

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

TRICIDA, INC.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 23-10024 (JTD)

Ref. Docket No. 479

**NOTICE OF FILING OF REVISED LIQUIDATION ANALYSIS FOR THE FOURTH  
AMENDED CHAPTER 11 PLAN OF LIQUIDATION FOR TRICIDA, INC.**

PLEASE TAKE NOTICE that, on May 17, 2023, the above-captioned debtor and debtor in possession (the “Debtor”) filed the *Declaration of Sean Corwen in Support of Confirmation of the Fourth Amended Chapter 11 Plan of Liquidation for Tricida, Inc.* [Docket No. 479] (the “Corwen Declaration”).

PLEASE TAKE FURTHER NOTICE that attached as Exhibit A to the Corwen Declaration was a liquidation analysis provided in support of the Debtor’s chapter 11 plan (the “Liquidation Analysis”).

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit A** is a revised Liquidation Analysis. For the convenience of the Court and interested parties, a blackline reflecting the changes to the Liquidation Analysis is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that the hearing (the “Confirmation Hearing”) to consider confirmation of the Plan is scheduled for **May 19, 2023 at 10:00 a.m. (ET)** before the Honorable John T. Dorsey, in the United States Bankruptcy Court for the District of Delaware (the “Court”), located at 824 N. Market Street, 5th Floor, Courtroom No. 5, Wilmington, Delaware 19801. The Confirmation Hearing may be continued by the Debtor from time to time without further notice to parties in interest other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda or a notice filed with the Court.

*[Signature page follows]*

<sup>1</sup> The Debtor in this chapter 11 case, together with the last four digits of the Debtor’s federal tax identification number, is Tricida, Inc. (2526). The Debtor’s service address is 2108 N Street, Suite 4935, Sacramento, CA 95816.



Dated: May 19, 2023  
Wilmington, Delaware

*/s/ Allison S. Mielke*

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**EXHIBIT A**

**Revised Liquidation Analysis**

COMPONENTS OF LIQUIDATION MODEL<sup>1</sup>

**A. Asset Proceeds**

**1. Cash Balance on Conversion Date.**

The Debtor's estimated cash balance as of the hypothetical conversion date is \$41.3 million per the updated cash flow forecast. The cash balance does not include accrued but unpaid professional fees, including the U.S. Trustee fees and plan trust reserve amounts which are expected to be disbursed following the Effective Date. Other changes to the estimated cash balance on conversion are the result of timing and case updates.

**2. Cash from Sale Proceeds**

Cash proceeds upon closing of the sale of the Debtor's assets total \$485,000. At auction, the Debtor received winning bids of (a) \$250,000 cash at closing, plus certain contingent payments upon the achievement of certain United States Food and Drug Administration regulatory approvals and sales milestones, for its intellectual property and (b) \$235,000 cash at closing for certain equipment.

**3. Tax Refunds**

The Debtor received an Employee Retention Credit refund, which was deposited in its account.

**4. Prepaid Expenses and Other Current Assets**

Prepaid Expenses and Other Current Assets are shown at book value as of January 31, 2023, per Debtor company records. The Debtor has received a refund for an unused professional fee retainer, which was deposited in its account. No additional recovery is expected prior to the Effective Date.

**5. Property and Equipment, Net**

Property and Equipment, Net are shown at book value as of January 31, 2023, per Debtor company records. No further proceeds are expected beyond the \$235,000 received in connection with the sale of certain equipment, as described above.

**6. Litigation Proceeds**

The potential value to be realized by the Retained Causes of Action is likely to be equivalent in either a chapter 7 or chapter 11 scenario, and the Debtor has assigned no value to the released claims and Causes of Action. Therefore, given that the value of any litigation assets are likely to be the same under both circumstances, those assets are not assigned a particular valuation or further considered in this analysis.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the *Fourth Amended Chapter 11 Plan of Liquidation For Tricida, Inc.* [Docket No. 460] (the "Plan").

## **B. Liquidation Fees and Costs**

### **7. Operating Costs**

Operating Costs consist of estimated fees related to document storage, IT co-location, board fees and other wind down costs post-Effective Date. Ongoing operating costs under the chapter 11 scenario are expected to vary from the chapter 7 scenario due to duration of the plan trusts and other required activities.

### **8. Professional, Legal, and Liquidator Fees**

Professional, Legal, and Liquidator fees under the chapter 11 scenario consist of (a) professionals advising the Debtor, the Committee, the Consenting Noteholders, and U.S. Trustee fees per the cash flow forecast submitted under the RSA; and (b) compensation to the Liquidating Trustee, Contingent Payments Holding Trustee and Contingent Payment Trustee calculated at the rates set forth in the *Second Notice of Filing of Exhibit to Plan Supplement* [Docket No. 489], assuming for illustrative purposes (i) five (5) years of monthly/annual fees, (ii) theoretical net proceeds of less than \$6 million marshalled from the Retained Causes or Action and other applicable assets, and (iii) no proceeds distributed on account of the Contingent Payments. Fees are expected to be remitted after the Effective Date. Fees under the chapter 7 scenario consist of the estimated cost of professionals advising a chapter 7 trustee, as well as the estimated chapter 7 trustee fees payable pursuant to sections 326 and 330 of the Bankruptcy Code.

## **C. Administrative and Priority Claims**

### **9. 503(b)(9) Claims**

The Debtor does not anticipate any 503(b)(9) claims being asserted against the estate.

### **10. Accrued Payroll and PTO**

All accrued payroll and PTO balances are expected to be disbursed prior to the Effective Date, per the cash flow forecast submitted under the RSA.

### **11. Administrative Claims**

Administrative Claims estimated to consist of accrued rent, IT, fees earned under consulting agreements and document storage costs not yet remitted prior to the Effective Date. There are certain accrued vendor invoices, some of which may be disputed, also included in this category. Any unpaid professional fees not included in the Professional, Legal, and Liquidator Fees estimate set forth above are also included in this class. The Debtor and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including Administrative Claims.

### **12. Priority Unsecured Claims**

Priority Unsecured Claims consist of projected state tax payments accrued but not yet remitted prior to the Effective Date. The Debtor and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including Priority Unsecured Claims.

**D. Unsecured Claims**

**13. De Minimis Unsecured Claims**

The plan contemplates paying any claimants with Allowed Claims of \$7,500 or less, or who otherwise elect to reduce their Allowed Claim to \$7,500 or less, 50% of their total Claim, up to an aggregate recovery amount for such Allowed *De Minimis* Unsecured Claims of \$60,000.

**14. Noteholder Claims**

The Noteholder Claims consist of the Allowed Noteholder Claims in the aggregate of \$201,088,888.89.

**15. Patheon Rejection Claim**

The Patheon Rejection Claim amount reflects the agreed-upon, Allowed claim amount of \$85,000,000, as set forth in that certain *Settlement Agreement and General Release of Claims* between the Debtor and Patheon, which is pending approval by the Bankruptcy Court. See *Debtor's Motion for Entry of an Order Shortening the Notice Period for the Debtor's Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving the Settlement Agreement Regarding the Patheon Claim* [Docket No. 445].

**16. General Unsecured Claims**

For purposes of this illustrative model, the General Unsecured Claims class includes all asserted General Unsecured Claims, some of which may be disputed, less any such claims opting into the *De Minimis* Unsecured Claims class. The Debtor and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including General Unsecured Claims, asserted during the chapter 11 proceedings.

**Tricida Inc.****Liquidation Analysis**

\$ in 000's

Assumed conversion date 5/19/2023

	Item #	Chapter 11 Plan Confirmation Scenario			Chapter 7 Liquidation Scenario		
		Book Value	Recovery Scenario		Book Value	Recovery Scenario	
			Estimated Value	% of Book Value		Estimated Value	% of Book Value
<b>A Asset Proceeds</b>							
Cash	1	41,277	41,277	100.0%	41,277	41,277	100.0%
Cash Proceeds from Sale of IP	2	250	250	100.0%	250	250	100.0%
Cash Proceeds from Sale of Equipment	2	235	235	100.0%	235	235	100.0%
Tax Refunds	3	1,334	1,334	100.0%	1,334	1,334	100.0%
Prepaid Expenses and Other Current Assets	4	5,926	138	2.3%	5,926	138	2.3%
Property and Equipment, Net	5	460	-	0.0%	460	-	0.0%
Litigation Proceeds, Gross	6	1,700	1,700	100.0%	1,700	1,700	100.0%
<b>Total Asset Proceeds</b>		<b>51,182</b>	<b>43,234</b>	<b>84.5%</b>	<b>51,182</b>	<b>44,934</b>	<b>87.8%</b>
<b>B Liquidation Fees and Costs</b>							
Operating Costs	7		205			360	
Professional, Legal, and Liquidator Fees	8		12,711			14,373	
<b>Total Liquidation Fees and Costs</b>			<b>12,916</b>			<b>14,733</b>	
<b>Net Estimate Proceeds Available for Administrative and Priority Claims</b>			<b>30,318</b>			<b>30,201</b>	

	Item #	Estimated	Estimate	Recovery	Estimate	Recovery
		Allowed Claim	Payable to Creditors		Payable to Creditors	
<b>C Administrative and Priority Claims</b>						
503(b)9 Claims	9	-	-	0.0%	-	0.0%
Accrued Payroll and PTO	10	-	-	0.0%	-	0.0%
Administrative Claims	11	1,367	1,367	100.0%	1,367	100.0%
Priority Unsecured Claims	12	50	50	100.0%	50	100.0%
<b>Total Administrative and Priority Claims</b>		<b>1,417</b>	<b>1,417</b>	<b>100.0%</b>	<b>1,417</b>	<b>100.0%</b>
<b>Net Estimate Proceeds Available for Unsecured Claims</b>			<b>28,901</b>		<b>28,784</b>	
<b>D Unsecured Claims</b>						
De Minimis Claims	13	120	60	50.0%	12	9.6%
Noteholder Claims	14	201,089	19,370	9.6%	19,324	9.6%
Patheon Rejection Claims	15	85,000	8,188	9.6%	8,168	9.6%
General Unsecured Claims	16	13,323	1,283	9.6%	1,280	9.6%
<b>Total Unsecured Claims</b>		<b>299,532</b>	<b>28,901</b>	<b>9.6%</b>	<b>28,784</b>	<b>9.6%</b>
<b>Net Estimate Proceeds Available for Equity</b>			<b>-</b>		<b>-</b>	

**EXHIBIT B**

**Blackline**



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