

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

In re:

VALERITAS HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 20-10290 (LSS)

(Jointly Administered)

D.I.: 326

**NOTICE OF (I) APPROVAL OF COMBINED DISCLOSURE STATEMENT AND PLAN
ON AN INTERIM BASIS FOR SOLICITATION PURPOSES ONLY; (II) HEARING TO
CONSIDER (A) FINAL APPROVAL OF COMBINED DISCLOSURE STATEMENT AND PLAN
AND (B) CONFIRMATION OF COMBINED DISCLOSURE STATEMENT AND PLAN; (III)
DEADLINE FOR VOTING ON COMBINED DISCLOSURE STATEMENT AND PLAN; AND
(IV) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF COMBINED
DISCLOSURE STATEMENT AND PLAN**

On April 7, 2020, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation* [D.I. 283] (as may be amended, modified, or supplemented, the “Combined Disclosure Statement and Plan”).

The Combined Disclosure Statement and Plan explains the Debtors’ plan of liquidation and has been approved on an interim basis by order of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) [D.I. 326] (the “Interim Approval Order”) for use by the Debtors in soliciting acceptances or rejections to the Combined Disclosure Statement and Plan from holders of Impaired Claims entitled to receive distributions under the Combined Disclosure Statement and Plan. Copies of the Interim Approval Order and the Combined Disclosure Statement and Plan can be obtained free of charge at the website maintained by Kurtzman Carson Consultants, LLC (the “Voting Agent”) at <http://www.kccllc.net/valeritas>; or by contacting the Voting Agent via email at ValeritasInfo@kccllc.com with a reference to “Valeritas Holdings” in the subject line; or by phone at (877) 709-4747 (U.S./Canada) or (424) 236-7228 (International).

Voting On The Plan: Holders of Claims in Classes 2, 3, and 4 (the “Voting Classes”) are entitled to vote to accept or reject the Plan as they are impaired and receiving distributions under the Plan; holders of Claims in Class 1 are Unimpaired and presumed to accept the Plan; holders of Claims and Interests in Classes 5 and 6 are Impaired and deemed to reject the Plan as they are receiving nothing under the Plan. If you are a holder of a Claim against the Debtors as of **April 13, 2020** (the “Voting Record Date”) and in a Voting Class, the deadline by which ballots accepting or rejecting the Plan must be received is **May 28, at 4:00 p.m. (Eastern Time)** (the “Voting Deadline”). **If you are in a Voting Class, for your vote to be counted, your Ballot must be properly completed, signed, and returned so that it is actually received by the Voting Agent before the Voting Deadline, unless such time is extended in writing by the Debtors, for your vote to be counted.**

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Valeritas Holdings, Inc. (8907); Valeritas, Inc. (1056); Valeritas Security Corporation (9654); Valeritas US, LLC (0007). The corporate headquarters and the mailing address for the debtors is c/o DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, New York, New York 10020.

- Your Ballot must be returned by (a) first-class mail (using the reply envelope provided or otherwise as set forth below), (b) overnight courier, or (c) personal delivery at the following address:

Valeritas Holdings Inc. Balloting Center
c/o Kurtzman Carson Consultants LLC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245

- In addition, Ballots will be accepted if properly completed through the online balloting portal maintained by the Voting Agent. **Holders of Claims in Voting Classes may submit an electronic Ballot at <http://www.kccllc.net/valeritas>.** Instructions for electronic, online transmission of Ballots will be set forth on such website. **BALLOTS WILL NOT BE ACCEPTED BY EMAIL, TELECOPY, OR FACSIMILE.** If your Ballot is not received by the Voting Agent on or before the Voting Deadline, and such Voting Deadline is not extended by the Debtors, your vote will not be counted.

Important Information Regarding Releases: If you vote to accept the Combined Disclosure Statement and Plan or abstain from voting, you must also decide whether to consent to the releases contained in Section 8.7 of the Combined Disclosure Statement and Plan. Section 8.7 of the Combined Disclosure Statement and Plan provide the following third-party releases:

8.7 Third-Party Release

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, and the Releasing Parties having opted into granting the Third-Party Release, to the fullest extent permissible under applicable law, as such law may be extended after the Effective Date, each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged each Released Party from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the Sale process, the Chapter 11 Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, preparation, dissemination and filing of the Combined Disclosure Statement and Plan and any related documents (including, for the avoidance of doubt, the Plan Supplement), the DIP Facility, the Sale process and related documents, or related agreements, instruments, or other documents, the pursuit of Confirmation of the Plan, the pursuit of consummation of the Plan, the administration and implementation of the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date (including prior to the Petition Date).

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the Third-Party

Release is: (1) by virtue of the opt-in procedure, fully consensual; (2) in exchange for the good and valuable consideration provided by the Released Parties, including pursuant to the Amended Settlement to facilitate the negotiation and filing of this Combined Disclosure Statement and Plan and the funding of the Creditors' Trust, among other things; (3) a good-faith settlement and compromise of claims released by the Third-Party Release; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property, released pursuant to the Third-Party Release.

If you decide to consent to these releases, you must check the “Consent” box on your ballot. If you reject the Combined Disclosure Statement and Plan, you will be deemed to have decided not to consent to the third-party releases.

Challenging Your Claim For Voting Purposes Only. If your Claim was listed as contingent, unliquidated, or disputed in the Debtors' Schedules (as defined in the Combined Disclosure Statement and Plan) or if your Claim is subject to an objection filed by May 18, 2020, you may file a motion (a “Rule 3018 Motion”) for an order temporarily allowing your Claim in a different classification or amount for purposes of voting to accept or reject the Combined Disclosure Statement and Plan. You must file and serve such motion on the Debtors so that it is received by **May 28, 2020 at 4:00 p.m. (Eastern Daylight Time)**. Such creditor's ballot will not be counted unless temporarily allowed by the Bankruptcy Court for voting purposes, after notice and a hearing prior to or at the Combined Hearing (as defined below).

Combined Hearing and Filing Objections to the Combined Disclosure Statement and Plan. A hearing to consider final approval of the adequacy of information contained in the Combined Disclosure Statement and Plan pursuant to section 1125 of the Bankruptcy Code and confirmation of the Combined Disclosure Statement and Plan pursuant to section 1129 of the Bankruptcy Code will be held on **June 4, 2020 at 2:00 p.m. (Eastern Daylight Time)** before the Honorable Laurie Selber Silverstein at the Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801 OR via telephonic/videoconferencing appearance, as applicable (the “Combined Hearing”), but may be continued from time to time without further notice other than the announcement by the Debtors of the adjourned date(s) at the Combined Hearing or any continued hearing or as indicated in any notice of agenda of matters scheduled for hearing or other notice filed with the Bankruptcy Court.

The deadline for filing objections to final approval of the Combined Disclosure Statement and Plan is **May 28, 2020 at 4:00 p.m. (Eastern Time)**. Any objection must (a) be in writing, (b) comply with the Bankruptcy Rules and the Local Rules, and (c) be filed with the Bankruptcy Court and served upon the parties registered to receive notice through the Bankruptcy Court's ECF noticing system, in each case. **Unless an objection is timely filed and served, it may not be considered by the Bankruptcy Court at the Combined Hearing.**

Summary of Key Dates: A table summarizing the key dates is included below for ease of reference:

DEADLINE/HEARING	DATE
Voting Record Date	April 13, 2020
Date Solicitation Will Commence	no later than April 24, 2020
Deadline for Debtors to File Plan Supplement	May 21, 2020
Voting Deadline	May 28, 2020 at: 4:00 p.m. (EDT)
Deadline to Object to Confirmation and Final Approval of Adequacy of Information	May 28, 2020 at: 4:00 p.m. (EDT)
Deadline to File Rule 3018 Motions	May 28, 2020 at 4:00 p.m. (EDT)
Deadline to File Confirmation Brief	June 1, 2020
Combined Hearing	June 4, 2020 at 2:00 p.m. (EDT)

Important Information Regarding Release and Injunction Provisions: If the Court confirms the Combined Disclosure Statement and Plan and it becomes effective, the releases and injunctions contained in Article VIII of the Combined Disclosure Statement and Plan will be effective and you will be bound by these provisions even if you did not vote to accept the Plan. Article VIII of the Combined Disclosure Statement and Plan contains the following exculpation, release, and injunction provisions (in addition to the provisions contained in Section 8.7 recited above):

8.4 Injunction.

The Confirmation Order shall provide, among other things, that all Entities who have held, hold or may hold Claims against or Interests in the Debtors are, with respect to any such Claims or Interests, permanently enjoined from and after the Effective Date from taking any of the following actions (other than actions to enforce any rights or obligations under this Plan): (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative or other forum) against the Debtors, the Creditors' Trust, or their respective properties, or the Liquidating Trustee; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtors or the Creditors' Trust, or their respective property, or against the Liquidating Trustee; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Creditors' Trust, or any of their respective property, or against the Liquidating Trustee; (iv) asserting any right of setoff, directly or indirectly, against any obligation due the Debtors, the Creditors' Trust, or their respective property, or the Liquidating Trustee, except as contemplated or allowed by this Plan; (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan; and (vi) prosecuting or otherwise asserting any right, claim or cause of action released pursuant to this Plan, including, without limitation, any right, claim or cause of action against an Exculpated Party that has been exculpated pursuant to Section 8.5 of this Plan; *provided, however*, that the injunction provided in this Section shall neither bar any Entity from asserting any defense in an action commenced by or on behalf of any of the Debtors or the Creditors' Trust, nor prohibit

any Entity from asserting any right expressly preserved or contemplated by this Plan. The injunction provided for in this Section shall be limited in all respects to the breadth of the releases and exculpations granted in this Plan.

By accepting Distributions pursuant to this Plan, each Holder of an Allowed Claim will be deemed to have specifically consented to the Injunctions set forth in this Section.

8.5 Exculpation

Effective as of the Effective Date, the Exculpated Parties shall neither have nor incur any liability to any Entity for any claims or Causes of Action arising prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to, preparing and filing the Chapter 11 Cases, or formulating, negotiating, preparing, disseminating, implementing, administering, confirming or effecting the confirmation or consummation of the Plan, the Disclosure Statement, or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other postpetition act taken or omitted to be taken in connection with the liquidation of the Debtors, the CRG Settlement, the Amended Settlement, the Disclosure Statement, or confirmation or consummation of the Plan; *provided, however*, that the foregoing provisions of this exculpation shall not operate to waive, release or otherwise impair: (i) the Retained Actions and any Causes of Action expressly set forth in and preserved by the Plan or the Plan Supplement; (ii) any Causes of Action arising from criminal acts, willful misconduct, actual fraud, or gross negligence of such applicable Exculpated Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; (iii) any of the indebtedness or obligations incurred under the Plan and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan or assumed under the Plan or assumed under Final Order of the Bankruptcy Court; (iv) the rights of any Entity to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under or in connection with the Plan or assumed under Final Order of the Bankruptcy Court; and/or (v) any Objections with respect to any Fee Claims in these Chapter 11 Cases; *provided, further*, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its respective duties under, or in connection with, the above-referenced documents, actions or inactions.

The foregoing exculpation shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Person.

8.6 Releases by the Debtors

Except as otherwise expressly provided herein or in the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each of the Debtors, and the Liquidating Trustee, on their own behalf and as a representative of the Estates, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally, each and all of the Released Parties of and from any and all Claims, Causes of Action, obligations, suits, judgments, damages, debts, rights, remedies and liabilities of any nature whatsoever, whether liquidated or unliquidated, fixed or Contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to any of the Debtors, their respective assets, property and Estates or the Chapter 11 Cases, that may be asserted by or on behalf of any of

the Debtors or their respective Estates, against any of the Released Parties. The foregoing releases shall not extend to acts constituting willful misconduct, bad faith, or gross negligence.

Dated: April 21, 2020
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

/s/ R. Craig Martin

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PLEASE NOTE THAT QUESTIONS ABOUT THIS NOTICE SHOULD BE DIRECTED TO THE VOTING AGENT AT VALERITASINFO@KCCLLC.COM OR BY TELEPHONE AT (877) 709-4747 (U.S./CANADA) OR (424) 236-7228 (INTERNATIONAL), NOT TO DEBTORS' COUNSEL ABOVE.