

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:)	
)	
CAPTURE COLLECTIVE, INC, et al. ¹⁾)	Chapter 11
)	Subchapter V
)	
Debtor.)	Case No. 2:25-bk-52291
)	
)	(Jointly Administered)
)	
)	Hon. Tiffany Strelow Cobb

DEBTORS’ JOINT CHAPTER 11 PLAN OF REORGANIZATION

ARTICLE I

INTRODUCTION

Capture Collective, Inc. (“**Collective**”), Capture Diagnostics, LLC (“**Diagnostics**”), and Capture Diagnostics HIB01 (“**HIB**”) (together, the “**Debtors**” or the “**Companies**”) submit this *Joint Chapter 11 Plan of Reorganization* (the “**Plan**”) pursuant to section 1189(a) of the Bankruptcy Code (the “**Code**”).

The Plan will enable the Debtors to resolve exhausting litigation and pay tax liabilities in an orderly manner all of which will allow Collective to refocus singularly on its continued advancement of the life-saving radiation diagnostic device it has developed and is productizing.

The Debtors are seeking Court approval of their 5-year Subchapter V Plan and provide the following information describing the way in which Creditors and Interest Holders will be treated and how the Plan will be implemented. The

¹ The Debtors in these cases, along with the last four digits of each Debtors’ federal EIN are as follows: Capture Collective, Inc. (7777); Capture Diagnostics, LLC (9259); and Capture Diagnostics HIB01, LLC (1325). The Debtors’ mailing address is 4923 Dierker Road, Columbus, Ohio 43220.

capitalized terms not otherwise defined in the text below are defined in the Definitions and Rules of Interpretation attached as **Exhibit A**.

ARTICLE II

SUMMARY OF THE DEBTORS' BUSINESS

A. History of the Debtors' Business Operations

1. Collective

Collective is a startup company founded in September 2019 to commercialize a diagnostic device to assess and triage radiation sickness. Through an exclusive license of certain radiation-related technology, called biodosimetry, from Ohio State University ("**OSU**"), Collective is developing a medical testing device that will help victims of a nuclear emergency, such as a war or accident, by rapidly determining the amount of radiation exposure so that immediate and appropriate medical countermeasures can be administered. The device is still in a stage of research and development; however, the Debtors believe it has significant commercial value to government and subsequently, in oncology and radiation treatment applications.

Collective currently operates a small research lab based in Columbus, Ohio. It has recently been awarded a \$2.2 Million research grant from the National Institute of Health ("**NIH**") to be paid over three years. In addition, OSU has named Collective as a major subcontractor for a recent grant submission.

2. Diagnostics and HIB

In late 2020, Collective began working with SynergyMed Global Design Solutions ("**Synergy**") and the National Kidney Foundation of Hawaii ("**NKFH**") in Hawaii to provide COVID PCR testing during the COVID-19 pandemic. As it became more extensively involved in responding to the pandemic, Collective created separate subsidiaries Diagnostics and HIB in early 2021 to expand the business. Diagnostics' primary role was buying and selling test kits wholesale and holding inventory while HIB owned and operated a brick-and-mortar clinical diagnostic lab based in Hawaii.

During the height of the Covid-19 Omicron surge, Diagnostics had been urged by Hawaii officials to purchase large quantities of test-related inventory in the expectation the crisis would continue well into 2022. However, due to expanded vaccination programs the health crisis was mitigated going into the second quarter of 2022. Because of the dramatically reduced need for testing, Diagnostics was unable to sell or otherwise use their inventory prior to its expiration, thereby creating large losses.

From September 2022 to May 2023, Collective attempted to transform Diagnostics into non-COVID testing operations, but was not successful at building a viable traditional lab business. Diagnostics and HIB ceased operations at the end of May 2023 when the pandemic national emergency officially ended and both government and private demand for rapid testing plummeted.

B. Assets and Liabilities of the Debtors

The Debtors' tangible assets consist principally of cash, a few accounts receivable, and lab equipment. Their intangible assets consist of intellectual property and litigation claims. The Debtors' principal liabilities include income taxes owed to the State of Hawaii and disputed litigation claims, mainly for breach of contract. A complete list of assets and liabilities along with estimated values is set forth in the Debtors' Schedules filed in their respective cases.² In addition, as described herein, the Debtors will receive a post-petition Tax Refund from the State of Hawaii.

C. Structure, Management, and Employees

Collective is a Delaware corporation owned by 49 shareholders consisting primarily of investors who participated in Collective's capital raises in 2019 and 2020. There is no single majority shareholder. Diagnostics is a Delaware limited liability company owned by Collective (94.44%) and Green Coral Trust (5.46%). HIB is a Delaware limited liability company wholly owned by Diagnostics.

² Collective Case No. 25-52291 at Doc No. 1; Diagnostics at Case No. 25-52292 at Doc No. 1; and HIB at Case No. 25-52294 at Doc No. 1.

The Board of Directors for each entity is the same and consists of Collective co-founder Scott Barnes, David Moritz and Daniel Longhi all of whom have served since September 2022. Mr. Barnes has served as President since 2022 and Mario Morales currently serves as Vice-President of Operations. Since 2023, the Debtors have utilized the financial firm of Book + Street for certain accounting work and other financial consulting. Mr. Moritz serves as in-house counsel. The executives and board members own minor interests in Collective and do not collectively have voting equity control.

Collective currently has 5 full-time employees including Mr. Barnes, Mr. Moritz, and Mr. Morales, Devin Mcgee, the lead laboratory associate responsible for principal biodosimetry research and development at Collective's laboratory, and administrative assistant Stephanie Sookram. Collective also contracts with various consultants including Dr. Naduparambil Jacob, professor of medicine at OSU Comprehensive Cancer Center.

D. Events Leading to the Filing of the Cases

Beginning with its inception in 2019, the primary focus of Collective has been and is the continued development and eventual sale of its radiation diagnostic device. However, when the COVID-19 pandemic (the "**Pandemic**") exploded in 2020, Collective had the opportunity to leverage its knowledge of diagnostic testing and pivot into COVID-19 diagnostics.

Its first major contract was with NKFH, a non-profit organization that had partnered with Synergy to provide a mobile COVID-19 laboratory for the City and County of Honolulu (together, "**Honolulu**"). The goal was to support the public health response to the Pandemic including the need to provide testing for students and visitors to the Hawaiian Islands.

The program's immediate success prompted Collective to create two subsidiaries, Diagnostics and HIB to manage the new operations. As the pandemic progressed, the State of Hawaii (the "**State**") wanted to establish two programs: community diagnostic testing and a return to school program. As part

of a consortium with NKFH, HIB provided the diagnostic services for these contracts. The companies grew, and at times required as many as 80 employees and ultimately generated several million dollars in revenues over a two-year period. Unfortunately, due in part to the myriad of parties involved and relatively chaotic management of the COVID programs, the Debtors fell victim to costly contract disputes.

1. The Synergy Litigation

Collective and Synergy entered into a Strategic Alliance Agreement (the “**SAA**”) to provide mobile laboratories for COVID testing. Synergy provided a shipping container with electrical and HVAC while Capture provided all of the medical diagnostic equipment, supplies, and consulting for operations. The SAA provided for the parties to share the profits on the sale of each Synergy mobile clinical laboratory and the sale of the Collective COVID test kits for use in a mobile laboratory. Honolulu contracted directly with NKFH to manage and operate the mobile COVID testing lab. NKFH in turn subcontracted with Synergy for the mobile lab and supplies.

As time progressed and the needs for COVID testing changed, Collective and Synergy eventually became embroiled in a contentious dispute over the profit split. Synergy demanded an audit and each party hired experts. After months of heated disagreements regarding the production and analysis of financial records, Synergy precipitously filed suit against the Debtors in federal court on April 8, 2022. The case was dismissed due to lack of diversity jurisdiction.

Through the audit process, however, the Debtors learned that they had been drastically underpaid, and filed suit against Synergy in Franklin County Court of Common Pleas Court (Case No. 22-CV-004593) on July 5, 2022 (the “**Synergy Lawsuit**”). Collective believes it is owed at least \$2.5 million based on Synergy’s breach of contract, breach of the duty of good faith and fair dealing, and unjust enrichment all related to the SAA. Synergy has counterclaimed that it is owed over \$20 million based on its unfounded assertions that it is entitled to a percentage of

all revenue the Debtors earned from business conducted in Hawaii despite the business being unrelated to the SAA and that the business was completed by the subsidiary companies at a brick and mortar laboratory.

The parties attempted mediation but were unsuccessful in bridging the wide gap between their claimed damages. While the Debtors believe Synergy's claims are frivolous, they have suffered under the weight of the litigation costs, the drain of time and the distraction of the Companies' executives away from their scientific mission and goals.

2. The DataHouse Threatened Ligation

NKFH entered into a separate contract with the State to provide a full COVID-19 testing program (sample collection and processing) capable of delivering same-day results on the Hawaiian Islands. NKFH then contracted with HIB to provide the diagnostic laboratory and to expand its licensure to include a network of pharmacies that would enable the NKFH consortium to deliver on the terms of the State contract.

In order to sufficiently manage and operate the various COVID programs throughout the State, NKFH in conjunction with Geopolicy Development Group ("**Geopolicy**") engaged with DataHouse Consulting, Inc. ("**DataHouse**") to provide necessary computer software programs and other services and support ("**IT**") for the State contract. At no time did the Debtors have a direct contract with DataHouse, but would occasionally request and pay for limited services on a case-by-case basis for the business HIB conducted unrelated to the State contract.

In September 2021, DataHouse began submitting invoices for IT to Geopolicy for work completed as part of the State contract, but rather than name Geopolicy on the invoice, it named the Debtors. Upon review, the Debtors determined that most of the invoices could not be substantiated, were for services not provided, or were duplicative of services for which the Debtors had previously paid. The Debtors also concluded they had been vastly underpaid by over \$1 million from NKFH.

In May of 2023, representatives of Collective and DataHouse met to discuss the discrepancies. Without further correspondence, DataHouse sent a letter to Collective on January 24, 2024 demanding payment of \$2.6 million for "money owed" and subsequently initiated mediation. The parties participated in a mediation on March 10, 2025 but could not reach a resolution. DataHouse threatened but did not file a lawsuit.

Debtors believe the foregoing events and transactions support a claim by Diagnostics against Geopolity for approximately \$7 million and a claim by HIB against NKFH for approximately \$1.1 million.

3. The Hawaii Tax Issues

To make matters worse, the Companies' financial successes they achieved in the COVID venture were not managed well from a tax standpoint. At the time, the Companies' former chief executive officer and tax accountant were based in Naples, Florida and were not only inexperienced with Hawaiian state tax requirements, but were hindered by the pandemic and the multiple hurricanes causing shut-downs in Florida. Current management was not in place at the time.

As a result, the Companies were assessed with 2021 State income tax liability for approximately \$835,000 that remains unpaid. But, the more critical issue became the Companies' liability for excise taxes. The Companies did not file required State excise tax returns during the time most of the revenue was earned. When the State alerted the Companies of the delinquent 2023 first quarter return, Collective's new management and finance team retained Hawaii tax counsel and immediately tried to rectify the situation by paying additional tax and penalties with the late-filed returns.

Nevertheless, the State commenced an audit in late 2024 threatening to invoke a Hawaii tax provision called the "12-month rule" that allows the State to disallow the wholesale rate of 0.5 percent (0.5%) if returns were not filed within 12 months of the due date and impose instead a retail rate of 4.5 percent (4.5%). This would have created a potential liability of as much as \$2 million.

The Companies immediately engaged experienced Hawaii tax counsel who successfully orchestrated a resolution. The audit was completed post-petition and the State has determined that additional taxes are not owed. Nevertheless, the Debtors incurred significant attorneys' fees to reach that conclusion.

4. The Island Distribution Services, LLC (“IDS”) Demand

In January 2024, IDS sent Diagnostics a demand for payment of approximately \$4.2 million based on supposed unpaid invoices for storage services supposedly provided during the Covid period. Diagnostics' counsel responded that (a) there was no contract whatsoever between the Debtors and IDS; (b) that no invoices had ever been presented to the Debtors when the services were allegedly rendered, nor were there any communications from IDS requesting payment; and (c) the invoices were all addressed to NKFH with whom IDS did have a contract. Diagnostic's counsel demanded that any communications supporting IDS' claim be provided. IDS never responded.

5. Reason for the Filing

The events described above have stymied the Debtors' ability to obtain funding and to focus on their primary mission to develop their radiation testing device. The bankruptcy was filed to enable the Debtors to manage their debt, preserve their dedicated and loyal staff, remove the cash bleed and emerge with a viable entity that can attract financing and investment in order to commercialize this extremely beneficial product.

E. Events During the Chapter 11 Cases

On May 27, 2025, the Debtors each filed a voluntary petition under Chapter 11, Subchapter V (the “**Petition Date**”). On May 29, 2025, Donald W. Mallory was appointed as the Subchapter V trustee (“**SubV Trustee**”).

1. First Day Pleadings.

On the Petition Date, the Debtors filed a *Motion for an Order Authorizing and Directing Joint Administration and Use of Consolidated Caption* [Doc No. 2] and a *Motion for Interim and Final Orders (I) Authorizing the Debtor to Pay Prepetition*

Wages, Salaries, Benefits, and Related Costs, and (II) Continue Prepetition Employee Practices [Doc No. 6]. An expedited hearing was held on May 30, 2025 at which time the Court granted both Motions (see Doc Nos. 22 and 24]. A final hearing on the Wage Motion was held on July 1, 2025 and relief was granted on a final basis [Doc No. 56].

2. Financial Information

On June 3, 2025, the Debtors filed their financial documents pursuant to 11 U.S.C. §§ 1116(1) and 1187 that included a Statement of Cash Flows for each Debtor, a Consolidated Balance Sheet and Profit and Loss Statement, and evidence of filing the Debtor's 2024 tax return.

3. Proof of Claim Deadline

On June 4, 2025, the Debtors filed a *Motion to Set Bar Date for Filing Proofs of Claim* [Doc No. 36] requesting the Court to establish a July 25, 2025 as the deadline for non-governmental creditors to file a proof of claim and November 23, 2025 as the deadline for governmental units to file a proof of claim. The Court entered an Order on June 17, 2025 [Doc No. 45] setting the deadlines.

4. Employment of Professionals

Bankruptcy Counsel

On June 9, 2025, the Debtors filed an *Application or Entry of an Order Authorizing the Retention and Employment of Dickinson Wright PLLC as Counsel to the Debtors Effective as of the Petition Date* [Doc No. 41]. The Court entered an order approving the Application on July 24, 2025 [Doc No. 70].

Financial Advisor

On June 17, 2025, the Debtors filed an *Application or Entry of an Order Authorizing the Retention and Employment of Book + Street as Financial Advisor to the Debtors Effective as of the Petition Date* [Doc No. 48]. Green Coral Trust (“GCT”) filed an objection. The Debtors filed a Motion to Strike the pleading on the basis that GCT is not represented by counsel as required by the Local Rules for

the Southern District of Ohio bankruptcy court. Counsel for GCT has now appeared in the case but has not filed a new pleading.

Special Intellectual Property (“IP”) Counsel

On June 17, 2025, the Debtors filed an *Application or Entry of an Order Authorizing the Retention and Employment of Kern Kendrick as Special Counsel to the Debtors Effective as of the Petition Date* [Doc No. 46] solely to address IP issues and maintenance. GCT filed an objection. The Debtors filed a Motion to Strike the pleading on the basis that GCT is not represented by counsel as required by the Local Rules for the Southern District of Ohio bankruptcy court. Counsel for GCT has now appeared in the case but has not filed a new pleading.

Special Hawaii Tax Counsel

On August 13, 2025, the Debtors filed an *Application for Entry of an Order Authorizing the Retention and Employment of the Law Offices of Kurt Kawafuchi, LLC as Special Counsel to the Debtors Effective as of the Petition Date* (the “**Application**”) seeking authorization for the employment of the Law Offices of Kurt Kawafuchi, LLC (“**Kawafuchi**”) as special tax counsel for the Debtors to handle issues relating to completion of work related to the State of Hawaii tax issues. The Application is pending.

5. Discovery.

Synergy 2004 Motion

On June 30, 2025, Synergy filed a *Motion for Order Authorizing F.R.B.P. 2004 Examination of Debtors and for Production of Documents* [Doc No. 55]. The Debtors have provided a number of the documents requested and are in discussions about what further needs to be produced. The parties have extended the time for objecting to the motion and for the time to conduct a deposition.

GCT 2004 Motion

On July 9, 2025, GCT file a *Motion for Entry of an Order Pursuant to Rule 2004 Authorizing and Directing Production of Documents by Debtors* [Doc No. 59]. The Debtors filed a Motion to Strike the pleading on the basis that GCT is not

represented by counsel as required by the Local Rules for the Southern District of Ohio bankruptcy court. Counsel for GCT has now appeared in the case but has not filed a new pleading.

IDS 2004 Motion

On August 8, 2025, IDS filed a Motion for Rule 2004 Exam of the Debtors [Doc No. 82]. Counsel are engaged in discussions about the scope of the request.

6. Status Report

On June 17, 2025, the Debtors filed their *Status Report Pursuant to 11 U.S.C 1188(c)* [Doc No. 47]. The Report was presented and accepted by the Court at a hearing held on July 1, 2025.

7. Motion for Authority to Waive Requirements of Section 345 of the Code

On August 4, 2025, the Debtors filed a Motion for authority to Maintain Existing Accounts and to Waive Compliance with Section 345 of the Bankruptcy Code [Doc No. 78] requesting the Court to allow certain bank accounts to remain open. The matter is currently pending.

8. Objections to Claims

On August 8, 2025, the Debtors filed an *Omnibus Objection to Island Distribution Services' Proofs of Claim* [Doc No. 80] on the basis that IDS has no claim against the Debtors and should therefore be disallowed and expunged. The matter is currently pending.

On August 8, 2025, the Debtors filed an *Objection to Green Coral Trust's Proof of Claim* [Doc No. 79] on the basis that GCT has no claim against the Debtors and should therefore be disallowed and expunged. The matter is currently pending.

On August 21, 2025, the Debtors filed an *Objection to SynergyMed Global Design Solutions' Proof of Claim* [Doc No. 86] on the basis that Synergy has no claim against the Debtors and should therefore be disallowed and expunged. The matter is currently pending.

9. Stipulation with SubV Trustee

On July 29, 2025, the SubV Trustee filed an *Agreed Stipulation Permitting Deposit of Escrow Funds for Subchapter V Trustee* [Doc No.76] whereby the Debtors agreed to immediately pay a deposit of \$5,000 to the SubV Trustee and to make monthly deposit payments of \$2,000 per month beginning August 1, 2025.

ARTICLE III

THE PLAN

A. Summary

The Plan provides for the continued operations of Collective and the payment to Creditors holding Allowed Claims in accordance with the priorities and requirements of the Bankruptcy Code. To that end, Creditors are placed in separate classes according to the nature of their claims for the purpose of voting and/or payment. Certain claims such as administrative expenses and priority taxes are not classified because they are entitled to specific treatment under the Code.

The Plan will be disseminated to all of the Debtors' Creditors and Interest Holders. Only Creditors and Interest Holders in classes that are Impaired are entitled to vote. Classes that are not Impaired may not vote and are deemed to have accepted the Plan. Pursuant to sections 502 and 1126 of the Code, Creditors whose Claims are the subject of an objection shall not be entitled to vote on the Plan unless otherwise ordered by the Court.

Pursuant to section 1191(a) of the Code, the shall confirm the Plan if all of the requirements of section 1129(a)³ of the Code are met including the acceptance of the Plan by all Impaired Classes (referred to as a "**Consensual**" Plan). However, pursuant to section 1191(b) of the Code, the Court still may confirm the Plan even if no Impaired Class votes to accept the Plan so long as the other confirmation requirements of section 1129 are met and the Court finds that that Plan does not

³ With the exception of section 1129(a)(15) that is not applicable here.

discriminate unfairly and is fair and equitable with respect to each Impaired Class that has not accepted the Plan (referred to as a “**Non-Consensual**” Plan). Further Plan requirements are described in Article VII below.

B. Classification and Treatment of Claims

The Debtors’ Creditors and Interest Holders are grouped in Classes depending on the type of Claim or Interest they have. The following section describes how they will be treated in the Plan.

1. No Classification of Administrative Claims

As provided in Section 1123(a)(1) of the Bankruptcy Code, Certain Claims shall not be classified for purposes of voting on or receiving distributions under the Plan. All such Claims shall be treated separately as unclassified Claims on the terms set forth herein.

a. Administrative Expenses

Unless previously approved and paid, Allowed Administrative Claims will be paid, in full satisfaction of the Claim: (a) in cash over six months after the Effective Date or a shorter period as agreed to by the Debtors and the Claimant; (b) in the ordinary course of business as the Claim matures; or (c) upon other less favorable terms as may be agreed upon by the Holder of the Claim, or as ordered by the Bankruptcy Court.

On the Effective Date, the Debtors believe the unpaid Administrative Claims will consist of amounts over and above the retainers held by professionals including Dickinson Wright, PLLC; the Law Firm of Kurt Kawafuchi; the law firm of Kern Kendrick the SubV Trustee, and the consulting firm of Book + Street estimated collectively to be approximately \$145,000.

b. Priority Tax Claims

Priority Tax Claims include all Allowed Claims by the State of Hawaii (estimated to be approximately \$830,000) and the Florida Department of Revenue (“**FDR**”) ((\$609.15). In full and final satisfaction, these Claims shall be treated in accordance with the terms set forth in Code section 1129(a)(9)(C) of the Code.

FDR will be paid in full on the Effective Date. The State of Hawaii Allowed Claims will be amortized over five years at an interest rate of 8 percent (8%) per annum commencing with the Petition Date. Equal installments will be paid monthly commencing with on the first day of the first full month after the Effective Date.

In the Debtor's sole discretion, the Debtors may pay the State of Hawaii its Allowed Priority Tax Claims in a shorter period of time, without pre-payment penalty, as funds become available.

2. Classification and Treatment of Claims and Interests that are Classified

For purposes of voting, distributions, and all confirmation matters, except as otherwise provided herein, all Allowed Claims and Interests shall be classified and treated as follows.

a) Class 1 – Priority Wage Claims

Class 1 consists of the Allowed Claims for wages, salaries, or commissions earned within 180 days prior to the Petition Date or the date that the respective Debtors' business closed, whichever occurred first, and capped at \$17,150 per Claimant pursuant to Section 507(a)(4) of the Bankruptcy Code. To the extent that a Claim in this Class exceeds the capped amount, the excess amount of the Claim will be treated in Class 2. Each Holder of an Allowed Claim in this Class will be paid the foregoing capped amount in full and in cash on the Effective Date. The Debtors believes the aggregate amount of claims in this Class is \$ -0-. Class 1 is not Impaired and therefore is deemed to have accepted the Plan, although a Holder of an Allowed Claim in excess of the foregoing capped amount may vote that portion of its Allowed Claim in Class 2.

b) Class 2 – General Unsecured Creditors

Class 2 consists of the Allowed Claims of general unsecured creditors. The Debtors' undisputed Unsecured Claims total approximately \$35,000 consisting of property management fees, vendor debt, unsecured taxes, and a shareholder claim. The Debtors disputed Unsecured Claims asserted by Synergy and IDS total

approximately \$8.7 million. If all Claims are Allowed, the distribution to creditors would be about 3 percent (3%).

On the Effective Date, in full and final satisfaction of any Claims against the Debtors, the Holder of an Allowed Claim in this Class shall receive a Pro-Rata share of \$300,500 (the “**Creditor Pool**”) paid as follows:

If the Plan is Consensual: \$100,000 of the Creditor Pool will be paid to holders of Allowed Claims on the Effective Date or shortly thereafter as is reasonably practical. Another 100,000 distribution will be made to holders of Allowed Claims within 30 days after receipt of the Tax Refund, expected in the second quarter of 2026. The remaining \$100,500 will be made in yearly installments as follows: \$15,000 on December 31, 2026; \$15,000 on December 31, 2027; \$12,000 on December 31, 2028; \$22,500 on December 31, 2029; and \$36,000 on September 30, 2030.

If the Plan is Non-Consensual: the initial installment will not be made and the distribution of \$200,000 will be made to holders of Allowed Claims within 30 days after receipt of the Tax Refund, expected in the second quarter of 2026. The remaining \$100,500 will be made in yearly installments as follows: \$15,000 on December 31, 2026; \$15,000 on December 31, 2027; \$12,000 on December 31, 2028; \$22,500 on December 31, 2029; and \$36,000 on September 30, 2030.

Class 2 is Impaired and is entitled to vote on the Plan.

c) Class 3 – Equity Interests in the Debtors

Class 3 consists of the Equity Interests in each of the Debtors. All such Interests shall be retained. Class 3 is not Impaired and therefore is deemed to have accepted the Plan.

ARTICLE IV

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Plan Funding

Debtors will continue their operations as described below and will utilize their Cash, the Tax Refund, collected accounts receivable, and projected sales

revenues to make Plan payments. The Debtors projections for the 5-year term of the Plan are set forth in **Exhibit B** and described in detail below in Article VII.

B. Debtors' Operations

But for the Hawaiian setbacks that caused huge tax exposure and expensive current and threatened litigation, the Debtors were clearly on the path to successfully productizing their radiation diagnostic device. The Plan will provide the ability to pay legitimate claims and clear the obstacles to obtaining additional funding and financing to complete the project. The following describes the milestones reached and those on the horizon, as well as the strategies to be implemented during the next years of development.

1. Current Successes

a. Most significantly, the Debtors have received a funding award from the NIH based on their submission entitled: Enhancement of Dose Estimation, Outcome Diagnostics, and Evaluation of Organ Response for Capture's MiRAD™ High-Throughput Biodosimetry Assay. This grant will be funded for approximately \$350,000 per year, for three years, likely beginning in December 2025 (the "**NIH Grant**"). It is noted that the NIH Grant funds are restricted to payment of specific expenses and not available for payment of creditor claims. They may however reduce to a small extent the overall administrative cost burden.

b. Operationally, the Debtors' laboratory in Columbus, Ohio is now fully functional and has passed safety and compliance inspections including OSHA. The Debtors have been successfully processing samples as well as conducting sensitivity studies that are required to achieve regulatory compliance. Debtors have completed this work on schedule and within budget.

c. In collaboration with OSU's James Cancer Research Center, the Debtors have submitted a proposal entitled *Development of Radiation/Nuclear Medical Countermeasures (MCMs) and Biodosimetry Devices* that could result in a significant award, possibly \$2 million per year for three years, of which Collective's portion is expected to be \$450,000 per year (the "**Pending Grant**").

Although this grant is by no means assured, the collaboration with OSU demonstrates the viability of the Debtors' work and the need to refocus and move forward. It is noted that the Pending Grant funds are restricted to payment of specific expenses and not available for payment of creditor claims. They may however reduce to a small extent the overall administrative cost burden.

2. Efficiency

Company efficiency has been optimized through a series of cost cutting measures and strategic decisions regarding insourcing and outsourcing of various functions. Staffing has been reduced to five full-time employees. Outsourcing relationships and contracts are in place to provide critical research and development, intellectual property guidance, accounting and payroll, regulatory compliance, government affairs strategy, and a series of scientific advisors and grant collaboration.

3. Product Strategy

The Debtors' overall product strategy is driven by two different applications for radiation biodosimetry. One application scenario is high throughput emergency use to triage mass casualties during a nuclear accident or battlefield nuclear event. The second application is enhanced personalized precision medicine for evaluating specific individualized response of oncology patients undergoing radiation treatment. The Debtors' will continue to focus on and hone these strategies with an eye on obtaining regulatory approval in the most expeditious manner possible. In the short run, marketing efforts will concentrate on the nuclear response application.

4. Strength of Intellectual Property ("IP")

A principal strategy is to strengthen the Debtors' patent portfolio. During 2024, six new patent applications have been submitted. These new protections are instrumental in ever-greening an IP portfolio to cover implementation and manufacturing composition specifics. The execution of this IP strategy has progressed on schedule and within projected budgets. The Debtors maintain and

review their fundamental IP strategy at least twice per year and follow a value creation and protection philosophy. To be clear, however, as outlined in Exhibit D, the IP has no real sale value at present.

5. The Need for Funding

As a medical tech startup company, the Debtors must be able raise outside capital to bring its device to market. However, the Debtors will not be in a position to raise capital until the bankruptcy is completed or near completion and claims are resolved.

C. Substantive Consolidation Treatment

The entry of the Confirmation Order shall constitute the approval as of the Effective Date, of the substantive consolidation of the Debtors for all purposes related to the Plan, including for purposes of voting, confirmation and distribution, but the Debtors shall not be substantively consolidated for other purposes. Pursuant to such order, (i) any claim against any Debtor and any guarantee thereof by any other Debtor and any joint or several liability of any of the Debtors shall be deemed one obligation of the consolidated Debtors, (ii) each and every Claim filed or to be filed in the Chapter 11 Case of any Debtor shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (iii) all duplicative claims (identical in both amount and subject matter) filed against more than one of the Debtors shall be automatically expunged so that only one Claim survives against the consolidated Debtors but in no way shall such Claim be deemed Allowed by reason of this Section.

Such substantive consolidation treatment shall not affect (i) the separate legal status and corporate structures of the Reorganized Debtors to effect restructurings as provided in this Plan, (ii) Subsidiary Equity Interests, (iii) Intercompany Claims, and, (iv) any defenses to any Causes of Action or requirements for any third party to establish mutuality in order to assert a right of setoff.

Diagnostics and HIB will not engage in further operations. Collective may, in its sole discretion, dissolve these two subsidiaries.

D. Management

Post-confirmation, the Debtors' boards of directors will continue to consist of Messer's Barnes, Moritz and Longhi. Management will continue to consist of Mr. Barnes as President and Mr. Morales as Vice-President. Their continuance in such positions is consistent with the interest of Creditors and Interest Holders and with public policy.

ARTICLE V

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Collective will assume the executory contracts and leases listed on **Exhibit C**. All executory contracts and leases are current and the Debtors do not anticipate any cure costs. Any objection to cure or the assumption of an executory contract must be filed by the date established by the Scheduling Order to be issued by the Honorable Tiffany Strelow Cobb in conjunction with confirmation of the Plan.

All other executory contracts and leases shall be deemed rejected on the Confirmation Date. Each counter party to a rejected lease or contract shall file on or before thirty (30) days after the Effective Date a proof of claim for any rejection damages.

ARTICLE VI

CLAIMS, DISTRIBUTIONS AND CLAIMS OBJECTIONS

A. Deadline for Applications for Administrative Expenses

Applications for Administrative Claims shall be filed no later than 30 days after the Effective Date. If such an application is not timely filed, such Claim will be forever barred and may not be asserted in any manner thereafter.

B. Objections, Complaints and Settlements

The Debtors shall have the exclusive right to file, litigate, and resolve Causes of Action and objections to Claims and Interests other than Administrative Claims. All rights and standing to initiate, prosecute, or dismiss any Cause of

Action or to file and prosecute objections to Claims and Interests shall be held by the Debtors. The Debtors shall have the exclusive right to settle an objection or Cause of Action for which recovery is sought for \$150,000 or less. Settlements for which recovery is sought in an amount in excess of \$150,000 must be presented to the Court for approval.

All Claims Objections must be filed by no later than 60 days after the Effective Date or such other time as may be extended upon Order of the Bankruptcy Court.

C. Plan Distributions and Disbursing Agent

The Debtors will make all distributions for Allowed Administrative Claims and for the State of Hawaii for its Allowed Priority Tax Claims. If the Plan is Consensual, Distributions to Creditors in Class 2 holding Allowed Claims will be made by the Debtors in accordance with the Plan. If the Plan is Non-Consensual, such distributions will be made by the SubV Trustee as follows: The Debtors will provide the Tax Refund to the SubV Trustee within 30 days after receipt and he will distribute to creditors as soon as practicable as set forth above in Article IIIB2. The Debtors will provide the remaining required payments to the SubV Trustee no later than December 15th of the year due. He will distribute these funds to creditors as soon as practicable as set forth above in Article IIIB2.

No Distributions will be made to any claimant unless that Claimant has an Allowed Claim. In the event a Disputed Claim has not been resolved when a distribution is due, the Debtors, or the SubV Trustee as the case may be, shall reserve a sufficient amount to make the distribution if the Claim is allowed. If the Disputed Claim is disallowed, the amount reserved shall be redistributed among Allowed Claimants.

All Distributions to any creditor shall be made at the address of such creditor (a) as set forth on the Schedules filed with the Bankruptcy Court, or (b) in a proof of claim filed by the creditor.

In the event that any distribution to any creditor is returned as undeliverable, the Debtors or the SubV Trustee shall use commercially reasonable efforts to determine the current address of such creditor, but shall not be required to retain an outside investigator to determine the current address of a creditor whose Distribution is returned as undeliverable. In any event, any attempted Distribution made that remains unclaimed for a period of thirty (30) days after the last attempted delivery shall be deemed unclaimed property and will revert in the Reorganized Debtors. The Debtors or the SubV Trustee shall have no further obligation to make any Distribution to such creditor and such claim shall be extinguished and forever barred.

To receive distributions, creditors must furnish requested tax information such as a Form W-9. The Debtors, or the SubV Trustee as the case may be, may refuse to make a distribution to any creditor that fails to furnish such information in a timely fashion, until such information is delivered; provided, however, that upon the delivery of such information by a creditor, the distribution shall be made; and provided, further, that if the creditor fails to comply with such a request within thirty (30) days, such distribution shall be deemed undeliverable and treated as set forth above; and provided further that, if the Debtors or SubV Trustee fail to withhold in respect of amounts received or distributable with respect to any such creditor and the Debtors are later held liable for the amount of such withholding, such creditor shall reimburse the Debtors for such liability.

Each creditor who receives a Distribution shall have the sole and exclusive responsibility for any taxes on account of any distribution.

No interest shall accrue or be paid unless specifically provided in the Plan.

D. Amendment of Claims

After the Effective Date, a Claim may be amended to decrease, but not to increase, the amount thereof.

E. Full and Final Satisfaction

All final Distributions under the Plan shall be in full and final satisfaction, settlement, release, and discharge of all Claims and Interests.

ARTICLE VII

CONFIRMATION OF THE PLAN

A. Overview of Confirmation Standards and Debtors' Compliance

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan meets the requirements of sections 1129 and 1191 of the Code. The key provisions include the following:

1. The Plan has been proposed in good faith

The Debtors satisfy this requirement in that the Plan has the specific and intended purpose of paying the Hawaii taxes as permitted under the Code, and in generating revenues from limited sales of its product all with a good faith goal to continue research and development and eventual productization.

2. The Plan satisfies the best interests of creditors test

The Debtors must show that a creditor in an Impaired Class has either accepted the Plan or will receive distributions in an amount that is not less than the Creditor would receive if the Debtors were liquidated under Chapter 7 of the Code (referred to as the "**Best Interests of Creditors Test**").

The Debtors satisfy this requirement as shown in the Debtors' Liquidation Analysis below:

Cash	607,750
Lab Equip	40,000
Office Equip.	2,000
Accounts Rec.	108,000
Deposits	22,516
Tax Refund	200,000
Litigation Claims	0

Intellectual Prop.	5,000
Total	985,266
Trustee costs	35,000
Admin claims	145,000
Priority claims	838,000
Total	(1,018,000)

Remaining available for unsecured creditors on liquidation: \$-0-

The Liquidation Analysis is based on the following assumptions:

- a. Cash is estimated as of the Effective Date of October 1, 2025.
- b. Accounts receivable have been discounted from face amount based on a prediction of collectability. Each of the accounts are nearly three years old and stem from the Debtors' operations in Hawaii. The Debtors have expended a great amount of effort in attempting to collect them and have received only sporadic payments at best. It is likely that a Chapter 7 trustee will have limited success in that the account debtors are in Hawaii or American Samoa and will undoubtedly see an opportunity to avoid payment altogether given a trustee's lack of resources. Consequently, the amount is a reasonable estimate of collectability.
- c. The Debtors believe it is unlikely a Chapter 7 trustee would pursue the Debtors' litigation claims. First, the Trustee will have limited funds to dedicate to the pursuit of the Causes of Auction. Second, the Trustee would likely conclude the risk of countersuits and collectability is too great.
 - i) Collective has potential claims against Synergy for \$2.5 million for breach of contract, breach of the duty of good faith and fair dealing, and unjust enrichment all related to the SAA (see Article II D above). These claims are included in a lawsuit pending in Ohio state court in which Synergy has counterclaimed for over \$20 million. The Debtors have obtained Synergy's financial statements through discovery and question its ability to pay a monetary judgment of this magnitude.

ii) Diagnostics has potential claims against Geopolicy for breach of a consulting contract through which the Debtors' believe Geopolicy was overpaid approximately \$7 million in consulting fees. The pursuit of the claim will likely be expensive given the fact that it would be litigated in Hawaii and the whereabouts of some of the necessary parties are unknown.

iii) HIB has potential claims against NKFH for \$1,100,000 for breach of contract. The collectability of a judgment is questionable given its status as a government-related non-profit entity.

d. The value of the Debtor's intellectual property is described in **Exhibit D**.

e. The administration claims are projected as follows: Dickinson Wright \$50,000; Book + Street \$45,000; Kern Kendrick \$30,000; the SubV Trustee \$10,000 and Kawafuchi \$10,000. These amounts are exclusive of any retainers held.

The Plan provides for payment of \$300,500 over the life of the Plan. The foregoing analysis demonstrates that Allowed Unsecured Creditors will receive significantly more through the Plan than they would receive in a liquidation.

3. The Plan is feasible

There will be sufficient resources necessary to meet the Debtors' obligations under the Plan (referred to as the ("**Feasibility Test**"). In addition, all Impaired Classes must have accepted the Plan (Consensual), or if not (Non-Consensual), that the Plan does not discriminate unfairly and is fair and equitable with respect to any Impaired Class that has not accepted the Plan. In such case, the Plan must provide that the Debtors' projected "disposable income" for the 5-year term will be applied to Plan payments. Disposable income means the income that is received by the Debtors that is not reasonably necessary to be expended for the payment of expenditures necessary for the continuation, preservation, or operation of the business of the Debtors.

As demonstrated by the projections of revenue and expenses for the 5-year term of the Plan attached as Exhibit B, the Debtors meet the Feasibility Test and the Plan is fair and equitable if it is Non-Consensual.

The Plan will be funded from the Debtors' cash on hand, the Tax Refund and the projected sales of the Debtors' radiation testing device.

Unlike a fully operating business, as a start-up, the Debtors do not have a solid source of revenue from which can be easily calculated "disposable income" described in section 1191(d) of the Bankruptcy Code. In addition, grant money is restricted to specific research-related uses and cannot be used to pay creditors. Finally, in order to attract investors to be able complete necessary research and development, the Debtors must be able to ensure them that their new money will not be used to pay old debt.

Despite these hurdles, the Debtors will be able to pay Allowed Unsecured Creditors a pro rata share of the Creditor Pool over the life of the Plan. If the Plan is Consensual, \$100,000 of the Creditor Pool will be paid on the Effective Date and another 100,000 distribution will be made will be made within 30 days after receipt of the Tax Refund, expected in the second quarter of 2026. If it is Non-Consensual, the initial installment will not be made and the distribution of \$200,000 will be made within 30 days after receipt of the Tax Refund. In either case, the remaining \$100,500 will be made in yearly installments as follows: \$15,000 on December 31, 2026; \$15,000 on December 31, 2027; \$12,000 on December 31, 2028; \$22,500 on December 31, 2029; and \$36,000 on September 30, 2030.

The bases and assumptions for the Projections are as follows:

- a. The Projections are based on an Effective Date of October 1, 2025. Expenses are conservatively estimated; most of them are fixed including salaries.
- b. The NIH Grant and the Pending Grant have not been factored in because of the restrictions placed on the use of the funds. They will reduce to a small extent the overall administrative burden. The existence of these grants, however will be important to the Debtors' ability to raise new capital.

c. Administrative claims estimated at \$145,000 will be paid over the first six months after the Effective Date.

d. Collection of accounts receivable are projected at a total of \$216,000 to be received sporadically over the life of the Plan.

e. A working capital reserve has been established.

f. Sales.

i. Based on considerable research and professional contacts, the Debtors believe there is a market for the purchase its biodosimeter for “research use only” (“**FRU**”) prior to FDA approval. The potential markets consist mainly of foreign entities and governments that want a high level of preparedness for testing radiation quickly should a nuclear event (whether by accident or conflict) occur in their region. The Debtors have received multiple inquiries and requests as to the Debtors’ capabilities of fulfilling these needs.

ii. Although the sale of its biodosimeter is new, the Debtors are well-equipped for managing this new aspect, given their experience in rapidly responding to testing needs created by the Covid pandemic.

iii. Sale are anticipated to commence in March 2026 and are estimated at \$1,700,000 for 2026; \$1,500,000 for 2027; \$1,050,000 for 2028; \$2,250,000 for 2029; and \$2,400,000 for 2030 totaling \$8,900,000 for the life of the Plan.

The projected payments for life of the Plan are feasible and satisfy the requirement of section 1183 of the Code.

B. Voting

All Creditors and Interest Holders entitled to vote on the Plan must cast their vote by completing, dating and signing the ballot which has been sent to them with the Plan. The ballot contains instructions concerning the deadline and method for submitting the ballot.

C. Confirmation

A party in interest may object to confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The deadline and instructions for filing and serving any objection to confirmation of the Plan are set forth on the Court's **Scheduling Order** that has been mailed to all Creditors, Interest Holders and parties-in-interest, together with a Ballot and the Plan.

The Bankruptcy Court will confirm the Plan if the requirements of sections 1129 and 1191 of the Bankruptcy Code are satisfied. The Bankruptcy Court must determine whether the Plan has been accepted by each Impaired Class entitled to vote on the Plan. Impaired classes entitled to vote on the Plan are those Classes of Claims whose legal, equitable or contractual rights are altered by the Plan, as defined under Section 1124 of the Bankruptcy Code.

An Impaired Class of Claims is deemed to have accepted the Plan if at least two-thirds in amount of those Claims who vote and more than one-half in number of those Claims who vote have accepted the Plan. Only the votes of those creditors or interested parties whose ballots are timely received will be counted in determining whether a class has accepted the Plan. Irrespective of whether a class accepts the Plan, the Plan may still be confirmed if the Debtors satisfy section 1191(b) of the Bankruptcy Code.

To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether the Plan meets the requirements of the Bankruptcy Code. The Confirmation Hearing will be conducted in the courtroom of the Honorable Tiffany Strelow Cobb, Bankruptcy Judge for the Southern District of Ohio and is set on the date and time provided in the Scheduling Order.

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing.

Any objection to confirmation of the Plan must be in writing, must conform with the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, must set

forth the name of the objecting party, the nature and amount of Claims or Interests held or asserted by that party against the Debtors, and the specific basis for the objection. Such objection must be filed with the Bankruptcy Court and served on Debtors' counsel at the address below and all those requesting notice on or before the date set in the Scheduling Order.

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THE BANKRUPTCY COURT WILL NOT CONSIDER A PLAN OBJECTION UNLESS IT IS TIMELY FILED AND SERVED IN COMPLIANCE WITH THE SCHEDULING ORDER.

At the Confirmation Hearing, the Debtors will request that the Court determine that the Plan satisfies the requirements of section 1129 and 1191 of the Code. If the Court so determines, the Court will enter an order confirming the Plan.

ARTICLE VII

EFFECT OF CONFIRMATION

A. Vesting of Title of Assets

If the Plan is Consensual, on the Effective Date of the Plan, all of the property of the Debtors' estates as defined by section 541 of the Code shall vest in the Reorganized Debtors, free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as otherwise expressly provided in the Plan. The Reorganized Collective may operate its business and may use, acquire, or dispose of property without supervision or approval of the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

If the Plan is Non-Consensual, property of the estate specified in section 541 will also include property that the Debtors acquire, as well as earnings from

services performed by the Debtors, after the Petition date but before the case is closed, dismissed or converted to a Chapter 7, whichever occurs first. Upon closure of the case, property of the Debtors' estates will vest in the Reorganized Collective, free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as otherwise expressly provided in the Plan. Pursuant to section 1186(b) of the Code, the Debtors shall remain in possession of all property of the estate.

B. Role of the SubV Trustee

If the Plan is confirmed consensually, the SubV Trustee shall be terminated upon the Effective Date. If the Plan is confirmed non-consensually, the SubV Trustee shall be terminated after the final distribution payment made pursuant to the terms of the Plan. In such case, he will continue to be paid at his hourly rate subject to fee applications under Section 330 of the Bankruptcy Code until the completion of the Plan and shall continue to monitor the post-confirmation compliance with the Plan. The SubV Trustee shall file fee applications with the Court no more often than every one hundred and twenty (120) days, and Debtor will remit payment within thirty (30) days of obtaining approval.

The SubV Trustee shall be terminated upon dismissal of the case or its conversion to another chapter.

C. Preservation and Pursuit of Causes of Action

All Causes of Action shall vest in the Reorganized Debtors and are specifically preserved. The Reorganized Debtors shall retain and may enforce all of the Debtors' rights to commence and pursue any and all Causes of Action, whether arising before or after the Petition Date. The potential causes of action are described above in Article IID. The Debtors identify the following potential defendants: Synergy, Geopolicy, IDS, Tobi Solidum, Kristen Pae, and NKFH.

Causes of Action include but are not limited to actions for breach of fiduciary duty, actual fraud, constructive fraud, misrepresentation, conversion, gross mismanagement, self-dealing, breaches and related to corporate governance and

securities laws, negligence, gross negligence, willful and malicious injury, aiding and abetting, breach of contract, breach of covenant of good faith and fair dealing, alter ego and the Avoidance Actions.

THIS LIST IS NOT MEANT TO BE EXCLUSIVE AND ADDITIONAL POTENTIAL DEFENDANTS MAY BE ADDED IF AND WHEN DISCOVERY ENSUES. INVESTIGATIONS OF THE CAUSES OF ACTION ARE ONGOING. ACCORDINGLY, NO PERSON MAY RELY ON THE FACT THAT THE PLAN AND DISCLOSURE STATEMENT DO NOT IDENTIFY A PARTICULAR PERSON OR CAUSE OF ACTION.

Avoidance Actions against the potential defendants described in the previous paragraph, Creditors, and other unrelated third parties who received within 10 years of the Petition Date a transfer (as defined in Section 101(54) of the Bankruptcy Code) that may be avoidable under Sections 544, 547, 548, 549, 550 and 553 are specifically preserved.

Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtors may have or choose to assert under any provision of the Bankruptcy Code or any applicable non-bankruptcy law.

The potential Causes of Action described in this Section are specifically preserved; however, they are not exclusive. Further, such descriptions are not intended to be a demand on any of the potential defendants in such Causes of Action and are not an indication of whether a meritorious Cause of Action exists. The descriptions are also not intended to limit claims or Causes of Action which may be asserted against any potential defendant.

The Debtors expressly, specifically and unequivocally reserve all rights in all Causes of Action. Any potential defendant who is also a Creditor in this Case should assume that a Cause of Action may be pursued against them by the Debtors or the Reorganized Debtors. Unless any Cause of Action is waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final

Order of the Bankruptcy Court, the Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the confirmation or consummation of the Plan.

The Debtors are still evaluating the potential Causes of Action and the risk of countersuits and collectability. For the Debtors, the key value is that recovery from them may offset any potential liability for damages asserted or awarded against them. In the event the Debtors determine in their sole discretion to pursue any Causes of Action, or assign them, the net proceeds collected will be distributed to Class 2 Allowed claims in accordance with the Plan.

D. Pending Litigation

The Reorganized Debtors also reserve any and all claims, defenses or counterclaims that have been asserted in any lawsuit pending as of the Confirmation Hearing, including any lawsuits or proceedings in which any of the Debtors assert affirmative claims against any Creditor or other third party, with all such claims, defenses or counterclaims assigned to the Reorganized Debtors.

E. Binding Effect

The rights, benefits and obligations of any Person named or referred to in this Plan will be binding upon, and will inure to the benefit of the heir, executor, administrator, successor or assign of such Person.

F. Exculpation

On the Effective Date, the Debtors and all holders of Claims and Interests shall be conclusively deemed to release any Exculpated Party from any and all liabilities, claims, cost, damages and expenses arising out of the Cases, except for claims arising from fraud, willful misconduct or gross negligence.

G. Discharge and Injunction

If the Plan is Consensual, on the Effective Date, the Debtors will be discharged from any debt that arose before confirmation of the Plan, to the extent

specified in Section 1141(d)(1)(A) , except that the Debtor will not be discharged of any debt imposed by the Plan or to the extent provide in section 1141(d)(6) of the Code.

Except as otherwise specifically provided in the Plan or in the Confirmation Order, upon the Effective Date, all existing Claims against the Debtors shall be precluded and enjoined from asserting against the Debtors, the Reorganized Debtors, their respective successors or assignees, or any of their assets or properties, any other or further Claim or Interest based on any act or omission, transaction, or other activity of any kind or nature that occurred before the Effective Date, whether or not the holder has filed a Proof of Claim and whether or not the facts or legal bases therefor were known or existed before the Effective Date.

On the Effective Date and in consideration of the Distributions to be made under the Plan, and except as otherwise provided in the Plan, each holder (as well as any representatives, trustees, or agents on behalf of each holder) of a Claim or Interest and any Affiliate of the Holder shall be deemed to have forever waived, released, and discharged the Debtors and the Reorganized Debtors, to the fullest extent permitted by Section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose before the Effective Date. Upon the Effective Date, all those Persons shall be forever precluded and enjoined, pursuant to Section 524 of the Bankruptcy Code, from prosecuting or asserting any discharged Claim against or in the Debtors or the Reorganized Debtors.

Except as otherwise expressly provided in the Plan, all persons or entities who have held, hold, or may hold Claims or Interests and all other parties in interest, along with their respective present or former employees, agents, officers, directors, managers, principals, representatives, and Affiliates, are permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Interest; (b) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtors,

the Reorganized Debtors or Property of the Debtors; (c) creating, perfecting, or enforcing any Lien or encumbrance of any kind against the Debtors, the Reorganized Debtors, or against the Property or interests in Property of the Debtors; or (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Debtors, the Reorganized Debtors, , or against the Property or interests in Property of the Debtors, with respect to any such Claim or Interest. This injunction shall extend to any successors or assignees of the Debtors, the Reorganized Debtors, and their respective Properties and interests in Properties.

If the Plan is Non-Consensual, as soon as practicable after completion by the Debtors of all payments due within the 5-year term of the Plan, the Debtors will request the Court to grant the Debtors a discharge of all debts provided in section 1141(d)(1)(A) of the Code and all other debts Allowed under Section 503 of the Code, except that the Debtor will not be discharged of any debt on which the last payment is due after the 5-year term of the Plan or of the kind specified in Section 523(a). All other provisions of this section will then apply.

H. Setoff and Recoupment

The Reorganized Debtors may, but shall not be required to, set off or recoup against any Claim and any distribution to be made on account of that Claim, any and all claims, rights, and Causes of Action of any nature that the Debtors or Reorganized Debtors may have against the holder of that Claim pursuant to the Bankruptcy Code or applicable non-bankruptcy law; provided, however, that neither the failure to effect a set off or recoupment nor the allowance of any Claim under the Plan shall constitute a waiver, abandonment, or release by the Debtors or the Reorganized Debtors of any of those claims, rights, and Causes of Action that the Debtors or the Reorganized Debtors may have against the Holder of the Claim. To the extent the Debtors or the Reorganized Debtors fails to setoff or recoup against a Holder and seek to collect a claim from that Holder after a

Distribution to the holder pursuant to the Plan, the Debtors or the Reorganized Debtors shall be entitled to full recovery on its claims against that holder of a Claim.

I. Remedies Upon Default

The Debtors expect to be able to make all payments under the Plan. In the event of a default, however, pursuant to section 1191(c)(3) of the Bankruptcy Code, if the Reorganized Debtors default in payments under the Plan, the affected party shall notify the Reorganized Debtors, who shall have 30 days to cure the default. Notice of any default must also be provided to counsel for the Reorganized Debtors:

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If the Reorganized Debtors do not cure the default within the 30 days, the Creditor may file a notice of the default with the Bankruptcy Court and request a hearing to consider appropriate remedies.

ARTICLE VIII

RETENTION OF JURISDICTION

On and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, to the fullest extent permissible under law, over all matters arising out of and related to the Cases for, among other things, the following purposes:

(a) To hear and determine all matters with respect to the assumption or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

(b) To hear and determine any motion, adversary proceeding, application, contested matter or other litigated matter pending on or commenced after the Confirmation Date;

(c) To hear and determine all matters with respect to the allowance, disallowance, liquidation, classification, priority or estimation of any Claim;

(d) To ensure that Distributions to holders of Allowed Claims and Interests are accomplished as provided in the Plan;

(e) To hear and determine all applications for compensation and reimbursement of professional claims;

(f) To hear and determine any application to modify the Plan, to remedy any defect or omission or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(g) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, the Confirmation Order, any transactions or payments contemplated by the Plan or any agreement, instrument or other document governing or relating to any of the foregoing;

(h) To issue injunctions, enter and implement other orders and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, the Confirmation Order or any other order of the Bankruptcy Court;

(i) To issue orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan;

(j) To enter, implement or enforce orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

(k) To hear and determine matters concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code (including the expedited determination of tax under Section 505(b) of the Bankruptcy Code);

(l) To hear and determine any other matters related to the Plan and not inconsistent with the Bankruptcy Code;

(m) To determine any other matters that may arise in connection with or are related to the Plan, the Confirmation Order, any of the Plan documents or any other contract, instrument, release or other agreement or document related to the Plan;

(n) To hear matters to recover all Property of the Debtors' Estates, wherever located including without limitation all entities or assets improperly transferred or sold;

(o) To hear and determine any rights, Claims or Causes of Action held by or accruing to the Debtors or the Reorganized Debtors pursuant to the Plan, Bankruptcy Code or pursuant to any federal or state statute or legal theory;

(p) To enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Cases with respect to any Person;

(q) To hear and determine any disputes arising in connection with the interpretation, implementation or enforcement of any post-petition agreements;

(r) To hear any other matter not inconsistent with the Bankruptcy Code; and

(s) To enter a final decree closing the Chapter 11 Case.

The Reorganized Debtors shall be deemed to have and be vested with the full authority and standing to continue, institute, prosecute, and defend such objections, matters, claims, actions, or Causes of Action which may or could have been commenced prior to the Effective Date or identified or brought subsequent thereto.

ARTICLE IX

TAX CONSEQUENCES OF THE PLAN

Nothing contained in the Plan shall in any way constitute tax advice. The tax consequences of the Plan on particular creditors are uncertain and may vary depending upon particular circumstances. Accordingly, Holders of Claims and Interests are strongly urged to consult their own tax advisors about the federal,

state, local, and foreign income and other tax consequences of the Plan, including with respect to tax reporting and record-keeping requirements.

ARTICLE XI
RISK FACTORS

HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSIDER CAREFULLY THE FOLLOWING FACTORS BEFORE SUBMITTING A VOTE TO ACCEPT OR REJECT THE PLAN

A. Confirmation of the Plan Is Not Assured

Although the Debtors believes that the Plan will satisfy all requirements necessary for Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can also be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications would not necessitate re-solicitation of votes.

The Plan may not be confirmed if the Court concludes that such proposal does not comply with the Bankruptcy Code's confirmation requirements. If the Plan is not confirmed, conversion to Chapter 7 would be the likely result for these Cases.

B. The Debtors Predicted Success

The Debtors' revenues or expenses could change unexpectedly thereby making Plan payments difficult. The anticipated sale of the Debtors product are not absolute and subject to change.

C. The Amounts of Many Claims Must Be Adjudicated

Creditors have asserted Claims against the Debtors in substantial amounts. These claims may need to be adjudicated by the Court. Allowance of any of these Disputed Claims could significantly affect the percentage payout to creditors.

D. The Court May Convert the Case

The Court may convert the Cases and appoint a Chapter 7 Trustee to liquidate the assets.

E. Further Funding and Grants

The Debtors may not receive any further grants or other funding on a timely basis.

ARTICLE XII

MISCELLANEOUS PROVISIONS

A. Binding Effect of Plan

The provisions of this Plan shall bind the Debtors, Creditors, and any Interest Holders, and shall bind any Person asserting a Claim against the Debtors or an Interest in the Debtors, whether or not the Claim or Interest arose before or after the Petition Date or the Effective Date, whether or not the Claim or Interest is Impaired, and whether or not the Person has accepted the Plan.

B. Appeals

In the event of an appeal of the Confirmation Order or any other kind of review or challenge to the Confirmation Order, and provided that no stay of the effectiveness of the Confirmation Order has been entered, the Bankruptcy Court will retain jurisdiction to implement and enforce the Confirmation Order and the Plan according to their terms, including, but not limited to, jurisdiction to enter such orders regarding the Plan or the performance thereof to implement the Plan. During the pendency of an appeal, any applicable statute of limitations for any Cause of Action shall be tolled.

C. Modification and Amendment of Exhibits, Schedules, and Appendices

The Debtors may modify or amend the terms of any document or agreement that is an Exhibit, schedule or appendix to the Plan without the need for re-solicitation of votes with respect to the Plan; provided, however, that the modification or amendment does not materially adversely affect the rights of any Person provided in the Plan.

D. Headings

The headings of the Articles, Sections and Subsections of the Plan are inserted for convenience only and shall not limit the interpretation of the Plan.

E. Amendment and Modification of the Plan

The Debtors may propose amendments to or modifications of the Plan at any time prior to Confirmation of the Plan. After Confirmation, if the Plan is Consensual, the Reorganized Debtor may modify the Plan at any time before substantial consummation of the Plan subject to determination by the Court, after notice and a hearing, that circumstances warrant the modification.

If the Plan is Non-Consensual, the Debtors may modify the Plan within the 5-year term so long as the modified plan meets the requirements of section 1191(b) of the Code and the Court, after notice and a hearing, determines that circumstances warrant the modification.

F. Effect of Confirmation Order

The Confirmation Order will include a provision that the Confirmation Order shall be immediately effective and enforceable upon its entry and shall not be subject to any stay under Bankruptcy Rule 3020(e) or otherwise.

G. Notices

Any notice required or permitted to be provided under the Plan will be in writing and served by regular postage-prepaid, first-class mail, hand-delivery, facsimile, or email.

H. Conflicts between Plan and Confirmation Order

In the event the terms of the Plan and the Confirmation Order conflict, the terms of the Confirmation Order shall govern.

I. Withdrawal of Plan

The Plan may be withdrawn prior to the entry of the Confirmation Order at the sole discretion of the Debtors.

DATED this 22nd day of August 2025 /s/ Scott Barnes
Scott Barnes, Authorized Representative of
the Debtors

Submitted by:
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