UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
PACIFICCO INC., *et al.*,	:	**Case No. 23– [________] ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

DECLARATION OF MICHAEL HUFFMASTER PURSUANT TO RULE 1007-2 OF THE LOCAL BANKRUPTCY RULES FOR THE SOUTHERN DISTRICT OF NEW YORK

I, Michael Huffmaster, make this declaration (the "**Declaration**")[2] under 28 U.S.C. § 1746:

1. I am the Chief Financial Officer of Catalina Marketing Corporation and have served in this role since February 2022. Prior to being appointed Chief Financial Officer, I have held several accounting and financial leadership roles since being hired in 2009, most recently serving as Senior Vice President of Finance and Chief Accounting Officer. Before being hired by Catalina Marketing Corporation, I held accounting and finance positions for a series of family owned, private equity and Fortune 100 companies, including FedEx Freight. I hold a bachelor's degree in finance from the University of Central Arkansas and am a licensed certified public accountant, having earned a bachelor's degree in accounting from the University of South Florida.

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1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Catalina Marketing Corporation (9007); PacificCo Inc. (1563); PacificCo Intermediate Corp. (8394); PacificCo Acquisition Corp. (4852); Catalina Marketing Procurement, LLC (9333); Catalina Marketing Technology Solutions, Inc. (8728); Modiv Media, LLC (3507); Cellfire LLC (5599); Catalina Marketing Worldwide, LLC (9687); Catalina-Pacific Media, L.L.C. (3931); CMJ Investments L.L.C. (0561); Supermarkets Online, Inc. (6998); Supermarkets Online Holdings, Inc. (1736); Catalina Marketing Loyalty Holdings, Inc. (3746); and Catalina Digital Holdings, LLC (3488). The Debtors' principal offices are located at 200 Carillon Parkway, Suite 200, St. Petersburg, FL 33716.

2 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such term in the Prepackaged Plan (as defined below) or the Disclosure Statement (as defined below), or as the context otherwise requires.

I am also currently pursuing an Executive M.B.A. with the University of Michigan Ross School of Business.

2. On the date hereof (the "**Petition Date**"), PacificCo Inc. ("**Catalina Parent**") and each of the other affiliated debtors commenced with this court (the "**Court**") a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). I am knowledgeable about and familiar with the Debtors' day-to-day operations, business, and financial affairs and the circumstances leading to the commencement of the chapter 11 cases (the "**Chapter 11 Cases**").

3. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge, my review of relevant documents, information provided to me by employees of the Debtors or the Debtors' legal and financial advisors, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

4. I submit this Declaration pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York to assist the Court and other parties in interest in understanding the events and circumstances that led to the commencement of these Chapter 11 Cases and in support of the voluntary petitions for relief and the motions and other applications that the Debtors have filed with the Court, including the "first day pleadings" (the "**First-Day Pleadings**"). I understand the Debtors are also submitting the *Declaration of Robert Del Genio in Support of the Debtors' Chapter 11 Petitions and First Day Relief* (the "**Del Genio Declaration**"), which has been filed with the Court contemporaneously herewith.

5. **Section I** provides an overview of the Debtors and the Chapter 11 Cases, including the terms of the proposed strategic transaction. **Section II** describes the Debtors'

corporate and capital structure. **Section III** describes the Debtors' businesses. **Section IV** describes the circumstances that led to the commencement of the Chapter 11 Cases. **Section V** attaches and identifies the schedules of information required by Local Rule 1007-2.

I. Overview

6. Catalina is a leader in shopper intelligence and highly targeted in-store, television, radio, and digital media that personalizes the shopper journey. Powered by a rich real-time shopper database, Catalina helps retailers, consumer packaged goods ("**CPG**") brands, and agencies optimize every stage of media planning, execution, and measurement to deliver $6.1 billion in consumer value annually. Catalina's unique database of purchase transactions and hyper-targeted personalized messaging capabilities allow it to design and execute marketing campaigns at scale for its customers by targeting shoppers with precision to deliver industry-leading return on advertising spend and return on investment.

7. Since its founding in 1983, Catalina has pioneered the field of data-driven marketing to enhance the shopper experience and drive sales by delivering 1:1 personalized media. In recent years, Catalina has evolved from in-store media to omni-channel media. Catalina was "big data" before the rest of the world had recognized the value of information as a resource in understanding and influencing shopper behavior. The retail sector where Catalina and its customers operate has been experiencing significant headwinds in recent years, which were further pressured by, among other factors, the COVID-19 pandemic, the global supply chain disruption, rising inflation, and fear of a global recession. The global supply chain disruption had a particularly strong impact on Catalina's revenues, as consumer demand sharply outpaced supply, reducing the need for its promotional services. This disruption was coupled by increased consumer savings due to the effect of COVID-19 on discretionary spending, further dampening the need for coupons and discounts to attract customers. Additionally, the loss of Albertsons' in-store print

coupon business as part of the Catalina network due to unlawful activities by a competitor caused Catalina to lose significant current and future business, as well as to incur higher costs to keep existing business.[3]

8. These headwinds put pressure on Catalina's business plan and liquidity at a time when a portion of its funded debt was coming due. Accordingly, like many other businesses that operate in or otherwise rely on the retail and CPG sectors, following in-bound interest Catalina decided to explore strategic alternatives to address its looming debt maturities and best position the Company for future growth and strategic investment. As part of those efforts, Catalina engaged with its key financial stakeholders and ultimately decided – with their support – to explore the market for the sale of some or all of its business. During this marketing effort, Catalina and its advisors conducted a robust process and thoroughly explored the market for potential buyers and partners. As a result of those efforts, Catalina has now decided to sell its Japan business while focusing on a financial restructuring of its U.S. business that will substantially reduce the Company's funded debt and enable accelerated investments in strategic growth areas.

9. Today, Catalina has commenced these Chapter 11 Cases to implement a negotiated, comprehensive, consensual restructuring of its balance sheet and the sale of its Japan business (the "**Restructuring**"), both of which will position the Company to survive current macroeconomic headwinds and accelerate strategic growth initiatives to continue to leverage its network across digitally active customers, while continuing to provide its customers with the uniquely efficient services that are its hallmark.

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[3] On February 24, 2021, Catalina filed a complaint in the Florida Circuit Court of the Sixth Judicial District against Quotient asserting claims under California and Florida law for unlawful pricing, unfair trade practices, tortious interference with business relationship, and tortious interference with prospective business relationship (*see Catalina Marketing Corp. v. Quotient Technology, Inc.*, Case No. 21-000946-CI).

10. Under the terms of the Restructuring set forth in greater detail in the *Joint Prepackaged Chapter 11 Plan of Reorganization of PacificCo Inc. and its Affiliated Debtors* (the "**Prepackaged Plan**"), which was filed contemporaneously herewith, the Debtors will meaningfully deleverage their balance sheet by $260 million in debt, which, upon occurrence of the effective date of the Prepackaged Plan, will represent a 70% reduction in principal amount of prepetition funded debt relative to the Petition Date. The Prepackaged Plan also provides for the implementation of a Stock Purchase Agreement (the "**SPA**") with Yosemite 2 K.K. ("**Yosemite**"), a Japanese private equity-backed buyer, pursuant to which Yosemite will acquire 100% of the equity interests in Catalina Marketing Japan K.K. ("**Catalina Japan**") for JPY 13,485,988,408 (approximately $103 million as of the date of this filing based on the current exchange rate), which proceeds will be used to fund distributions under the Prepackaged Plan and the reorganized business.

11. Catalina's creditors throughout its capital structure overwhelmingly support the Restructuring. Pursuant to that certain *Restructuring Support Agreement* (as amended from time to time and including all exhibits thereto, the "**RSA**"), the holders of 100.00% of the Super Priority Lenders, 99.94% of the Subordinated First-Out Lenders and 99.77% of the Subordinated Last-Out Lenders (each as defined below), have agreed, subject to the terms and conditions of the RSA, to vote in favor of the Prepackaged Plan.

12. To reap the full benefits of the Restructuring, the Debtors must exit the Chapter 11 Cases quickly. The Debtors have agreed under the RSA to use reasonable best efforts to meet certain milestones for the restructuring process set forth in the RSA, including (i) confirmation of the Prepackaged Plan by no later than 60 days after the Petition Date and (ii) the

Prepackaged Plan becoming effective no later than 70 days after the Petition Date. Further, the outside date for closing the sale to Yosemite in the SPA is May 31, 2023.

13. To minimize the impact of the Chapter 11 Cases on their businesses, the Debtors began soliciting votes on the Prepackaged Plan before filing their chapter 11 petitions for relief. On March 28, 2023, the Debtors transmitted the *Disclosure Statement for Joint Prepackaged Chapter 11 Plan of PacificCo Inc. and its Affiliated Debtors* (the "**Disclosure Statement**") pursuant to sections 1125 and 1126(b) of the Bankruptcy Code on holders of impaired claims entitled to vote and have requested the voting creditors to submit their ballots by April 11, 2023, at 4:00 p.m. (Prevailing Eastern Time). Further, the Debtors will be requesting that the Court schedule a combined hearing to approve the Disclosure Statement and confirm the Prepackaged Plan on an expedited timeline. The Debtors expect that the votes tabulated and received from the voting creditors will, consistent with the RSA, overwhelmingly support confirmation of the Prepackaged Plan.

II. Capital and Corporate Structure

A. Capital Structure

14. As set forth below, as of the Petition Date, the Debtors have outstanding funded debt obligations consisting of approximately $370 million.

15. The effect of the restructuring on the Debtors' capital structure is summarized as follows:

Prepetition Capital Structure		**Reorganized Capital Structure**	
Super Priority Term Loan	$36.0 million	**New Term Loan Facility**	$110.4 million
Subordinated First-Out Term Loan	$110.4 million		
Subordinated Last-Out Term Loan	$224.0 million		
Total:	**Approx. $370.4 million**	**Total:**	**Approx. $110.4 million**

a. Secured Debt – Super Priority Term Loan

16. Catalina Marketing Corporation, as borrower, and certain of the other Debtors, as guarantors, GLAS USA LLC, as administrative agent (the "**Super Priority Administrative Agent**"), GLAS Americas LLC, as collateral agent (the "**Super Priority Collateral Agent**"), and the lender parties thereto (the "**Super Priority Lenders**") are parties to that certain Super Priority Senior Term Loan Credit Agreement, dated as of February 27, 2023 (the "**Super Priority Credit Agreement**"), under which the Super Priority Lenders agreed to provide to the Borrower a $20 million term loan facility (the "**Super Priority Term Loan**"). The Super Priority Term Loan matures on June 30, 2023.[4]

17. On March 23, 2023, the Company and the lenders party to the Super Priority Term Loan entered into that certain Amendment No. 1 to Senior Term Loan Credit Agreement (the "**Super Priority Term Loan Amendment**"), which provided an incremental $10 million in financing.

[4] Catalina Marketing Corporation also entered into a priority term loan on September 8, 2022 pursuant to which the lenders thereto agreed to provide a $10 million term loan facility, consisting of $5 million in initial loans funded upon the closing of the facility, and up to another $5 million of delayed draw loans to be funded upon the satisfaction of certain conditions set forth in the applicable credit agreement. This term loan was paid off in full upon the closing of the sale of the Company's Florida-based headquarters building to Water Castle Florida, LLC on November 16, 2022.

18. The Super Priority Term Loan is secured by a first-priority interest in the collateral under that certain Security Agreement, dated as of February 27, 2023 (the "**Super Priority Security Agreement**"). As of the Petition Date, $36 million is outstanding under the Super Priority Term Loan.[5]

b. Secured Debt – Subordinated Credit Agreement

19. Catalina Marketing Corporation, as borrower, and certain of the other Debtors, as guarantors, GLAS USA LLC, as administrative agent (the "**Subordinated Administrative Agent**"), GLAS Americas LLC, as collateral agent (the "**Subordinated Collateral Agent**"), the holders of first-out tranche debt (the "**Subordinated First-Out Lenders**"), and the holders of last-out tranche debt (the "**Subordinated Last-Out Lenders**" and, together with the Subordinated First-Out Lenders, the "**Subordinated Term Loan Lenders**") are parties to that certain Senior Term Loan Credit Agreement, dated as of February 15, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Subordinated Credit Agreement**"), under which the Subordinated First-Out Lenders agreed to provide to the borrower a $125 million term loan facility (the "**Subordinated First-Out Term Loan**") and the Subordinated Last-Out Lenders agreed to provide to the borrower a $150 million term loan facility (the "**Subordinated Last-Out Term Loan**" and, together with the Subordinated First-Out Term Loan, the "**Subordinated Term Loan**"). The Subordinated First-Out Term Loan matured on February 15, 2023, and the Subordinated Last-Out Term Loan matures on August 15, 2023. There is some overlap among the Subordinated First-Out Lenders and Subordinated Last-

[5] This amount includes $6 million on account of fees paid in kind in connection with the Super Priority Term Loan and the Super Priority Term Loan Amendment, as applicable.

Out Lenders, and all of the Subordinated Term Loan Lenders are party to the Subordinated Credit Agreement.

20. The Subordinated Term Loan is secured by an interest in the collateral under that certain Security Agreement, dated as of February 15, 2019 (the "**Subordinated Security Agreement**"). To the extent the collateral under the Subordinated Security Agreement is also collateral under the Super Priority Security Agreement, the liens securing the Subordinated First-Out Term Loan rank junior to the liens securing the Super Priority Term Loan. The Subordinated Last-Out Term Loan ranks junior to the Subordinated First-Out Term Loan in right of payment. As of the Petition Date, approximately $110.4 million is outstanding under the Subordinated First-Out Term Loan (exclusive of principal, interest, fees, and expenses), and approximately $224.0 million is outstanding under the Subordinated Last-Out Term Loan (exclusive of principal, interest, fees, and expenses).

21. On February 14, 2023, the Debtors and certain of the Subordinated Term Loan Lenders entered into a forbearance agreement (the "**Forbearance Agreement**"), pursuant to which the lenders agreed to forebear from exercising remedies in connection with the maturity default of the Subordinated First-Out Term Loan and the Debtors' failure to make ongoing cash interest payments with respect to the Subordinated First-Out Term Loan and the Subordinated Last-Out Term Loan, in each case, during the Forbearance Period (as defined below) (the "**Specified Forbearance Defaults**"). Pursuant to the Forbearance Agreement, the Subordinated Term Loan Lenders have agreed to forbear from taking any action to enforce any rights and remedies they may have with respect to the Specified Forbearance Defaults, other than reserving their rights to suspend the availability of Eurocurrency Rate Loans (as defined in the Subordinated Credit Agreement). The Forbearance Agreement has an initial term of February 14,

2023 through March 31, 2023, which may be extended by the written agreement (including via e-mail) of the Company and at least 50.1% of the Subordinated Term Loan Lenders.

22. The Debtors have one outstanding letter of credit issued for the benefit of Epson America, Inc. ("**Epson**") in the amount of $5 million.[6] This letter of credit is secured solely by cash collateral posted in the amount of $5,356,172.

B. Corporate Structure

23. A diagram that reflects the Debtors' current corporate structure is annexed hereto as **Exhibit A**.

24. Until 2007, Catalina was publicly traded on the New York Stock Exchange. In 2007, entities affiliated with Hellman & Friedman LLC, a private equity firm with a focus on information services and media, through its wholly owned subsidiary, Checkout Holding Corp., acquired Catalina and established Catalina Marketing Corporation as the businesses' primary operating entity.

25. In 2014, funds affiliated with Berkshire Partners LLC, a Boston-based investment firm and certain third-party co-investors, acquired a controlling interest in Catalina. PDM Group Holdings, PDM Intermediate Holdings A, PDM Intermediate Holdings B, and PDM Holdings Corp were formed as part of the 2014 transaction.

26. As discussed in further detail herein, Catalina Parent was incorporated in Delaware in 2019, and became the parent of the Catalina enterprise when the Company emerged from a prior prepackaged chapter 11 case in 2019. PacificCo Intermediate Corp. and PacificCo Acquisition Corp. were also incorporated in Delaware in 2019, as subsidiaries of the Catalina

[6] A non-Debtor affiliate also has another outstanding letter of credit issued for the benefit of Epson in the amount of $6 million.

Parent. The equity of Catalina Parent is held by certain of the Company's lenders from the Prior Cases. In the Prior Cases, the first lien lenders received their *pro rata* share of 90% of the equity in the Company (subject to dilution by the Management Incentive Plan)[7] and the second lien lenders received their *pro rata* share of 10% of the equity in the Company (subject to dilution by the Management Incentive Plan), in each case in satisfaction of certain of their debt claims against the Prior Debtors.

27. The Debtors' senior management team consists of the following individuals:

Name	**Position**
Wayne Powers	Chief Executive Officer
Kevin Hunter	EVP, Chief Commercial Officer
Michael Huffmaster	EVP, Chief Financial Officer & Treasurer
David Glogoff	EVP, Chief Legal Officer, Chief Administrative Officer and Secretary
Sean Murphy	EVP, Chief Data & Analytics Officer
Michael Bailey	EVP, Chief Technology Officer
William Faivre	President, International Business
Brett Wayn	President & CEO, Japan
Marshall Stanton	EVP, Chief Business Officer
Cynthia Hoffman	Assistant Secretary

[7] "**Management Incentive Plan**" means the management incentive plan adopted following the prior prepackaged chapter 11 case pursuant to which the Company's management team and members of the Company's Board of Directors were authorized to receive up to 10% of the common stock of Catalina.

III. The Debtors' Business

A. History and Formation

28. Catalina Marketing Corporation was formed in 1983, a time when point-of-sale checkout scanner technology was nearly ubiquitous in grocery stores. Catalina's founders, who had extensive experience in the consumer-packaged goods industry, saw in it the potential to collect consumer purchase information and use such information to drive sales more efficiently than traditional retail promotional vehicles. As described in more detail below, this approach to data-driven marketing remains central to Catalina's core business philosophy. Since its inception in 1983, Catalina has grown through both the strategic acquisition of other businesses and the organic expansion of its core businesses.

29. Catalina expanded into European and Asian markets beginning with the United Kingdom in 1992, France in 1994, Japan in 1996, Italy in 1999, Germany in 2003, and Belgium and the Netherlands in 2006 (collectively the "**Foreign Subsidiaries**"). In 1994, Catalina created a health business segment ("**Catalina Health Resource**") that expanded its marketing services to pharmaceutical manufacturers and retail pharmacies. Catalina sold Catalina Health Resource to inVentiv Health, Inc. in 2013.

30. In June 2009, Catalina partnered with The Nielsen Company (US), LLC ("**Nielsen**") to form NC Ventures, LLC d/b/a Nielsen Catalina Solutions ("**NCS**"), which combined Catalina shopper data with Nielsen media consumption panels to provide a novel form of marketing analytics to customers.

31. On April 23, 2018, Catalina established a Costa Rican subsidiary, Catalina Marketing Costa Rica, s.r.l. ("**CMCR**"). CMCR employees support certain administrative functions on behalf of the Company as members of the cybersecurity, privacy, and analytics teams. CMCR also provides various post-sale campaign management, operational, and creative roles that

benefit Catalina's U.S. customers by enhancing employee retention and by effecting a number of material cost reductions in the areas of campaign set-up, execution, and optimization.

B. The Debtors' Current Business Operations

a. The Catalina Retailer Network

32. The backbone of Catalina's business is its extensive network of in-store, point-of-sale ("**POS**") data acquisition and promotional delivery systems, present in approximately 22,000 retail locations in the U.S. (the "**Retailer Network**"). Catalina is currently party to agreements (the "**Retailer Agreements**") with approximately 59 retailer partners (the "**Retailers**") to utilize Catalina's networked servers and high-speed printers ("**Networked Printers**") at multiple POS locations in each of the Retailers' stores. When a Retailer's customers (the "**Shoppers**") purchase any item in a store, the product's Universal Product Code is scanned into the Retailer's POS checkout system and simultaneously uploaded to Catalina's cloud-based platforms. The unique combination of items purchased during each shopping trip, along with other key data points, including the time and date of the purchase and the geographical location of the purchase, aggregated over millions of purchases every day (the "**Retailer Data**"), is analyzed against Catalina's historical shopper purchase database (the "**Shopper Intelligence Platform**"), which itself is ultimately derived from Catalina's analysis of the Retailer Data.

33. Through the application of its proprietary analytics systems, Catalina uses its Shopper Intelligence Platform and real-time Retailer Data to make predictions about Shoppers' future purchasing behaviors based on not only historical purchasing behaviors, but also on emerging trends in consumer behavior. Additionally, many of the Retailers offer Shoppers customer reward or loyalty cards (the "**Loyalty Cards**") that are associated with Shopper purchase data on an individual basis. Thus, when a Shopper uses a Loyalty Card at the POS, Catalina can use the anonymized historical purchase data of that particular Shopper in conjunction with any

demographic, location, ingredient and package, media viewing, transaction and/or lifestyle data associated with that particular Shopper, to further enhance its predictive models.

34. To give a sense of the scale and breadth of the data being fed into the Catalina Shopper Intelligence Platform, in 2021 alone, the Shopper Intelligence Platform totaled over 10.2 billion unique shopping trips associated with approximately 108 million households and over 445 million Shopper IDs, representing $419 billion in direct sales to the Retailers.

35. Catalina employs over 60 analytics and data science employees that support its core capabilities and enable new data driven solutions for Retailers and CPGs.

36. Under the Retailer Agreements, Catalina is granted a royalty-free, non-exclusive limited license to utilize the Retailer Data for certain authorized purposes. Catalina generates revenue by using the Retailer Data in conjunction with its Shopper Intelligence Platform to design and execute marketing campaigns for CPGs, and, in some cases, the Retailers themselves, and through the sale of audiences and measurement for digital advertising to the extent allowed by the applicable Retailer.

b. Catalina's Customers

37. Consumer packaged goods, which include non-durable goods such as cosmetics, household products, non-prescription drugs, packaged foods, and beverages, make up the vast majority of the products that are sold at the Retailers' stores. The manufacturers and distributors that manufacture these types of products encompass a wide range of companies and brands that include both CPGs with global reach as well as less established (or emerging) CPGs.

38. Catalina contracts with the CPGs to execute highly targeted marketing campaigns (the "**Campaigns**") designed to drive product sales and build brand loyalty effectively and efficiently by leveraging Catalina's Shopper Intelligence Platform to deliver highly

personalized promotional materials to Shoppers at the POS. At "checkout," such promotional materials, which include coupons, rebates, product advertising and other incentives, are "triggered" either by the unique combination of items purchased by a Shopper (the "**Basket**"), or if a Shopper uses a Loyalty Card, by utilizing particular Shopper information in concert with a Shopper's Basket. Promotional materials are instantaneously delivered to Shoppers in the form of coupons and personalized circulars printed by the Networked Printers at checkout as well as coupons and incentives that are directly "loaded" onto Loyalty Cards.

39. In-store promotions, however, are only one "channel" for delivering promotional content, as Catalina also distributes promotional materials and/or places ads through various digital channels. Digital promotions take the form of digital content, offers and incentives delivered via personalized digital circulars, online, connected television, digital out-of-home, mobile devices, and digital wallets. The wide reach and on-demand nature of Catalina's content delivery system allows Catalina to design and execute highly customized Campaigns that can scale from national to regional, long-term to short-term, on an as-needed basis. Catalina's access to real-time purchase data at the Retailers' stores allows it to measure the effectiveness of a particular Campaign in driving product sales.

40. The Retailers are also Catalina's customers in much the same way as CPGs. Retailers will contract with Catalina to design and execute Campaigns to drive not only sales of their own private label products as well as CPG brands, but also overall sales by targeting Shoppers identified as more likely to purchase a variety of products beyond those that may be the focus of the Campaign.

41. Catalina's ultimate customer is the Shopper who derives value from Catalina's CPG and Retailer partners.

c. Digital Products and Solutions

42. While Catalina's revenue has historically been driven by its in-store offerings, its digital operations have become more significant in recent years as Catalina has invested in new technology to adapt to an increasingly digitized advertising landscape and consumer demand for innovative offerings. Catalina has focused its capital expenditures related to digitization on investments in growth opportunities, as well as investments in its platform and areas offering potential productivity gains to help buttress such growth. Catalina has demonstrated its proactivity in developing cutting-edge data and digital products by continually investing in research and development, embracing emerging technologies, and fostering a culture of innovation. By collaborating closely with industry partners and experts, and analyzing market trends, Catalina has successfully introduced a diverse range of data and digital solutions that cater to the evolving needs of its customers. This forward-thinking approach has enabled the Company to remain competitive in an ever-shifting marketplace. Catalina's strategic investments and implementation of an omnichannel approach have significantly enhanced its overall customer experience by seamlessly integrating its in-store network with its digital offerings.

43. Catalina has been at the forefront of developing online advertising Campaigns for Retailers and CPGs through digital promotions. Such offerings are fueled by the data the Company obtains from its in-store products. Whereas Catalina has historically utilized coupons as a means for promoting discounts, Catalina has developed omnichannel capabilities in which the Company produces data-driven marketing through services such as personalized advertisement banners on websites, e-mail campaigns, and targeted advertisements for particular consumers on smart televisions. In short, Catalina has built algorithms informed by its aggregate

data to accurately promote products for consumers in the digital sphere in much the same manner as it does through promotions included in coupons delivered at brick-and-mortar Retailers.

44. More specifically, Catalina has successfully transformed from an in-store and digital promotions company into a data-driven, omni-channel media platform delivering highly targeted, personalized advertising and promotional messages across in-store, connected television, out of home, and digital media with a focus on effectively measuring the results for grocery and drug retailers, CPG brands, and agency partners, thereby providing actionable insights and analytics for optimized marketing efforts and increasing return on investment. Catalina keenly embraces and leverages the power of strategic partnerships to drive innovation, including with dozens of partners in the retail, data services, digital-out-of-home, digital and in-store promotions, media and television measurement, and campaign services industries, thereby contributing to the Company's ability to deliver cross-channel activation and power measurement solutions to CPG advertisers.

45. While the Company has been a trusted brand partner to CPGs and Retailers for 40 years, its core understanding of "the why behind the buy" has led Catalina to build some of the most innovative measurement products in the industry – connecting media exposure across multiple channels to deliver a de-duplicated view of buying behavior in real time. Catalina projects that digital customers will continue to drive revenue growth on a go-forward basis as the Company expands its digital offerings while also refining the effectiveness of its digital products. As a result, Catalina's digital businesses will be key to its restructuring efforts, as Catalina seeks to recapitalize its balance sheet to foster investments in its digital infrastructure.

d. The Foreign Subsidiaries

46. As discussed above, the Foreign Subsidiaries operate in Japan and across Europe. The Foreign Subsidiaries' business operations largely mirror those of the Debtors. The Foreign Subsidiaries enter into their own contracts with CPGs and local retail partners (the "**Foreign Retailers**") to provide in-store and digital marketing solutions primarily driven by data licensed from the Foreign Retailers to the Foreign Subsidiaries. Catalina contracts with the Foreign Subsidiaries to (a) license certain of its intellectual property and (b) provide general corporate business support and data and technology services in exchange for a negotiated fee. The negotiated fee is based on an arm's length operating margin.

e. Nielsen Catalina Services

47. In 2009, Catalina and Nielsen formed NC Ventures, LLC d/b/a NCS. Using Retailer Data sublicensed by Catalina and television and digital audience measurement data licensed by Nielsen, NCS provides a variety of analytics services related to the measurement and effectiveness of digital, television, and radio marketing campaigns. In 2015, Catalina sold 13.5% of its membership interest in NCS to Nielsen, such that its current interest in NCS is 36.5%. Among other things, Catalina and Nielsen receive quarterly dividend payments from NCS according to the terms of that certain *Amended & Restated Limited Liability Company Agreement*, entered into as of the Prior Effective Date, by and between Nielsen and Catalina.

IV. The Events Leading to the Commencement of the Chapter 11 Cases

48. Several factors have contributed to Catalina's need to further adjust its balance sheet after emerging from the Prior Cases. First, macroeconomic factors such as the COVID-19 pandemic, surging inflation since 2021, and global supply chain disruption – all of which were shadowed by the fear of a global recession – have put pressure on Catalina's Retailer Network, revenue stream, and liquidity. As discussed above, these headwinds led the Company

to engage with its key lenders in exploring strategic options to weather these headwinds and put Catalina on a path toward sustainable growth. Second, the loss of Albertsons's in-store print coupon business as part of the Catalina network due to unlawful activities by a competitor caused Catalina to lose current and future significant business, as well as to incur higher costs to keep existing business. Third, Catalina is in the process of a capital-intensive effort to increase its digital footprint. While Catalina's digital revenue streams have been increasing at a rapid pace due to significant capital expenditures in its digital advertising segment, the economic returns on these new investments are not immediate and it will take some time before this spending is translated into profitable revenue streams. Importantly, additional liquidity and a reduced debt burden will best position the Company for future growth in completing its transformation to a digitally-focused enterprise.

A. Background and Prior Cases

49. On December 12, 2018 (the "**Prior Petition Date**"), Checkout Holding Corp. and its affiliated debtors (the "**Prior Debtors**"), as predecessors-in-interest to the above-captioned debtors, commenced a prepackaged chapter 11 case (*In re Checkout Holding Corp.* 18-12794 (KG) (Bankr. D. Del. Dec. 12, 2018) (the "**Prior Cases**") to adjust their overleveraged capital structure. In fewer than two months, the Prior Debtors confirmed their plan of reorganization, having (i) eliminated more than $1.6 billion in funded debt, which represented a reduction of debt of over 85% relative to the Prior Petition Date, (ii) preserved the value of the Company's brand, and (iii) protected the jobs of the Company's invaluable employees. On February 15, 2019, the Prior Debtors emerged from the Prior Cases as Catalina Marketing Corporation, and a final decree was entered closing the Prior Cases on July 9, 2019. The goal of the Prior Cases was to deleverage the capital structure sufficiently to enable Catalina to implement its business plan.

50. As set out herein, despite emerging with a leaner balance sheet, the Company faced unexpected headwinds in recent years, and is now seeking to further adjust its capital structure and implement a strategic sale of one of its business lines through these Chapter 11 Cases.

B. Headwinds in the Retail Sector

51. The COVID-19 pandemic and related shut-downs also led to a lack of foot traffic in Catalina's Retailer Network, driving down sales and putting significant pressure on key companies in Catalina's Retailer Network and in the retail sector generally. As restrictions from the COVID-19 pandemic eased, the retail sector was hit by a second punch from surging inflation that thwarted consumer spending and put further pressure on revenue and margins. At the same time, lasting impacts from import/export restrictions imposed by governments in response to the COVID-19 pandemic, rising tension from the U.S.-China trade war, and the Russia-Ukraine conflict combined to disrupt the global supply chain and threaten Retailers that are the core of Catalina's business model. Additionally, since 2019, Catalina lost Albertsons' in-store print coupon business as part of the Catalina network due to unlawful activities by a competitor. This has caused Catalina to lose significant current and future business, as well as to incur higher costs to keep existing business.

52. As it relates to such macroeconomic headwinds, when the supply chain crisis arose, for instance, demand for consumer goods outpaced the supply of such goods. Accordingly, retailers were unable to meet consumer needs as consumers purchased goods almost immediately after being stocked on grocery shelves. As inventories decreased, retailers had a reduced need for promotional companies that offered value through their ability to supplement consumer demand via coupons, discounts, and targeted advertisements. These supply chain issues were also affected by the COVID-19 pandemic. These intertwining macroeconomic factors and

the loss of Albertsons as a partner due to unlawful conduct by a competitor collectively put stress on Catalina's ability to generate revenue and maintain its liquidity.

C. Catalina's Shift to Digital

53. From 1983 through 2014, Catalina experienced relatively steady growth and healthy margins, enabling it to grow its Retailer Network to over 30,000 retail locations in the U.S. Over time, Catalina's revenues and margins began to contract as a result of competitive pressures in the retail sector, changes in the overall media consumption with engagement largely driven by an industrywide shift to digital, and the loss of one of the largest national retailers as a result of a competitor's unlawful conduct. In addition, the COVID-19 pandemic and related shut-downs forced consumers to reshape their spending habits by making fewer purchases in stores and purchasing a greater portion of goods via e-commerce sites, thereby further accelerating the industrywide shift to digital. Both Retailers and CPGs, while experiencing headwinds themselves, have become more cost-conscious and judicious in the deployment of their marketing budgets than ever. The unprecedented focus on digital promotions, with their wide reach and relatively low cost per impression, disrupted Catalina's traditional business model.

54. While Catalina has historically generated most of its revenue through in-store transactions, the Company has sought to transition to revenue streams rooted in its digital offerings. Since the Prior Cases, Catalina's digital operations have become more significant as the Company has invested in technology and driven to adapt to an increasingly digitized landscape and customer demand for innovative offerings. The Company is seeking to achieve an equal split between its in-store revenues and its digital revenues by 2026.

55. Catalina realized lower margins on digital products, which is rooted largely in the nature of such capital expenditures. To drive its investment in digital offerings requires employing more programmers to develop the software necessary to more efficiently aggregate data

and produce effective Campaigns. To keep up with consumer sentiment and its competitors, the Company must also retain such engineers on an ongoing basis to ensure continued innovation. Alternatively, capital expenditures for Catalina's in-store offerings have historically required a large amount of upfront spending to install the requisite hardware, but the maintenance costs for its hardware are relatively low in comparison.

56. While such capital expenditures will be necessary for the Company to continue to innovate, and the margins will likely not be as high as Catalina's in-store margins in prior years, the Company's need to invest in the digital side of its business will decrease over time as initial software development costs are reduced and the technology becomes more embedded within the Company's operations. In 2022, the Company spent approximately $20 million in capital expenditures focused on growth. By contrast, such capital expenditures are projected to decrease to approximately $11 million by 2026. As Catalina completes its pivot to its digital products in the coming years, it will have increased liquidity due to a reduction in capital expenditures, while also retaining a greater portion of its revenue as the gross margin on its digital products improves.

D. Exploring Strategic Alternatives

a. Initial Phase and Marketing Process

57. In 2021, under the guidance of the Strategic & Finance Committee of Catalina's Board of Directors, Catalina engaged Houlihan Lokey Capital ("**Houlihan**") and Weil, as financial and restructuring advisors, respectively, to assist Catalina in exploring, in partnership with its creditors, various combinations of cost-rationalization processes and strategic transaction alternatives that would allow it to weather through the current headwinds and continue its digital transformation and return to sustainable growth. In 2022, the Company and its advisors engaged

with certain lenders under Catalina's Subordinated Term Loan, who ultimately hired their own legal counsel, and began discussing potential strategic transactions.

58. For several months, Catalina and its lenders discussed various strategic alternatives, including an out-of-court restructuring, an in-court balance sheet restructuring, and a sale transaction. In the spring of 2022, after extensive discussions and expressed interest from the ultimate buyer of the Japanese entity, the Company, with the support of its largest lenders, decided to first explore the market for a sale of some or all of the Debtors' U.S. and international assets (the "**Marketing Process**") before making any decisions on a strategic path forward. At or around the same time, the Company also began marketing its headquarters located in St. Petersburg, Florida to provide additional flexibility in furtherance of the Marketing Process.

59. Houlihan formally commenced the Marketing Process in June of 2022. In connection with such efforts, Houlihan developed a confidential information memorandum (a "**CIM**") that included, among other things, information regarding Catalina's operations, financial outlook, management team, and go-forward business plan. As part of its outreach, Houlihan reached out globally to potential buyers, not just those located in the United States, and informed potential buyers that all of the Company's assets were available, either as individual segments, multiple segments, or as a whole. Ultimately, 14 financial and strategic buyers, including initial in-bound interested buyers, executed a non-disclosure agreement and received a CIM. Houlihan also established a data room to provide detailed financial and business information about the Debtors to the investors that executed non-disclosure agreements.

60. Houlihan then held extensive discussions with potential investors regarding the Debtors' business and worked closely with the management team to respond to due diligence inquiries from potential investors. Houlihan informed potential buyers to be agnostic as to the

Company's capital structure. Houlihan also helped organize management presentations in which the management team met with potential interested buyers and investors.

61. The first stage of the Company's Marketing Process did not ultimately result in any actionable bids; however, there was interest from certain buyers for Catalina's Japan business. Catalina decided to extend the time frame for interested parties to submit non-binding letters of intent ("**LOIs**") and ultimately received an LOI for the Japan business several weeks after the original bid deadline. Catalina then decided to move forward with the second phase of its Marketing Process for the Japan business while also continuing to explore options for its U.S. and European business, including a potential reorganization or strategic sale transaction.

62. As this process continued, the Company's liquidity position remained strained from the lingering effects of the market headwinds related to, among other things, the COVID-19 pandemic, the global supply chain disruption, and the loss of the Albertsons business due to unlawful conduct by a competitor. On September 8, 2022, to provide the Company with additional flexibility to continue exploring a strategic transaction, Catalina and certain lenders entered into that certain Super Priority Senior Term Loan Credit Agreement (the "**Priority Term Loan**") for an additional $10 million in funding.[8]

63. Over the next several months into early 2023, Catalina continued to advance discussions on the sale of its Japan business while also dual tracking discussion relating to a potential strategic sale or reorganization of the remainder of the business.

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[8] The Priority Term Loan was paid off in full upon the closing of the sale of the Company's Florida-based headquarters building to Water Castle Florida, LLC on November 16, 2022. The Company sold its Florida-based headquarters building for $29.5 million. The balance of the sale proceeds, approximately $13.4 million after repayment of the Priority Term Loan and related fees, as well as payment of a security deposit, was made available to the Company for general working capital.

64. As the Subordinated First-Out Term Loan was due to mature on February 15, 2023, to provide additional flexibility and time to reach an agreement on a transaction, on February 14, 2023, Catalina and certain of its lenders entered into the Forbearance Agreement, pursuant to which certain lenders agreed to forbear from exercising any right or remedy with respect to the maturity default and any interest on the outstanding amounts under the Subordinated Last-Out Term Loan through March 31, 2023 (the "**Forbearance Period**").

65. After several months of extensive diligence and negotiations, the Company, under the guidance of the Strategic & Finance Committee of the Board of Directors of Catalina, and with the support of its largest lenders, decided it was in the Company's best interest to enter into a transaction in which the Company would sell Catalina Japan to Yosemite through a prepackaged chapter 11 that would provide for a substantial deleveraging of the Company's balance sheet. To that end, on February 26, 2023, Catalina-Pacific Media, L.L.C., Yosemite, and Catalina Marketing Corporation (solely for the limited purposes set forth therein) entered into the SPA (the "**Japan Sale Transaction**").

66. In parallel with finalizing the Japan Sale Transaction, Catalina was discussing the framework for a reorganization around the remainder of the business with certain lenders that supported the Company's restructuring efforts (the "**Supporting Lenders**"), which would be funded by the proceeds of the Japan Sale Transaction. Following execution of the SPA with Yosemite, Catalina and the Supporting Lenders quickly pivoted to finalizing the details of the RSA and the Prepackaged Plan.

67. Following execution of the Japan Sale Transaction, on February 27, 2023, the Company entered into the Super Priority Term Loan with certain existing Subordinated First-Out Lenders to provide additional liquidity to fund the business and the anticipated chapter 11

filing. On March 23, 2023, the Company and the lenders party to the Super Priority Term Loan entered into the Super Priority Term Loan Amendment, which provided an incremental $10 million in financing to fund the chapter 11 cases.

b. Japan Sale Transaction

68. As detailed herein, the Japan Sale Transaction is a critical component of the Restructuring, as the proceeds of the sale will be used to fund the reorganized business. Specifically, in consideration for selling 100% of the equity interests of Catalina Japan to Yosemite, as well as for certain intellectual property rights necessary to the Catalina Japan business and for certain of the transitional services to be provided by Catalina Marketing Corporation and its affiliates after the closing of the transactions contemplated by the SPA, Yosemite will pay JPY 13,485,988,408 (approximately $103 million as of the date of this filing based on the current exchange rate) in sale proceeds to the Company, which proceeds will then be used to pay off the Super Priority Term Loan in full and provide working capital for the Company's go-forward business. Such liquidity will fund Catalina's efforts to invest in its digital advertising segment and accelerate its transformation to a more digitally-focused marketing company. Importantly, the Japan Sale Transaction allowed the Company to obtain the support of its largest lenders for the Restructuring, including by entering into the RSA as well as funding the Super Priority Term Loan.

69. The SPA provides for the Debtors to commence these chapter 11 cases on the earlier of (a) a date selected by the Debtors and (b) within five business days from the date of satisfaction of certain conditions, including (1) Yosemite providing evidence of committed financing (in the form of a loan agreement reasonably satisfactory to the Debtors), (2) receipt of Japanese antitrust approvals, and (3) the delivery into escrow of the second half of the purchase

price deposit (such total deposit being equal to, in the aggregate, approximately 10% of the aggregate purchase price).

70. In connection with the SPA, Yosemite and Catalina also agreed to execute (a) a transition services agreement that will govern the terms under which Catalina Marketing Corporation will provide certain services and other assistance on a transitional basis to Catalina Japan (the "**Transition Services Agreement**") and (b) an intellectual property assignment and license agreement pursuant to which Catalina will (i) assign to Catalina Japan certain specified intellectual property owned by Catalina and (ii) grant to Catalina Japan a license to certain specified intellectual property owned by Catalina in order for Catalina Japan to continue the operation of its business post-closing (the "**IP Assignment and License Agreement**").

71. The services to be provided by Catalina Marketing Corporation under the Transition Services Agreement include efforts to separate systems between the Debtors and Catalina Japan, as well as certain specified services relating to security, data analytics, human resources, finance administration, information technology, and sales and marketing.

72. Pursuant to the IP Assignment and License Agreement, (A) Catalina assigns to Catalina Japan certain specified patents as well as trademark and domain name registrations, in each case, issued or registered in Japan, (B) Catalina grants to Catalina Japan a non-exclusive, perpetual (subject to certain termination rights) sublicensable license to, solely in Japan, use, exploit and commercialize certain specified Japanese patents and patent applications, software and other intellectual property, in each case, solely in connection with the conduct and operation of the business of Catalina Japan (*i.e.*, the business of Catalina Japan with respect to data aggregation, shopper intelligence, digital media personalization, and media planning, execution, and measurement services, in each case, solely in Japan), and (C) upon the expiration or termination

of the Transition Services Agreement, Catalina Marketing Corporation and Catalina Japan will jointly own certain copyrights and trade secret rights used in connection with the operation of, or included in, products to be provided by Catalina Marketing Corporation to Catalina Japan in the performance of certain services under the Transition Services Agreement.

c. RSA

73. In addition to agreeing to the terms of a transaction with Yosemite, the Debtors also sought to negotiate the RSA with the Subordinated Term Loan Lenders to reduce the amount of debt in its capital structure and ensure a more sustainable enterprise on a go-forward basis. As negotiations with Yosemite and the Subordinated Term Loan Lenders continued, the Debtors entered into the Forbearance Agreement and the Super Priority Term Loan to provide sufficient time and liquidity for an agreement to be consummated. The Debtors used the time afforded by the Forbearance Agreement to negotiate a comprehensive, consensual restructuring with the Subordinated Term Loan Lenders, which was ultimately supported by 100.00% of the Super Priority Lenders (the "**Consenting Super Priority Lenders**"), 99.94% of the Subordinated First-Out Lenders and (the "**Consenting Subordinated First-Out Lenders**") and by 99.77% of the Subordinated Last-Out Lenders (the "**Consenting Subordinated Last-Out Lenders**" and, together with the Consenting Super Priority Lenders and the Consenting Subordinated First-Out Lenders, the "**Consenting Creditors**"). On March 28, 2023, Catalina and the Consenting Creditors entered into the RSA, whereby the Consenting Creditors committed, subject to the terms and conditions of the RSA, to support the Debtors in their efforts to confirm the Prepackaged Plan. Pursuant to the Prepackaged Plan, as detailed therein, the Debtors also seek to effectuate the sale of Catalina Japan to Yosemite. The terms of the Restructuring are reflected in the Prepackaged Plan.

74. Upon its full implementation, the Prepackaged Plan will effect a significant deleveraging of the Debtors' capital structure by wiping out approximately $260 million in principal amount of prepetition funded debt. The reduced debt burden will provide the Debtors with sufficient liquidity not only to continue funding their operations, but also to make the necessary capital expenditures and investments to ensure that the Debtors will not only be competitive, but will remain an industry leader going forward.

75. Under the terms of the Prepackaged Plan, in full and final satisfaction of their prepetition claims, the claims of the Super Priority Lenders will be deemed allowed and paid in cash in full, in the amount of $36 million, plus accrued and unpaid interest, fees, expenses, and other obligations, the Subordinated First-Out Lenders will receive their pro rata share of the exit financing facility under the new term loan credit agreement, which will have an aggregate principal amount of $110.4 million, plus accrued and unpaid interest, fees, expenses, and other obligations, and the Subordinated Last-Out Lenders will receive 100% of the shares of new common stock of Catalina Parent, as reorganized in accordance with the Prepackaged Plan, subject to dilution by the post-restructuring management incentive plan to be adopted in accordance with the Prepackaged Plan. The Prepackaged Plan additionally provides for the Japan Sale Transaction, which will be effectuated through implementation of the Prepackaged Plan and which proceeds will be used to fund (i) distributions under the Prepackaged Plan and (ii) the Debtors' go-forward business. Allowed general unsecured claims will be paid in the ordinary course and will be otherwise unimpaired, subject to all of Catalina's rights, defenses, or any other entitlements with respect thereto.

76. The RSA, among other things, commits the Consenting Creditors to support the Prepackaged Plan and the Restructuring by:

- Voting to accept the Prepackaged Plan;
- Agreeing to provide the releases set forth in the Prepackaged Plan;
- Supporting and taking all commercially reasonable steps to consummate the Prepackaged Plan and the Restructuring;
- Refraining from taking any action that would delay or impede consummation of the Prepackaged Plan or the Restructuring;
- Supporting the sale of Catalina Japan to Yosemite, which transaction will be effectuated through the Prepackaged Plan;
- Agreeing to certain procedures governing the transfer of the indebtedness held by the Consenting Creditors; and
- Agreeing to forbear the exercise of their rights or remedies under the prepetition loan documents.

77. Of key importance, the RSA provides that the Consenting Creditors will support the Prepackaged Plan. The Prepackaged Plan provides for a comprehensive restructuring of the Debtors' prepetition obligations, preserves the going-concern value of the Debtors' business, maximizes creditor recoveries, provides for an equitable distribution to the Debtors' stakeholders, effectuates the transaction with Yosemite, and protects the jobs of employees.

78. The Debtors expect that their current cash on hand, combined with revenue generated from ongoing operations, will provide sufficient liquidity to support Catalina's business during these chapter 11 cases. As set forth in the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing (A) The Use of Cash Collateral, (B) Granting Adequate Protection to the Prepetition Secured Parties, (C) Modifying the Automatic Stay, and (D) Scheduling a Final Hearing, and (II) Granting Related Relief*, filed contemporaneously herewith, the Debtors have reached a consensual arrangement for the use of the Cash Collateral (as such term is defined in section 363 of the Bankruptcy Code) throughout the pendency of these chapter 11 cases.

V. <u>Information Required by Local Rule 1007-2</u>

79. In accordance with Local Rule 1007-2, the schedules attached hereto provide certain information related to the Debtors.

80. Pursuant to Local Rule 1007-2(a)(3), **Schedule 1** attached hereto lists the names and addresses of the members of, and attorneys for, any committee organized prior to the Petition Date and a brief description of the circumstances surrounding the formation of the committee and the date of its formation.

81. Pursuant to Local Rule 1007-2(a)(4), **Schedule 2** attached hereto lists the holders of the Debtors' 20 largest unsecured claims on a consolidated basis, excluding claims of insiders.

82. Pursuant to Local Rule 1007-2(a)(5), **Schedule 3** attached hereto lists the holders of the five largest secured claims against the Debtors on a consolidated basis.

83. Pursuant to Local Rule 1007-2(a)(6), **Schedule 4** attached hereto provides a summary of the (unaudited) consolidated assets and liabilities for the Debtors.

84. Pursuant to Local Rule 1007-2(a)(7), **Schedule 5** attached hereto provides the following information: the number and classes of shares of stock, debentures, and other securities of the Debtors that are publicly held, and the number of record holders thereof; and the number and classes of shares of stock, debentures, and other securities of the Debtors that are held by the Debtors' directors and officers, and the amounts so held.

85. Pursuant to Local Rule 1007-2(a)(8), **Schedule 6** attached hereto provides a list of all of the Debtors' property in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity, giving the name, address, and telephone number of each such entity and the location of the court in which any proceeding relating thereto is pending.

86. Pursuant to Local Rule 1007-2(a)(9), **Schedule 7** attached hereto provides a list of the premises owned, leased, or held under other arrangement from which the Debtors operate their businesses.

87. Pursuant to Local Rule 1007-2(a)(10), **Schedule 8** attached hereto provides the location of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

88. Pursuant to Local Rule 1007-2(a)(11), **Schedule 9** attached hereto provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment against the Debtors or a seizure of their property may be imminent.

89. Pursuant to Local Rule 1007-2(a)(12), **Schedule 10** attached hereto provides a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

90. Pursuant to Local Rule 1007-2(b)(1)-(2)(A), **Schedule 11** attached hereto provides the estimated amount of weekly payroll to the Debtors' employees (not including officers, directors, stockholders, and partners) and the estimated amount to be paid to officers, stockholders, directors, members of any partnerships, and financial and business consultants retained by the Debtors for the 30 day period following the filing of the Chapter 11 Cases as the Debtors intend to continue to operate their businesses.

91. Pursuant to Local Rule 1007-2(b)(3), **Schedule 12** attached hereto provides, for the 30 day period following the filing of the Chapter 11 Cases, a list of estimated cash receipts

and disbursements, net cash gain or loss, obligations, and receivables expected to accrue that remain unpaid, other than professional fees.

Conclusion

92. This Declaration illustrates the factors that have precipitated the commencement of the Chapter 11 Cases and the critical need for the Debtors to implement their restructuring.

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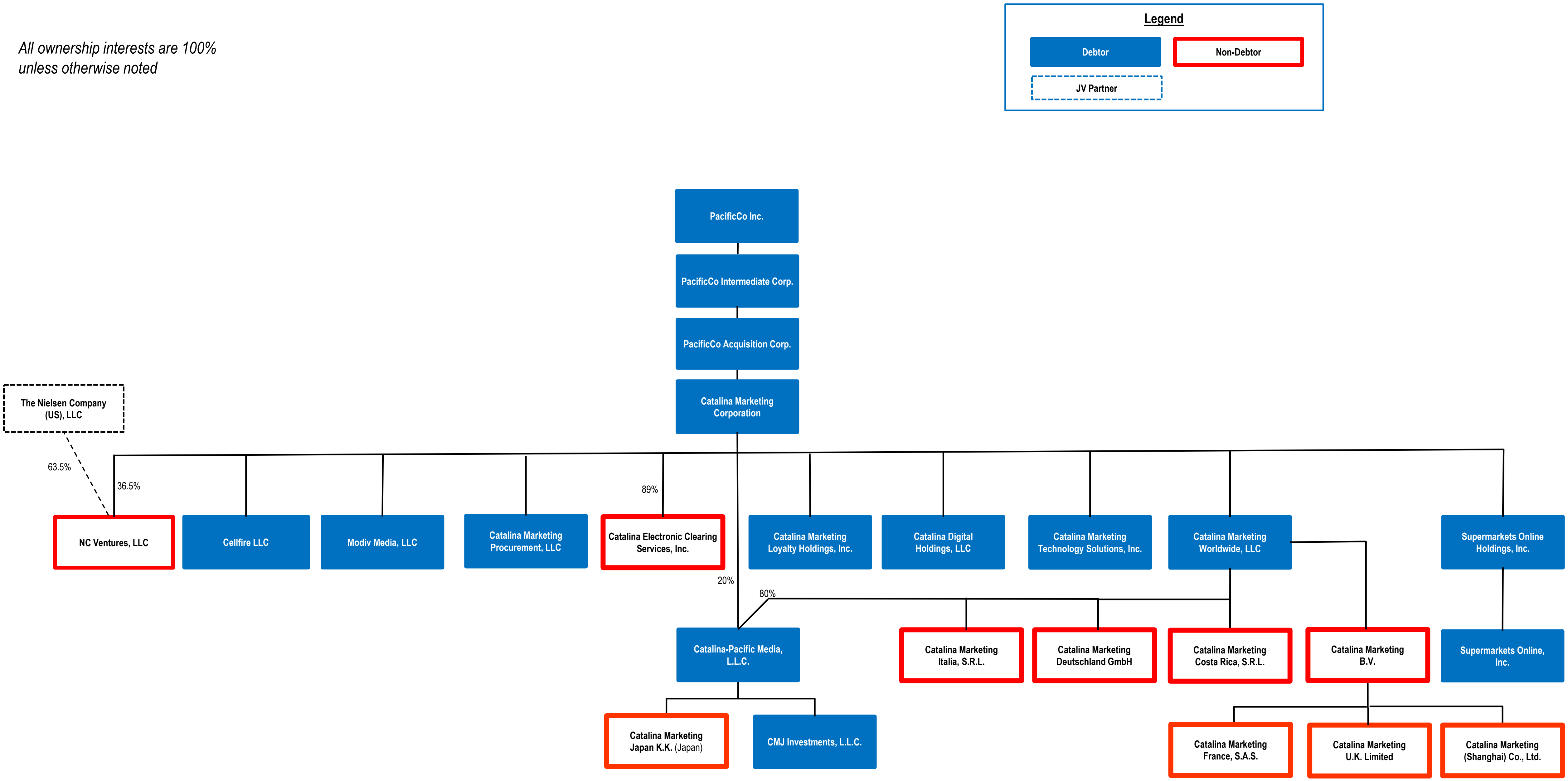
Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief.

Dated: March 28, 2023
St. Petersburg, Florida

/s/ *Michael Huffmaster*
Michael Huffmaster

Exhibit A

Organizational Chart


All ownership interests are 100% unless otherwise noted
Legend
Debtor
Non-Debtor
JV Partner
PacificCo Inc.
PacificCo Intermediate Corp.
PacificCo Acquisition Corp.
Catalina Marketing Corporation
The Nielsen Company (US), LLC
63.5%
36.5%
NC Ventures, LLC
Cellfire LLC
Modiv Media, LLC
Catalina Marketing Procurement, LLC
89%
Catalina Electronic Clearing Services, Inc.
Catalina Marketing Loyalty Holdings, Inc.
Catalina Digital Holdings, LLC
Catalina Marketing Technology Solutions, Inc.
Catalina Marketing Worldwide, LLC
Supermarkets Online Holdings, Inc.
20%
80%
Catalina-Pacific Media, L.L.C.
Catalina Marketing Italia, S.R.L.
Catalina Marketing Deutschland GmbH
Catalina Marketing Costa Rica, S.R.L.
Catalina Marketing B.V.
Supermarkets Online, Inc.
Catalina Marketing Japan K.K. (Japan)
CMJ Investments, L.L.C.
Catalina Marketing France, S.A.S.
Catalina Marketing U.K. Limited
Catalina Marketing (Shanghai) Co., Ltd.

Schedule 1

Committees

Pursuant to Local Rule 1007-2(a)(3), to the best of the Debtors' knowledge and belief, no official committee has been organized prior to the Petition Date.

Schedule 2

Consolidated List of 20 Largest Unsecured Claims (Excluding Insiders)[1]

Pursuant to Local Rule 1007-2(a)(4), the following is a list of creditors holding, as of March 28, 2023 the twenty (20) largest, unsecured claims against the Debtors, on a consolidated basis, excluding claims of insiders as defined in 11 U.S.C. § 101.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	Beeswax IO Corporation 275 7th Ave 21st Floor, New York, NY 10001 Attn: Todd Keats	Attn: Todd Keats Email: tkeats@freewheel.com	TRADE				$ 3,701,723.55
2	[On file]	[On file]	TRADE				$ 3,471,983.55
3	[On file]	[On file]	TRADE				$ 3,171,390.65
4	LTIMindtree Limited Global Village, RVCE Post, Mysore Road Bengaluru 560 059 Karnataka, India Attn: Legal Department	Attn.: Tejumurthy Nanjegowda Email: Tejumurthy.Nanjegowda@mindtree.com	TRADE				$ 2,155,718.81
5	CMW Holdco, Inc. d/b/a 4INFO, Inc. 1675 Broadway, 22nd Floor, New York, NY 10019 Attn: Mari Tangredi	Attn: Mari Tangredi Email: mtangredi@cadent.tv	TRADE				$ 1,866,063.33
6	GlobalLogic, Inc. 1741 Technology Drive, 4th Floor San Jose, California 95110 Attn: Legal Department	Attn: Dinesh Singh Email: dinesh.singh@globallogic.com	TRADE				$ 1,785,701.89
7	[On file]	[On file]	TRADE				$ 1,683,037.00
8	Microsoft Corporation Legal and Corporate Affairs Volume Licensing Group One Microsoft Way Redmond, WA 98052	Attn: Jason Wingenbach Email: jason.wingenbach@microsoft.com	TRADE				$ 1,642,394.93
9	Epson America Inc. 3131 Katella Avenue Los Alamitos, California 90720 Attn: Legal Department	Attn: Andrea Zoeckler Email: Andrea.Zoeckler@ea.epson.com	TRADE				$ 1,130,688.79
10	[On file]	[On file]	TRADE				$ 848,773.86

[1] The information herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt. All claims are subject to customary offsets, rebates, discounts, reconciliations, credits, and adjustments, which are not reflected on this Schedule.

11	LiveRamp, Inc. 225 Bush Street, Floor 17 San Francisco, California 94104 Attn: Legal Department	Attn.: Max Carranza Email: mcarranza@liveramp.com	TRADE				$ 755,549.02
12	Graphic Controls LLC 400 Exchange Street Buffalo, New York 14204 Attn: Sam Heleba, CEO	Attn.: Sam Heleba, CEO Email: sheleba@nisshamedical.com	TRADE				$ 686,988.54
13	Genpact (UK) Limited 5 Merchant Square, 5th Floor London W21AY United Kingdom Attn: General Counsel	Attn: Margrate Vilate Email: margrate.vilate@genpact.com	TRADE				$ 650,154.07
14	Concentrix Corporation 3750 Monroe Ave Pittsfield, NY 14534 Attn: Legal Department	Attn: Susan Stokes Email: susan.mann@concentrix.com	TRADE				$ 353,813.89
15	Information Resources Inc. 4766 Payshpere Circle Chicago, Illinois 60674 Attn: General Counsel, Legal Department	Attn.: General Counsel, Legal Department Email: General.Counsel@iriworldwide.com Attn: Shelly Murphy Email: Shelly.Murphy@iriworldwide.com	TRADE				$ 322,029.09
16	Barrister Global Services Network, Inc. P.O. Box 1790 Mandeville, Louisiana 70471-1790 Attn: John Bowers, CEO	Attn: John Bowers, CEO Email: jbowers@barrister.com	TRADE				$ 283,336.85
17	[On file]	[On file]	TRADE				$ 235,093.38
18	DoubleVerify Inc. 28 Crosby Street New York, New York 10013 Attn: Cynthia Norris	Attn.: Cynthia Norris Email: cynthia.norris@doubleverify.com	TRADE				$ 216,519.14
19	[On file]	[On file]	TRADE				$ 208,636.46
20	Kodak Alaris Inc. 336 Initiative Drive Rochester, New York 14624 Attn: Jeffrey Moore	Attn: Jeffrey Moore, Director, Americas Services Email: Jeffrey.Moore@kodakalaris.com	TRADE				$ 194,251.12

Schedule 3

Consolidated List of Holders of Five Largest Secured Claims

Pursuant to Local Rule 1007-2(a)(5), to the best of the Debtors' knowledge, belief, and understanding, the following chart lists the creditors holding, as of the Commencement Date, the five (3) largest secured, non-contingent claims against the Debtors, on a consolidated basis, excluding claims of insiders as defined in 11 U.S.C. § 101. Pursuant to Local Rule 1007-2(a)(5), to the best of the Debtors' knowledge and belief, there are no additional liquidated secured claims against the Debtors other than the three (3) secured claims listed below.

No.	Creditor	Contact, Mailing Address, Telephone Number/Fax Number, Email	Amount of Claim	Type of Collateral
1.	GLAS USA LLC	C/o Brown Rudnick LLP, One Financial Center, Boston, Massachusetts 02111 (Attn: Steven B. Levine, Esq. (slevine@brownrudnick.com) and Tia C. Wallach, Esq. (twallach@brownrudnick.com)), as counsel to GLAS USA LLC and GLAS Americas LLC, the respective administrative and collateral agents for the Last-Out Lenders under the Subordinated Credit Agreement.	$224,040,702	Substantially All Debtor Assets
2.	GLAS USA LLC	C/o Brown Rudnick LLP, One Financial Center, Boston, Massachusetts 02111 (Attn: Steven B. Levine, Esq. (slevine@brownrudnick.com) and Tia C. Wallach, Esq. (twallach@brownrudnick.com)), as counsel to GLAS USA LLC and GLAS Americas LLC, the respective administrative and collateral agents for the First-Out Lenders under the Subordinated Credit Agreement.	$110,425,000	Substantially All Debtor Assets
3.	GLAS USA LLC	C/o Brown Rudnick LLP, One Financial Center, Boston, Massachusetts 02111 (Attn: Steven B. Levine, Esq. (slevine@brownrudnick.com) and Tia C. Wallach, Esq. (twallach@brownrudnick.com)), as counsel to GLAS USA LLC and GLAS Americas LLC, the respective administrative and collateral agents for the Super Priority Lenders under the Super Priority Credit Agreement.	$36,000,000	Substantially All Debtor Assets

Schedule 4

Condensed Consolidated Balance Sheet (Unaudited)

As of February 28, 2023

Pursuant to Local Rule 1007-2(a)(6), the following are estimates of the Debtors' total assets and liabilities on a consolidated basis as of February 28, 2023. The following financial data is the latest available information reflecting the Debtors' financial condition, as consolidated among affiliated Debtors.

On a consolidated basis, as of February 28, 2023, the total value of the Debtors' assets is approximately $536.67 million, and the total amount of the Debtors' liabilities is approximately $433.25 million.[2]

[2] This balance sheet reflects the Debtors' United States entities and affiliates only, and does not reflect their international entities.

Schedule 5

Publicly Held Securities

Pursuant to Local Rule 1007-2(a)(7), the Debtors do not have any publicly traded stock, debentures, or securities.

Schedule 6

Debtors' Property Not in the Debtors' Possession

Pursuant to Local Rule 1007-2(a)(8), in the ordinary course of business, on any given day, property of the Debtors is likely to be in the possession of various third parties, including lessees, maintenance providers, shippers, common carriers, materialmen, custodians, or agents. Through these arrangements, the Debtors' ownership interests are not affected. Because of the constant movement of this property, providing a comprehensive list of the persons or entities in possession of the property, their addresses and telephone numbers, and the location of any court proceeding affecting the property would be impractical.

Schedule 7

Pursuant to Local Rule 1007-2(a)(9), the following lists the property or premises owned, leased, or held under other arrangement from which the Debtors operate their businesses.

Leased Property[3]

Debtor	Street Address	City	State	Zip Code	Country
PacificCo. Inc	Office Evolution - Woodbridge, NJ, Suite 100	Woodbridge	NJ	08830	USA
PacificCo. Inc	525 Vine Street, Suite 2200	Cincinnati	OH	45202	USA
PacificCo. Inc	222 South Riverside Plaza	Chicago	IL	60606	USA
PacificCo. Inc	9701 S John Young Pkwy	Orlando	FL	32819	USA
PacificCo. Inc	200 Carillon Parkway	St. Petersburg	FL	33716	USA
PacificCo. Inc	12100 Sunrise Valley Drive	Reston	VA	20191	USA

3 The classification of the contractual agreements listed herein as real property leases or property held by other arrangements is not binding upon the Debtors.

Schedule 8

Location of Debtors' Assets, Books, and Records

Pursuant to Local Rule 1007-2(a)(10), the following lists the locations of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

Location of Debtors' Substantial Assets

As of February 28, 2023 the Debtors had assets of approximately $536.67 million, as provided in Schedule 4, with substantial assets in the United States.

Books and Records

The Debtors' books and records are located at 200 Carillon Parkway, St. Petersburg, FL 33716.

Debtors' Assets Outside the United States

The Debtors, through stock ownership in non-Debtor affiliates, have significant assets worldwide of more than $160 million as of the February 28, 2023.

Schedule 9

Litigation

Pursuant to Local Rule 1007-2(a)(11), to the best of the Debtors' knowledge, belief, and understanding, there are no actions or proceedings pending or threatened against the Debtors or their property, as of the Petition Date, where a judgment against the Debtors or a seizure of their property may be imminent.

Schedule 10

Senior Management

Pursuant to Local Rule 1007-2(a)(12), the following provides the names of the individuals who comprise the Debtors' existing senior management, a description of their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

Name & Position	Responsibilities & Experience
Wayne Powers *President & Chief Executive Officer*	Mr. Powers has over 30 years of experience in media and marketing and has successfully driven top and bottom line results for several large global companies. He is the former President of Valassis, a leader in intelligent media delivery, where he was responsible for the company's strategic direction, deepening the company's product portfolio and enhancing the customer experience. Prior to Valassis, he was President of Gravity4, a multi-channel marketing services platform that enabled marketers to engage with targeted consumers throughout their purchase journey.
Kevin Hunter *Chief Commercial Officer & Head of Innovation*	Mr. Hunter has over 20 years of experience in entrepreneurial leadership in global strategy, business development and product leadership. He co-founded and served as Chief Operating Officer of Gimbal, a mobile engagement and location intelligence solution technology firm carved out of Qualcomm. Mr. Hunter is the co-inventor of 32 U.S. granted patents with over 15 more pending. He received an Emmy® Engineering Award for Sprint TV, a groundbreaking mobile television product which he led.
Michael Huffmaster *Chief Financial Officer*	Mr. Huffmaster has more than 15 years of domestic and global finance and accounting expertise. Previously, he held accounting and finance positions for a series of family owned, private equity and Fortune 100 companies, including FedEx Freight.

Name & Position	Responsibilities & Experience
David Glogoff *Chief Legal and Administrative Officer*	Mr. Glogoff has over 20 years of experience in blending legal and business acumen to balance risk management and global growth. He was General Counsel for Aimia Proprietary Loyalty US Inc., leading M&A activity, as well as complex commercial agreements on loyalty programs and technology platforms for major retailers.
Michael Bailey *Chief Technology Officer*	Mr. Bailey has over 30 years of experience as a skilled business operator and Six Sigma Black Belt. Previously, he served as Chief Technology Officer for Diversified Foodservice Supply, Chief Information Officer for Sygen International and PeoplePC, and VP, Technology for Staples.
Marshall Stanton *Chief Business Officer*	Mr. Stanton has over 25 years of experience in general management, client service, operations, product leadership and marketing. Formerly, he was the Senior Vice President, Client Services and Operations for Aimia (TSE: AIM) and was the head of the Customer Loyalty organization within the U.S.

<u>Schedule 11</u>

Payroll

Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), the following provides the estimated amount of weekly payroll to the Debtors' employees (not including directors and stockholders) and the estimated amount to be paid to stockholders and directors, and financial and business consultants retained by the Debtors for the 30-day period following the filing of the chapter 11 petitions.

Payments to Employees (Not Including Directors and Stockholders)	$1,000,000
Payments to Stockholders and Directors	$0
Payments to Financial and Business Consultants	$0

Schedule 12

Cash Receipts and Disbursements,
Net Cash Gain or Loss, Unpaid Obligations and Receivables

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the filing of the chapter 11 petition, the estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Cash Receipts	$9,527,000[4]
Cash Disbursements	$20,663,000[5]
Net Cash Loss	$(11,136,000)
Unpaid Obligations	$21,221,000
Uncollected Receivables	$18,686,000

[4] Represents estimated cash receipts from week ending 4/7/23 to week ending 4/28/23.

[5] Represents operating disbursements from week ending 4/7/23 to week ending 4/28/23.