thereof resulting from the gross negligence of) such Indemnified Party.

If any Proceeding shall be brought, threatened or asserted against an Indemnified Party in respect of which indemnity or contribution may be sought against the Company, PJT Partners shall promptly notify the Company in writing; provided that failure to so notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall have been actually materially prejudiced by such failure. The Company may elect to, assume the defense of such Proceeding,



Purdue Pharma L.P.  
May 6, 2019

at the Company's own expense, with counsel reasonably satisfactory to such Indemnified Party. Such Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (a) the Company has agreed in writing to pay such fees and expenses, (b) the Company has failed to assume the defense, pursue the defense reasonably diligently or to employ counsel in a timely manner (unless such delay in employing counsel does not materially prejudice PJT Partners), or, (c) outside counsel to such Indemnified Party has advised such Indemnified Party that in such Proceeding there is an actual or potential conflict of interest or a conflict on any material issue between the Company's position and the position of such Indemnified Party.

The Company agrees that, without PJT Partners' prior written consent (which shall not be unreasonably withheld, conditioned or delayed), it will not settle, compromise or consent to the entry of any judgment in any pending or threatened Proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not an Indemnified Party is an actual or potential party to such Proceeding), unless such settlement, compromise or consent (a) includes an explicit and unconditional release from the settling, compromising or consenting party of each Indemnified Party from all liability arising out of such Proceeding and (b) does not contain any factual or legal admission by or with respect to any Indemnified Party or any adverse statement with respect to the character, professionalism, due care, loyalty, expertise or reputation of any Indemnified Party or any action or inaction by each Indemnified Party. No Indemnified Party seeking indemnification, reimbursement or contribution under this letter agreement will, without the Company's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), settle, compromise, consent to the entry of any judgment or otherwise seek to terminate any action, claim, suit, investigation or proceeding in respect of which indemnification, reimbursement or contribution may be sought.

The Company's reimbursement, indemnification and contribution obligations under this letter agreement shall be in addition to any liability which the Company may otherwise have at law or in equity, shall not be limited by any rights PJT Partners or any other Indemnified Party may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, PJT Partners and any other Indemnified Party.

For the avoidance of doubt, Counsel shall have no obligation to indemnify PJT Partners.

This letter agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. A facsimile of a signed copy of this letter agreement or other copy made by reliable mechanical means may be relied upon as an original.

Purdue Pharma L.P., Rhodes Technologies and Rhodes Pharmaceuticals L.P. each hereby represents and warrants that (a) it is duly authorized to execute and deliver this Agreement for and on behalf of each of its subsidiaries and (b) the execution and delivery of this letter agreement and the performance of the obligations of each of Purdue Pharma L.P., Rhodes Technologies and Rhodes Pharmaceuticals L.P. each of their respective subsidiaries under this letter agreement has been duly authorized and this letter agreement constitutes a valid and legal agreement binding on each such party and enforceable in accordance with its terms.

[SIGNATURE PAGE FOLLOWS]

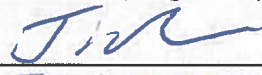
Purdue Pharma L.P.  
Mar 6, 2019

The provisions of this letter agreement shall apply to the Engagement or any modification thereof, as well as any additional engagement or any modification thereof of PJT Partners in connection with the matters which are the subject of the Engagement, and shall remain in full force and effect regardless of any termination or the completion of your services under the Engagement Letter.

This letter agreement and the Engagement Letter shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

Very truly yours,

PURDUE PHARMA L.P.  
(on behalf of itself and its subsidiaries)  
By: Purdue Pharma Inc., its general partner

By:   
Name: Jon Lawrence  
Title: SVP, CFO

RHODES TECHNOLOGIES  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title


RHODES PHARMACEUTICALS  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title

Accepted and Agreed to as  
of the date first written above:

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By:   
Name: Timothy R. Coleman  
Title: Partner

Purdue Pharma L.P.  
Mar 6, 2019

The provisions of this letter agreement shall apply to the Engagement or any modification thereof, as well as any additional engagement or any modification thereof of PJT Partners in connection with the matters which are the subject of the Engagement, and shall remain in full force and effect regardless of any termination or the completion of your services under the Engagement Letter.

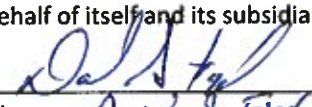
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Very truly yours,

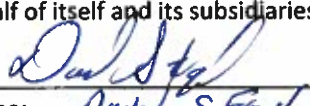
PURDUE PHARMA L.P.  
(on behalf of itself and its subsidiaries)  
By: Purdue Pharma Inc., its general partner

By: \_\_\_\_\_  
Name:  
Title:

RHODES TECHNOLOGIES L.P.  
(on behalf of itself and its subsidiaries)

By:   
Name: David S. Fogel  
Title: V.P. Finance

RHODES PHARMACEUTICALS L.P.  
(on behalf of itself and its subsidiaries)

By:   
Name: David S. Fogel  
Title: V.P. Finance

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of the date first written above:

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By: \_\_\_\_\_  
Name:  
Title: Partner

Purdue Pharma L.P.  
May 6, 2019

## Schedule I

### Notices

Financial Matters Contacts: All communications and notices related to financial matters, including billing, shall be addressed to the following:

If to PJT Partners:

PJT Partners LP  
280 Park Avenue  
New York, NY 10017

Attention to either:

- Helen Meates, Chief Financial Officer; [htm@pjtpartners.com](mailto:htm@pjtpartners.com); 212.364.7807; or
- David Figur, Director of Finance; [figur@pjtpartners.com](mailto:figur@pjtpartners.com); 212.364.5056

If to the Company:

Purdue Pharma L.P.  
One Stamford Forum  
201 Tresser Boulevard  
Stamford, CT 06901-3431  
Attention: Jon Lowne, CFO; Email: [jon.lowne@pharma.com](mailto:jon.lowne@pharma.com); Tel: (203) 588-7077

All other notices shall be addressed to the following:

If to PJT Partners:

PJT Partners LP  
280 Park Avenue  
New York, NY 10017  
Attention: General Counsel  
Email: [cuminale@pjtpartners.com](mailto:cuminale@pjtpartners.com)  
Tel: 212.364.7170

If to the Company:

Purdue Pharma L.P.  
One Stamford Forum  
201 Tresser Boulevard  
Stamford, CT 06901-3431  
Attention: Marc Kesselman, SVP & General Counsel; Email: [marc.kesselman@pharma.com](mailto:marc.kesselman@pharma.com);  
Tel: (203) 588-7169

Counsel:

Davis Polk & Wardwell LLP  
450 Lexington Avenue  
New York, NY 10017  
Attention: Marshall S. Huebner  
Email: [marshall.huebner@davispolk.com](mailto:marshall.huebner@davispolk.com)  
Tel: 212-450-4099

Purdue Pharma L.P.  
May 6, 2019

## **Schedule II**

### **Wire Instructions**

Bank Name: First Republic Bank  
1230 Avenue of the Americas  
New York, NY 10020

Bank Routing Number: 321 081 669  
(ABA)

For the benefit of:  
(Account Name/Title) PJT Partners LP

Account Number: 80003266582

Swift Code: FRBBUS6S

**Exhibit B**

**Coleman Declaration**

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 701-5800  
Marshall S. Huebner  
Benjamin S. Kaminetzky  
Timothy Graulich  
Eli J. Vonnegut

*Proposed Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PURDUE PHARMA L.P., et al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 19-23649 (RDD)**

**(Jointly Administered)**

**DECLARATION OF TIMOTHY COLEMAN IN SUPPORT OF  
DEBTORS' APPLICATION TO EMPLOY PJT PARTNERS LP  
AS INVESTMENT BANKER *NUNC PRO TUNC* TO THE PETITION DATE**

I, Timothy Coleman, hereby declare:

1. I am a Partner in and the Global Chairman of the Restructuring and Special Situations Group at PJT Partners LP (“**PJT**”) and one of the lead restructuring advisors involved in these chapter 11 cases of the above-captioned debtors and debtors in possession (collectively,

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

the “**Debtors**” or “**Purdue**”). PJT is the proposed investment banker to the Debtors. I submit this declaration (this “**Declaration**”) on behalf of PJT in support of the *Debtors’ Application to Employ PJT Partners LP as Investment Banker Nunc Pro Tunc to the Petition Date* (the “**Application**”).<sup>2</sup>

2. Unless otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge, my discussions with the Debtors’ senior management, other members of the PJT team, or other interested parties, my review of relevant documents, or my opinion based upon my experience, knowledge, and information concerning the Debtors’ operations and financial affairs. If I were called to testify, I would testify competently to the facts set forth below.

### **PJT’s Qualifications**

3. PJT’s Restructuring and Special Situations Group is one of the industry’s leading advisors to companies and creditors in a variety of complex restructurings and bankruptcies. PJT was spun off from The Blackstone Group L.P. (“**Blackstone**”) effective October 1, 2015.<sup>3</sup> Upon the consummation of the spinoff, Blackstone’s Restructuring and Reorganization advisory group became a part of PJT, and Blackstone’s restructuring professionals became employees of PJT. The former Blackstone restructuring professionals, in their capacity as PJT employees, have been conducting business and providing their clients with the same high-quality restructuring services

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Application.

<sup>3</sup> On October 7, 2014, the board of directors of Blackstone’s general partner approved a plan to spin off its financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill fund placement businesses, and to combine these businesses with an independent financial advisory firm founded by Paul J. Taubman, to form an independent, publicly traded company called PJT Partners Inc. PJT is a wholly-owned subsidiary of PJT Partners Holdings LP, a holding partnership that is controlled by PJT Partners Inc., as general partner. PJT Partners Inc. is led by Paul J. Taubman, as chairman and chief executive officer. This spinoff was effected via a multi-step transaction.



that Blackstone had itself provided since the formation of its restructuring advisory practice 28 years ago. PJT professionals have extensive experience working with financially troubled companies in complex financial restructurings. Since 1991, PJT professionals have advised on more than 600 distressed situations, both in and out of court, involving more than \$2.0 trillion of total liabilities.

4. The partners and members of PJT's Restructuring and Special Situations Group have assisted and advised in numerous chapter 11 cases. In particular, they have provided services to debtors, creditors' committees, and other constituencies in numerous chapter 11 cases, including, among others: AbitibiBowater Inc.; Aegean Marine Petroleum Network Inc.; Adelphia Communications Corporation; Allen Systems Group, Inc.; Ambac Financial Group, Inc.; Apex Silver Mines Ltd.; Arch Coal, Inc.; Ascent Resources Marcellus Holdings, LLC; The Bon-Ton Stores, Inc.; Caesars Entertainment Operating Corporation; Cengage Learning, Inc.; Chaparral Energy LLC; CHC Group Ltd.; Cumulus Media Inc.; Delta Air Lines, Inc.; Dixie Electric, LLC; Dynegy Inc.; Eastman Kodak Company; Edison Mission Energy; Energy Future Holdings Corporation; Energy XXI Ltd.; Endeavor International Corporation; Energy & Exploration Partners, Inc.; Enron Corporation; Excel Maritime Carriers, Ltd.; EXCO Resources, Inc.; FirstEnergy Solutions Corp.; Flag Telecom Holdings Limited; Flying J. Inc.; FullBeauty Brands Holding Corp.; Fusion Connect, Inc.; Genco Shipping & Trading Limited; General Motors Corporation; Global Crossing Ltd.; Halcón Resources Corporation; Hawker Beechcraft, Inc.; Hercules Offshore, Inc.; Homer City Generation, L.P.; Hostess Brands, Inc.; Houghton Mifflin Harcourt Publishing Company; Lee Enterprises Inc.; Legend Parent Inc.; LightSquared Inc.; Los Angeles Dodgers LLC; LyondellBasell Industries; Magnetation LLC; Magnum Hunter Resources Corporation; Merisant Worldwide, Inc.; Mirant Corp.; New Gulf Resources, LLC;

NewPage Corporation; NTK Holdings, Inc.; Paragon Offshore plc; Patriot Coal Corporation; Penn Virginia Corporation; PES Holdings, LLC; PHI, Inc.; Quicksilver Resources, Inc.; Relativity Media, LLC; Sabine Oil & Gas Corp.; Samson Resources Corporation; SemGroup; Stearns Holdings, LLC; TerreStar Networks Inc.; Toisa Ltd.; Triangle USA Petroleum Corporation; Tribune Company; Trident Holding Company, LLC; Ultra Petroleum Corp.; Venoco Inc.; VER Technologies Holdco LLC; Verso Corporation; Walter Energy, Inc.; Westinghouse Electric Company LLC; W.R. Grace & Co.; Windstream Holdings, Inc.; and Winn-Dixie Stores, Inc. In addition, the restructuring group has provided general restructuring advice to such major companies as Clearwire Corporation, Ford Motor Company, The Goodyear Tire & Rubber Company, and Xerox Corporation.

5. More specific to this matter, the partners and members of PJT's Restructuring and Special Situations Group have advised companies in situations involving potential mass tort liability. These companies include The Babcock & Wilcox Company, Dow Corning Corporation, Specialty Products Holding Corp. (parent of Bondex International), and W. R. Grace & Co.

6. PJT was initially retained on or around November 13, 2017 as Purdue faced mounting litigation related to its opioid medications. The scope of PJT's initial work, which lasted approximately three months, focused primarily on assessing Purdue's business plan. In connection with this assessment, Purdue decided to scale back certain functions, including sales initiatives, research and development investment, and pipeline product development.

7. Several months later, beginning on or around May 1, 2018, PJT started a second engagement with Purdue. The scope of this assignment included the analysis of intercompany

relationships with Rhodes Technologies and Rhodes Pharmaceuticals L.P. (“**Rhodes**”),<sup>4</sup> the evaluation of manufacturing arrangements, the analysis of the financial impact of potential settlement and restructuring options and the assessment of business risks resulting from an ever-increasing number of lawsuits. These risks included, among others, a substantial reduction in the amount of cash on hand as a result of significant legal defense and related indemnification expenses and potential business interruption resulting from suppliers and vendors requiring more onerous trade terms.

8. The third phase of PJT’s engagement began on or around April 1, 2019 and has included the ongoing evaluation of the business plan, the support of Debtors’ counsel in negotiations with advisors to various litigants and the preparation of the Debtors’ chapter 11 bankruptcy filing.

9. To date, PJT has engaged in extensive due diligence of the Debtors’ businesses, including their operations, assets, corporate structure, and contractual arrangements to build a foundation for a restructuring strategy. Moreover, PJT has performed diligence on the Debtors’ cash flows and liquidity. PJT has played a key role in arms’ length negotiations among the Debtors and their key stakeholders in furtherance of the Debtors’ restructuring efforts. Finally, PJT has participated in Board of Directors meetings throughout its engagement.

10. As a result of the prepetition work performed by PJT on behalf of the Debtors, PJT has acquired significant knowledge of the Debtors’ financial affairs, business operations, corporate structure, assets, key stakeholders and other related material information. Likewise, in providing prepetition services to the Debtors, PJT’s professionals have worked closely with the

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<sup>4</sup> At this time, Rhodes was under a different ownership chain than Purdue (although Rhodes and Purdue, I understand, have always shared the same ultimate owners). In May 2019, Rhodes was contributed to Purdue, becoming a Purdue subsidiary.

Debtors' management, Board of Directors and other advisors. If this Application is approved, several of PJT's professionals, all with substantial expertise in the areas discussed above, will continue to provide services to the Debtors and will work closely with the Debtors' management and other professionals to complete the Debtors' reorganization. Accordingly, as a result of PJT's representation of the Debtors prior to the commencement of these chapter 11 cases and PJT's extensive experience representing chapter 11 debtors, PJT is well qualified to provide these services and represent the Debtors during these chapter 11 cases.

### **Services Provided by PJT**

11. Subject to further order of the Court, and consistent with the terms of the Engagement Letter, PJT's services in these chapter 11 cases, to the extent necessary, appropriate, and feasible, and as may be requested by the Debtors, include the following<sup>5</sup>:

- a. assist in the evaluation of the Debtors' businesses and prospects, opportunities and financial condition;
- b. assist in the evaluation of the Debtors' long-term business plan and related financial projections;
- c. assist in the development of presentations to the Debtors' Board of Directors, various creditors and other third parties;
- d. analyze the Debtors' financial liquidity;
- e. analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the Restructuring;<sup>6</sup>

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<sup>5</sup> The summary of the Engagement Letter in this declaration is qualified in its entirety by reference to the provisions of the Engagement Letter. To the extent there is any discrepancy between the summary contained in this declaration and the terms set forth in the Engagement Letter, the terms of the Engagement Letter shall govern. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Engagement Letter.

<sup>6</sup> As provided for in the Engagement Letter, a "**Restructuring**" shall mean "collectively, (i) any restructuring, reorganization (whether or not pursuant to chapter 11 of the United States Bankruptcy Code ('**Chapter 11**'), but excluding a liquidation pursuant to chapter 7 of the United States Bankruptcy Code) and/or recapitalization of the [Debtors] affecting any of its existing or potential debt obligations or other claims against the [Debtors],

- f. participate in negotiations among the Debtors and their creditors, and other interested parties;
- g. value securities offered by the Debtors in connection with a Restructuring;
- h. assist in arranging financing for the Debtors, as requested;
- i. provide expert witness testimony concerning any of the subjects encompassed by the other investment banking services;
- j. assist the Debtors in preparing marketing materials in conjunction with a possible Transaction;<sup>7</sup>
- k. assist the Debtors in identifying potential buyers or parties in interest to a Transaction and assist in the due diligence process;
- l. assist and advise the Debtors concerning the terms, conditions and impact of any proposed Transaction; and
- m. provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a transaction similar to a potential Restructuring and/or Transaction, as requested and mutually agreed.

### **Professional Compensation**

12. In consideration of the services to be provided by PJT, and as summarized in the Application and as more fully described in the Engagement Letter, subject to the Court's approval, the Debtors and PJT have agreed that PJT shall, in respect of its services, be compensated under the Fee Structure.

13. The Fee Structure is consistent with PJT's typical fee for work of this nature. The fees are set at a level designed to compensate PJT fairly for the work of its professionals and

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including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, and preferred stock (collectively, the '**Obligations**'), and/or (ii) a sale or other acquisition or disposition of any material assets and/or equity of the [Debtors], and/or (iii) any complete or partial repurchase, refinancing, extension or repayment by the [Debtors] of any of the Obligations."

<sup>7</sup> As provided for in the Engagement Letter, a "Transaction" means "the sale, merger or other disposition of all or a portion of the Company or its assets."

other personnel and to cover fixed and routine overhead expenses. It is PJT's policy to charge its clients for all disbursements and expenses incurred in the rendition of services.

14. The Fee Structure is comparable to those generally charged by investment banking firms of similar stature to PJT and for comparable engagements, both in and out of court, and reflects a balance between a fixed, monthly fee, and a contingency amount that is tied to the consummation of a Restructuring.

15. The Engagement Letter was negotiated at arm's length and in good faith, and I believe that the provisions contained therein are reasonable terms and conditions of PJT's employment by the Debtors.

16. With respect to the Indemnification Agreement, unlike the market for other professionals that a debtor may retain, indemnification is a standard term of the market for investment bankers. The indemnity, moreover, is comparable to those generally obtained by investment banking firms of similar stature to PJT and for comparable engagements, both in and out of court. The Indemnification Agreement was fully negotiated by the Debtors and PJT at arm's length and in good faith, and I respectfully submit that the indemnification, contribution, and reimbursement provisions therein are reasonable.

17. Other than as set forth above, there is no proposed arrangement between the Debtors and PJT for compensation to be paid in these cases. PJT has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under Bankruptcy Code section 504(b)(1).

18. PJT is willing to be retained by the Debtors as their investment banker and will make appropriate applications to this Court for allowance of compensation and reimbursement of

out-of-pocket expenses, all in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any orders of this Court.

19. PJT has requested, pursuant to Bankruptcy Code section 328(a), payment of its fees on a fixed-rate and/or fixed-percentage basis. It is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. PJT's restructuring professionals, when formally retained in chapter 11 cases, and when required by local rules, do, and in these cases will, keep time records in half-hour increments describing their daily activities and the identity of persons who performed such tasks. PJT will also supplement this information with a list of the non-restructuring professionals who assist the restructuring department on this matter but who do not, as a matter of general practice, keep records in the same manner. In addition, apart from the time-recording practices described above, PJT's personnel do not maintain their time records on a "project category" basis. As such, the Debtors are requesting modification of the requirements under the Local Rules.

20. According to the Debtors' books and records, during the 90-day period before the Petition Date, the Debtors paid PJT \$780,000 for monthly fees earned and \$21,771.63 for expenses incurred. Prior to the Petition Date, PJT had also received an advance payment of \$195,000. Given the timing of the filing, PJT may not yet have accounted for all expenses it incurred before the Petition Date. In the event PJT subsequently becomes aware of additional prepetition expenses incurred on behalf of the Debtors, PJT will reduce its advance by such amounts. To the extent that amounts paid by the Debtors to PJT prior to the Petition Date exceed amounts incurred by PJT prepetition, such excess will be credited to amounts incurred postpetition.

**No Duplication of Efforts**

21. The Debtors have worked with PJT and their other advisors to ensure that there will be no duplication of efforts and will continue to do so throughout the course of these chapter 11 cases.

**PJT's Disinterestedness**

22. PJT has performed a conflict search and based on the results, to the best of my knowledge, neither I, PJT, nor any member or employee thereof, insofar as I have been able to ascertain, is an insider of the Debtors, nor has any connection with the Debtors, their creditors, or other parties in interest as reasonably known to us prior to completion of our more detailed conflict search, except as described further in the Flanagan Declaration.

23. As part of its diverse practice, PJT appears in numerous cases, proceedings, and transactions involving many different professionals, including attorneys, accountants, investment bankers, and financial consultants, some of which may represent claimants and parties in interest in these chapter 11 cases. In addition, PJT has in the past and will likely in the future be working with or against other professionals involved in this case in matters unrelated to this case. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors' estates, and none are in connection with these chapter 11 cases.

24. Tara Flanagan, the Chief Compliance Officer of PJT (in such capacity, the “**Chief Compliance Officer**”), is responsible for, among other things, overseeing the maintenance of information pertaining to (i) every active matter on which PJT is currently engaged, (ii) the entities represented by PJT in such engagements, (iii) the material parties involved in each current matter (inclusive of adverse and related parties, as identified to us by the prospective client and/or its counsel in the case of a restructuring advisory assignment), and (iv) the



professional at PJT that is knowledgeable about the matter. As part of any conflict review undertaken, this information and information on closed assignments is incorporated into the review. The Chief Compliance Officer and her staff have received a list of parties in interest provided by the Debtors (the “**Parties in Interest**”) and have compared this to PJT’s information to determine the existence of any possible conflicts (the “**Conflict Check**”). The results of this Conflict Check are disclosed in the Flanagan Declaration.

25. PJT does not believe that any of its involvement with any of the parties included in the Parties in Interest list will adversely affect the Debtors in any way. PJT does not believe that any potential relationship it may have with any of the Parties in Interest would interfere with or impair PJT’s representation of the Debtors.

26. Given the large number of parties in interest in these chapter 11 cases, despite the efforts to identify and disclose PJT’s relationships with the Parties in Interest, I am unable to state with absolute certainty that every client relationship or other connection has been disclosed in this Declaration. PJT, therefore, has informed the Debtors that PJT will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered or arise, PJT will promptly file a supplemental declaration with the Court.

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

Dated: November 5, 2019  
White Plains, New York

By: /s/ Timothy Coleman  
Timothy Coleman  
Partner  
PJT Partners LP

**Exhibit C**

**Flanagan Declaration**

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 701-5800  
Marshall S. Huebner  
Benjamin S. Kaminetzky  
Timothy Graulich  
Eli J. Vonnegut

*Proposed Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PURDUE PHARMA L.P., et al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 19-23649 (RDD)**

**(Jointly Administered)**

**DECLARATION OF TARA FLANAGAN IN SUPPORT OF  
DEBTORS' APPLICATION TO EMPLOY PJT PARTNERS LP  
AS INVESTMENT BANKER *NUNC PRO TUNC* TO THE PETITION DATE**

I, Tara Flanagan, hereby declare:

1. I am the Chief Compliance Officer of PJT Partners LP (“**PJT**”). As part of my job, I am responsible for supervising employees who maintain, for purposes of monitoring and avoiding conflicts of interest, a list of companies with which PJT is doing business, either as an

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

advisor or with respect to which PJT is in possession of material, nonpublic information or has entered into a confidentiality agreement.

2. On July 30, 2019, as updated on August 7, 2019, September 15, 2019 and September 16, 2019, my colleagues received a list of parties in interest (as amended, the “**PII**”) from counsel to the above-captioned debtors and debtors-in-possession (the “**Debtors**”).

3. As part of PJT’s conflicts management program (the “**Conflicts Management Program**”), PJT maintains information pertaining to (i) every active matter on which PJT is currently engaged, (ii) the entities represented by PJT in such engagements, (iii) the material parties involved in each current matter (inclusive of adverse and related parties, as identified to us by the prospective client and/or its counsel in the case of a restructuring advisory assignment), and (iv) the professional at PJT that is knowledgeable about the matter. As part of any conflict review undertaken, this information and information on closed assignments is incorporated into the review. It is the policy of PJT that no new matter may be accepted or opened within the firm without completing and submitting to those charged with administering the Conflicts Management Program the information necessary to check such matter for conflicts. The scope of the review is a function of the completeness and accuracy of the information submitted by the PJT professional opening a new matter.

4. PJT and certain of its partners and employees may have in the past represented, may currently represent, and likely will in the future represent, entities that may be on the PII or may otherwise be parties in interest in these chapter 11 cases in connection with matters unrelated (except as otherwise disclosed herein) to the Debtors and these chapter 11 cases.

5. The PJT Legal and Compliance Department has undertaken a review of the PII to determine possible connections relating to the Debtors and, subject to the foregoing limitations and the following disclosures, no material connections have been found.

- a. PJT maintains a global practice representing parties throughout the pharmaceutical industry, including other opioid manufacturers and/or distributors of opioid-related products or businesses that are, or may become, involved in opioid-related litigation. One such ongoing engagement is of one of the Debtors' creditors in connection with a certain confidential matter, which creditor holds a claim against the Debtors in the amount of less than \$200,000 according to the Debtors' book and records. None of such engagements are directly related to the Debtors or these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by any such engagements.
- b. PJT was previously engaged to provide financial advisory services to a group of lenders to a company in a confidential matter. One of the members of such group was an affiliate of Goldman Sachs & Co., one of the PII (bank). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- c. PJT has been engaged to provide financial advisory services to a group of lenders to a certain company in a confidential matter. The members of such group include an affiliate of JPMorgan Chase, one of the PII (bank). This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- d. PJT was previously engaged to provide financial advisory services to Citibank N.A., one of the PII, as administrative agent under a credit facility, in connection with the chapter 11 case of Pacific Drilling S.A. The lenders under such credit facility included Goldman Sachs and an affiliate of Citibank, each of which is a PII (banks). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- e. PJT was previously engaged to provide financial advisory services to a group of lenders to a certain company in a confidential matter. One of the members of such group was an affiliate of Goldman Sachs & Co., one of the PII (bank). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.

- f. An affiliate of PJT was previously engaged to provide financial advisory services to a group of lenders to Prosafe SE. One of the members of such group was an affiliate of Citibank, one of the PII (bank). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- g. An affiliate of PJT was previously engaged to provide financial advisory services to an affiliate of Citibank, one of the PII (bank), in a confidential matter. This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- h. PJT has been engaged to provide advisory services to an affiliate of Citibank, one of the PII (bank), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- i. PJT was previously engaged to provide financial advisory services to Bank of America, N.A. (“BofA”), one of the PII (vendor), as administrative agent to certain lenders under a credit agreement with HGIM Corp. and HGIM Holdings, LLC. This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- j. PJT has been engaged to provide advisory services to BofA, one of the PII (vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- k. PJT was previously engaged to provide financial advisory services to a group of lenders to a certain company in a confidential matter. One of the members of such group was an affiliate of BofA, one of the PII (vendor). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- l. An affiliate of PJT has been engaged to provide financial advisory services to a group of lenders to a company in a confidential matter. One of the members of such group is an affiliate of BofA, one of the PII (vendor). This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.

- m. An affiliate of PJT has been engaged to provide financial advisory services to a group of creditors to a certain company in an additional and separate confidential matter. The members of such group include BofA, one of the PII (vendor). This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- n. PJT has been engaged to provide financial advisory services to a group of creditors to a certain company in a confidential matter. The members of such group include BofA, one of the PII (vendor). This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- o. PJT was previously engaged to provide financial advisory services to a group of lenders to Aspect Software Parent, Inc. in its chapter 11 case. The members of such group included an affiliate of Wells Fargo & Company (“Wells Fargo”) and JPMorgan Chase Bank, each of which is a PII (bank and bank/vendor, respectively). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- p. PJT was previously engaged to provide financial advisory services to and affiliate of Wells Fargo, one of the PII (bank/vendor), as administrative agent for a group of lenders to Linn Energy, LLC in connection with its chapter 11 case. This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- q. PJT has been engaged to provide advisory services to Wells Fargo, one of the PII (bank/vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- r. PJT has been engaged to provide advisory services to an affiliate of JPMorgan Chase Bank, one of the PII (bank), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- s. PJT was previously engaged to provide financial advisory services to a group of lenders to a company in a confidential matter. One member of such group was JPMorgan Chase, one of the PII (bank). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT



does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.

- t. PJT was previously engaged to provide financial advisory services to a group of lenders to a separate company in a confidential matter. One member of such group was JPMorgan Chase Bank, one of the PII (bank). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- u. PJT has been engaged to provide financial advisory services to a group of lenders to a company in a confidential matter. The members of such group include JPMorgan Chase and an affiliate of Verizon, each of which is a PII (bank and utility, respectively). This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- v. PJT has been engaged to provide advisory services to an affiliate of West Boca Medical Center, Inc., one of the PII (plaintiff), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- w. PJT has been engaged to provide advisory services to Abbott Laboratories, one of the PII (licensing agreement counterparty), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- x. PJT has been engaged to provide advisory services to a Cardinal Health Inc., one of the PII (customer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- y. PJT has been engaged to provide advisory services to an affiliate of Chubb and Otis Elevator Company, each of which is a PII (insurer and vendor, respectively), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- z. PJT has been engaged to provide advisory services to McKesson Corp., one of the PII (customer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does

not believe that the interests of the Debtors or their estates are adversely affected by this engagement.

- aa. PJT was previously engaged to provide advisory services to an affiliate of CSC Consulting Inc., one of the PII (vendor), in a confidential matter. This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- bb. PJT has been engaged to provide advisory services to an affiliate of CVS Caremark, one of the PII (customer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- cc. PJT has been engaged to provide advisory services to Duke Energy Corp., one of the PII (utility), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- dd. PJT has been engaged to provide advisory services to an affiliate of Harris Teeter, Ralphs Grocery, Roundys Inc. and Vitacost.com, each of which is a PII (customers), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- ee. PJT has been engaged to provide advisory services to an affiliate of Honeywell Safety Products, one of the PII (customer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- ff. PJT has been engaged to provide advisory services to an affiliate of IBM Corporation, one of the PII (consultant/advisor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- gg. PJT was previously engaged to provide advisory services to Spartan Nash, one of the PII (customer), in a confidential matter. This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- hh. PJT has been engaged to provide advisory services to an affiliate of National Union Fire Insurance Company of Pittsburgh PA, one of the PII

(insurer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.

- ii. PJT has been engaged to provide advisory services to an affiliate of Occidental Chemical Corporation, one of the PII (litigation counterparty), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- jj. PJT has been engaged to provide advisory services to an affiliate of Stericycle Inc., one of the PII (utility), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- kk. PJT has been engaged to provide financial advisory services to an affiliate of Gefco Forwarding USA Inc., one of the PII (vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- ll. PJT has been engaged to provide financial advisory services to an affiliate of Proquest LLC, one of the PII (vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- mm. PJT was previously engaged to provide financial advisory services to Nielsen Co LLC, one of the PII (vendor), in connection with its acquisition of Gracenote. This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- nn. An affiliate of PJT has been engaged to provide financial advisory services to an affiliate of the State of Illinois, one of the PII (plaintiff), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- oo. An affiliate of PJT was previously engaged to provide financial advisory services to an affiliate of the State of Illinois, one of the PII (plaintiff), in two separate confidential matters. These engagements were wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not

believe that the interests of the Debtors or their estates are adversely affected by such engagements.

- pp. PJT was previously engaged to provide financial advisory services to a group of lenders to a company in a confidential matter. One of the members of such group was an affiliate of the State of South Dakota, one of the PII (plaintiff). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- qq. PJT has been engaged to provide financial advisory services to an affiliate of NCH Marketing Services Inc. and Valassis Direct Mail Inc., each of which is a PII (vendors), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- rr. PJT has been engaged to provide advisory services to an affiliate of Fred Meyer, one of the PII (customer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- ss. PJT has been engaged to provide financial advisory services to the Pension Benefit Guarantee Corporation, one of the PII (governmental authority), in connection with the chapter 11 case of Sears Corporation. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- tt. PJT has been engaged to provide advisory services to an affiliate of Siemens Industry Inc., one of the PII (vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- uu. PJT was previously engaged to provide financial advisory services to a group of creditors in the chapter 11 case of 21st Century Oncology Holdings, Inc. The members of such group included Goldman Sachs Asset Management, LP and Wells Fargo, NA, each of which is a PII (bank/vendor and vendor, respectively). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.

- vv. PJT has been engaged to provide advisory services to Jefferies Group LLC, one of the PII (professional), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- ww. PJT has been engaged to provide advisory services to an affiliate of Rxmosaic LLC, one of the PII (vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- xx. PJT has been engaged to provide financial advisory services to Goldman Sachs, one of the PII (bank), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- yy. PJT has been engaged to provide advisory services to AT&T, one of the PII (utility), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.
- zz. PJT has been engaged to provide advisory services to an affiliate of Insurance Company of the State of Pennsylvania, one of the PII (insurer), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.
- aaa. PJT has been engaged to provide advisory services to American Express, one of the PII (vendor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.
- bbb. PJT was previously engaged to provide financial advisory services to the Official Committee of Unsecured Creditors of Aegean Marine Petroleum Network Inc. in its chapter 11 case. The members of such committee included American Express, one of the PII (vendor). This engagement was wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.
- ccc. PJT has been engaged to provide advisory services to an affiliate of HP Enterprise Services LLC, one of the PII (vendor), in a confidential

matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.

- ddd. PJT has been engaged to provide advisory services to an affiliate of Dell USA LP and EMC Corp, each of which is a PII (vendors), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.
- eee. PJT has been engaged to provide advisory services to an affiliate of Caremarkpcs Health LP, one of the PII (top 50 creditor), in a confidential matter. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by such engagement.
- fff. Certain of the PIIs or their affiliates may hold a passive equity interest (*i.e.*, less than 20%) in certain of the entities to whom PJT and/or its affiliates have provided in the past or continue to provide advisory services. PJT does not routinely track or maintain such information but is not aware of any such engagement that is related to the Debtors or these chapter 11 cases or, by virtue of which, the interests of the Debtors or their estates are adversely affected.

6. Partners and/or employees of PJT or its affiliates may, from time to time, directly or indirectly hold equity and/or debt in certain of the PII. However, to the best of my knowledge, none of PJT, its affiliates, or any partner or employee of PJT or its affiliates, currently holds any direct or indirect interest in any debt or equity securities of the Debtors.

7. As part of its diverse practice, PJT appears in numerous cases, proceedings and transactions involving many different professionals, including attorneys, accountants, investment bankers, and financial consultants, some of which may represent claimants and parties in interest in these chapter 11 cases. In addition, PJT has in the past, is currently and will likely in the future be working with or against other professionals involved in this case in matters unrelated to these cases, including certain professionals that are PII. Further, PJT and its affiliates engage attorneys and other service providers from time to time to provide legal advice and/or other services to PJT

and/or its affiliates, and certain of such service providers may be PII. Based on our current knowledge of the professionals, vendors, and other parties involved in these cases, and to the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors' estates, and none are in connection with these chapter 11 cases.

8. To the best of my knowledge, except as disclosed herein: (i) PJT has no material connection with the Debtors, the Debtors' creditors, the United States Trustee, any person employed in the office of the United States Trustee, or any other party with an actual or potential interest in these chapter 11 cases or their respective attorneys or accountants; (ii) PJT (and PJT's professionals) are not creditors, equity security holders or insiders of the Debtors; (iii) neither PJT nor any of its professionals is or was, within two years of the date of the Debtors' filing of these chapter 11 cases, a director, officer, or employee of the Debtors; and (iv) neither PJT nor its professionals holds or represents an interest materially adverse to the Debtors, their estates, or any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, or for any other reason. Accordingly, I believe that PJT is a "disinterested person" as defined in section 101(14) of title 11 of the United States Code (the "**Bankruptcy Code**"), as modified by section 1107(b) of the Bankruptcy Code, and that PJT's employment is permissible under sections 327(a) and 328(a) of the Bankruptcy Code.

9. PJT has performed reasonable due diligence for possible conflicts with the PII in the Debtors' chapter 11 cases. The following is a list of the categories that PJT has searched with respect to the PII:

- a. Debtor entities;
- b. Other related entities;
- c. Current directors and officers;
- d. Former directors and officers;
- e. Banks;



- f. Secured creditors;
- g. 50 Largest unsecured creditors;
- h. Vendors;
- i. Customers;
- j. Government authorities;
- k. Utilities;
- l. Insurers;
- m. Surety issuers;
- n. Equity holders;
- o. Restructuring professionals;
- p. Other consultants and advisors;
- q. Licensing agreement counterparties;
- r. Litigation-related parties;
- s. S.D.N.Y. bankruptcy judges;
- t. S.D.N.Y. district judges;
- u. Landlords;
- v. Sublessees;
- w. United States Trustee Staff;
- x. Debtors' Legal counsel;
- y. Director and officer legal counsel;
- z. Employee indemnity legal counsel;
- aa. Plaintiffs' attorneys;
- bb. Plaintiffs.

10. The list of PII was provided by the Debtors and may change during the pendency of the Debtors' chapter 11 cases. Should PJT learn that a relationship with any of the PII should be disclosed in the future, a supplemental declaration with such disclosure will be promptly filed.

*[Remainder of Page Intentionally Left Blank]*



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

Dated: November 5, 2019  
White Plains, New York

By: /s/ Tara Flanagan  
Tara Flanagan  
Chief Compliance Officer  
PJT Partners LP