

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
: :
PROTEUS DIGITAL HEALTH, INC., : Case No. 20-11580 (BLS)
: :
Debtor.¹ : **Re Dkt. Nos. 53, 125**
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NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE that the above-captioned debtor (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Court”) on June 15, 2020 (the “Petition Date”).

PLEASE TAKE FURTHER NOTICE that, on June 23, 2020, the Debtor filed a motion (the “Bidding Procedures Motion”)² with the Court seeking, among other things, (a) an order, (the “Bidding Procedures Order”), (i) authorizing and approving the proposed bidding procedures to be used (the “Bidding Procedures”) in connection with the sale (the “Sale”) of all or substantially all of the Debtor’s assets (the “Assets”); (ii) approving the Stalking Horse Bid Protections provided by the Debtor to the Stalking Horse Bidder (each as defined in the Bidding Procedures Motion); (iii) scheduling the auction of the Assets (the “Auction”), and the hearing for approving the Sale (the “Sale Hearing”), (iv) approving the forms of notice and notice procedures related to the Auction, Sale and Sale Hearing (the “Notice Procedures”), (v) authorizing certain procedures (the “Assignment Procedures”) related to the assumption and assignment of certain executory contracts and unexpired leases (the “Designated Contracts”) in connection with the Sale, (vi) approving the form and manner of notice of the Assignment Procedures; and (vii) granting related relief; and (b) an order (the “Sale Order”) (i) authorizing the Sale free and clear of all liens, claims, interests and encumbrances (except for any permitted liens and encumbrances), (ii) authorizing the assumption and assignment of the Designated Contracts, and (iii) granting related relief. [D.I. 53]

PLEASE TAKE FURTHER NOTICE that, on July 14, 2020, the Court entered the Bidding Procedures Order approving, among other things, the Bidding Procedures, which establish the key dates and times related to the Sale and the Auction. All interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.³ [D.I. 125]

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of the Sale of the Assets to the Successful Bidder(s) at the Auction, free and clear of all liens, claims, interests,

¹ The last four digits of the Debtor’s taxpayer identification number are 2680. The Debtor’s corporate headquarters is located at 2600 Bridge Parkway, Redwood City, California 94065.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Motion.

³ To the extent of any inconsistencies between the Bidding Procedures and the summary descriptions of the Bidding Procedures in this notice, the terms of the Bidding Procedures shall control in all respects.



and encumbrances in accordance with Bankruptcy Code section 363(f), will be held before the Honorable Brendan L. Shannon, United States Bankruptcy Judge for the District of Delaware, at the Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom 1, Wilmington, Delaware 19081 on **August 11, 2020 at 11:30 a.m. (prevailing Eastern Time)**. The Sale Hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open court or by notice filed on the docket of the chapter 11 case.

PLEASE TAKE FURTHER NOTICE that objections to the Sale, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court by no later than **the Sale Objection Deadline (July 31, 2020 at 4:00 p.m. prevailing Eastern Time)**, and (d) be served on (i) counsel to the Debtor, (a) Goodwin Procter LLP, 620 Eighth Ave., New York, NY 10018 (Attn: Nathan A. Schultz (nschultz@goodwinlaw.com), Barry Z. Bazian (bbazian@goodwinlaw.com)) and (b) Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801 (Attn: L. Katherine Good (kgood@potteranderson.com)); (ii) Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Benjamin A. Hackman (Benjamin.A.Hackman@usdoj.gov)); (iii) counsel to the Prepetition Lender, Pachulski Stang Ziehl & Jones LLP, 150 California Street, 15th Floor, San Francisco, CA 94111 (Attn: Debra Grassgreen (dgrassgreen@pszjlaw.com) and James O’Neill (jo’neill@pszjlaw.com)), (iv) counsel to the Stalking Horse Bidder, DLA Piper LLP (US), 1201 North Market Street, Suite 2100, Wilmington, DE 19801 (Attn: Stuart M. Brown (stuart.brown@us.dlapiper.com)); and 444 W. Lake Street, Suite 900, Chicago, IL 60606 (Attn: John Lyons (john.lyons@us.dlapiper.com)) and 1251 Avenue of the Americas, 27th Floor, New York, NY 10020 (Attn: Jamila Justine Willis (jamila.willis@us.dlapiper.com)); and (v) counsel to the Committee, A.M. Saccullo Legal, LLC, 27 Crimson King Dr., Bear, DE 19701 (Attn: Anthony Saccullo (ams@saccullolegal.com)).

Important Dates and Deadlines

1. **Bid Deadline.** The deadline to submit a Qualified Bid is **August 4, 2020 at 5:00 p.m. (prevailing Eastern Time)**.
2. **Auction.** In the event that the Debtor timely receives a Qualified Bid in addition to the Qualified Bid of the Stalking Horse Bidder and subject to the satisfaction of any further conditions set forth in the Bidding Procedures, the Debtor intends to conduct an Auction for the Assets. The Auction, if one is held, will commence on **August 6, 2020 at 10:00 a.m. (prevailing Eastern Time)** via a remote medium or online communication platform such as Zoom, or such other date and time as shall be timely communicated to all parties entitled to attend the Auction.
3. **Post-Auction Objection and Sale Objection Deadlines.**
 - a. The deadline to file an objection with the Court to the Sale (other than objections related to the specific identity of a Successful Bidder other than the Stalking Horse Bidder) is **July 31, 2020 at 4:00 pm. (prevailing Eastern Time)** (the “Sale Objection Deadline”).
 - b. If the Auction is held, parties may object to the conduct of the Auction, the specific identity of the Successful Bidder (other than the Stalking Horse Bidder), the Sale Order and adequate assurance of future performance provided by a Successful Bidder (other

than the Stalking Horse Bidder) at the Sale Hearing (as defined below) (the “Post-Auction Objection Deadline”).

4. **Sale Hearing.** A hearing (the “Sale Hearing”) to approve and authorize the Sale to the Successful Bidder will be held before the Court on **August 11, 2020 at 11:30 a.m. (prevailing Eastern Time)** or such other date as determined by the Court.

Contact Person for Parties Interested in Submitting a Bid

The Bidding Procedures set forth the requirements for becoming a Qualified Bidder and submitting a Qualified Bid, and any party interested in making an offer to purchase the Assets must comply strictly with the Bidding Procedures. Only Qualified Bids will be considered by the Debtor, in accordance with the Bidding Procedures.

Any party interested in submitting a bid should carefully read the Bidding Procedures and the Bidding Procedures Order and should contact, as soon as possible:

Raymond James & Associates, Inc.

277 Park Avenue
New York, NY 10172⁴

Attn: Geoffrey Richards, David Sherman, and Simon Wein
Geoffrey.richards@raymondjames.com | 212-885-1885
David.sherman@raymondjames.com | 212-885-1822
Simon.wein@raymondjames.com | 212-885-1811

Obtaining Additional Information

Copies of the Bidding Procedures Motion, the Bidding Procedures and the Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse APA and all other documents filed with the Court, are available free of charge on the Debtor’s case information website, <http://www.kccllc.net/proteus> or can be requested by e-mail at ProteusInfo@kccllc.com, or by calling the toll-free information line at (866) 967-1788 or, if calling from outside the United States or Canada, at (310) 751-2688.

CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION

Any party who fails to make a timely objection to the Sale on or before the Sale Objection Deadline in accordance with the Bidding Procedures Order and this Notice shall be forever barred from asserting any objection to the Sale, including with respect to the transfer of the Assets free and clear of all liens, claims, encumbrances and other interests.

Any party who fails to make a timely Post-Auction Objection on or before the Post-Auction Objection Deadline in accordance with the Bidding Procedures Order and this Notice shall be forever barred from asserting any Post-Auction Objection, including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances and other interests.

⁴ Due to social distancing measures imposed by the COVID-19 pandemic, as of the date of the Bid Procedures Motion, Raymond James staff is working remotely. Any communications sent by mail may not be received in a timely fashion, and accordingly, all communications should be sent via e-mail, receipt of which should be confirmed by the sender.

NO SUCCESSOR LIABILITY

The Sale will be free and clear of, among other things, any claim arising from any conduct of the Debtor prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such claim arises out of or relates to events occurring prior to the closing of the Sale. Accordingly, as a result of the Sale, the Successful Bidder will not be a successor to the Debtor by reason of any theory of law or equity, and the Successful Bidder will have no liability, except as expressly provided in the Asset Purchase Agreement, for any liens, claims, encumbrances and other interests against or in the Debtor under any theory of law, including successor liability theories.

Dated: July 15, 2020
Wilmington, Delaware

POTTER ANDERSON & CORROON LLP

/s/ L. Katherine Good

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