

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

KELLEY DRYE & WARREN LLP

James S. Carr, Esq.
Eric R. Wilson, Esq. (admitted *pro hac vice*)
Maeghan J. McLoughlin, Esq. (admitted *pro hac vice*)
Connie Y. Choe, Esq.
One Jefferson Road, 2nd Floor
Parsippany, NJ 07054
Tel: (973) 503-5900
Fax: (973) 503-5950
Email: jcarr@kelleydrye.com
ewilson@kelleydrye.com
mmcloughlin@kelleydrye.com
cchoe@kelleydrye.com

*Proposed Counsel to the Official
Committee of Unsecured Creditors*

In re:

BOWFLEX INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-12364 (ABA)

(Jointly Administered)

Hearing: Only if an Objection is
Timely Filed

Objection Deadline: April 19, 2024

**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR ENTRY OF AN ORDER AUTHORIZING THE
EMPLOYMENT AND RETENTION OF KELLEY DRYE & WARREN LLP
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF BOWFLEX INC., ET AL., EFFECTIVE AS OF MARCH 19, 2024**

The Official Committee of Unsecured Creditors (the “Committee”) of BowFlex Inc., *et al.*, the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”),

¹ The Debtors in these chapter 11 cases are BowFlex Inc. and BowFlex New Jersey LLC.

submits this application (the “Application”) for entry of an order, substantially in the form attached hereto as Exhibit A, authorizing the employment of Kelley Drye & Warren LLP (“Kelley Drye”) as counsel to the Committee effective as of March 19, 2024, pursuant to sections 327, 328(a), 330, 331 and 1103(a) of the Bankruptcy Code, Rule 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rules 2014-1 and 2016-1(a) of the Local Rules of the United States Bankruptcy Court for the District of New Jersey (the “Local Rules”), and the U.S. Trustee Guidelines (defined below).

In support of this Application, the Committee submits the Declaration of James S. Carr (the “Carr Declaration”), attached hereto as Exhibit B, and the Declaration of Brian Mitteldorf, U.S. Agent for Zhejiang Arcana Power Sports Tech. Co., Ltd., as Chairperson of the Committee (the “Mitteldorf Declaration”), attached hereto as Exhibit C, both of which are incorporated herein by reference. In further support of this Application, the Committee respectfully represents as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATES FOR RELIEF

1. The United States Bankruptcy Court for the District of New Jersey (the “Court”) has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the *Standing Order of Reference to the Bankruptcy Court under Title 11* of the United States District Court for the District of New Jersey, dated as of September 18, 2012. A proceeding to consider and grant such relief is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are sections 327, 328(a), 330, 331 and 1103(a) of the Bankruptcy Code. Relief is also proper pursuant to Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1(a). The relief requested is consistent with the U.S. Trustee Guidelines. Compensation will be in accordance with sections 330 and 331 of the Bankruptcy Code.

BACKGROUND

4. On March 4, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court. Since the Petition Date, the Debtors have remained in possession of their assets and have continued to operate and manage their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On March 15, 2024, the Office of the United States Trustee for Regions 3 and 9 appointed a three-member Committee consisting of: (i) Zhejiang Arcana Power Sports Tech. Co., Ltd.; (ii) Cerence Operating Company; and (iii) Core Health and Fitness, LLC.²

6. On March 19, 2024, the Committee selected Kelley Drye as counsel. On March 21, 2024, the Committee selected Province, LLC (“Province”) as financial advisor.

RELIEF REQUESTED

7. By this Application, the Committee requests entry of the proposed order, attached hereto as Exhibit A, approving the employment of Kelley Drye effective as of March 19, 2024, which is the date on which the Committee selected Kelley Drye to serve as its counsel and the date on which Kelley Drye began rendering services to the Committee. Subject to the terms set forth herein, the Committee seeks to employ Kelley Drye in accordance with

² Docket No. 116.

Kelley Drye's normal hourly rates in effect when services are rendered and normal reimbursement policies subject to Local Rule 2016-1(a) and the proposed *Administrative Fee Order Establishing Procedures for the Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals Retained by Order of This Court*, if approved (the "Administrative Fee Order").

THE EMPLOYMENT OF KELLEY DRYE IS WARRANTED

7. The Committee believes Kelley Drye possesses extensive knowledge and expertise in the substantive areas of law relevant to these chapter 11 cases (the "Cases") and is well qualified to represent the Committee. In selecting counsel, the Committee sought attorneys with considerable experience representing the interests of unsecured creditors in chapter 11 cases of this nature. Kelley Drye has represented unsecured creditors' committees in numerous other chapter 11 cases and has a strong New Jersey bankruptcy presence. Kelley Drye also has a broad-based practice in other key areas of law relevant to these Cases. The Committee believes that Kelley Drye is well qualified to serve as its counsel in these Cases.

8. In addition, by separate application filed contemporaneously herewith, the Committee also seeks to employ Province as its financial advisor.

I. Scope of Services

9. Kelley Drye will render, among other things, the following legal services to the Committee:

- (a) advise the Committee with respect to its rights, duties and powers in these Cases;
- (b) advise and represent the Committee in connection with matters generally arising in these cases, including the Debtors' motions to obtain postpetition financing and use cash collateral, the sale motion, and the plan process;

- (c) assist and advise the Committee in its consultations with the Debtors and in connection with the administration of these Cases, the investigation into historic conduct and transactions that may provide value for creditors, the sale process, proposed plan, and the ultimate restructuring of the Debtors' estates;
- (d) assist the Committee in its investigation of the acts, conduct, assets, liabilities, and financial condition of the Debtors;
- (e) appear before this Court, and any other federal or state court;
- (f) assist the Committee in analyzing the claims of the Debtors' creditors;
- (g) advise and represent the Committee in connection with matters generally arising in these Cases; and
- (h) perform such other legal services as may be required or are otherwise deemed to be in the interests of the Committee in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code, Bankruptcy Rules, or other applicable law.

10. Kelley Drye will coordinate with Province and the Debtors' professionals to avoid duplication of efforts.

II. Kelley Drye's Disinterestedness and Disclosure Concerning Conflicts of Interest

11. As more fully set forth in the Carr Declaration attached hereto as Exhibit B, Kelley Drye reviewed the Debtors' list of interested persons and entities involved in these Cases as set forth on Schedule 1 to the Carr Declaration, which parties were examined in Kelley Drye's conflict system consistent with the U.S. Trustee's requirements. Kelley Drye does not represent, or have any other connection with, any of the parties in interest listed on Schedule 1, subject to the disclosures in the Carr Declaration. Kelley Drye will not, while employed by the Committee, represent any entity having an adverse interest in connection with these Cases.

12. Kelley Drye's conflict search resulted in the disclosures set forth on Schedule 2 to the Carr Declaration. The Committee is aware that Kelley Drye has previously represented the parties set forth on Schedule 2 in matters unrelated to the Debtors. Kelley Drye does not and will not represent any such party in any matter related to the Debtors. The Committee hereby waives any conflict of interest that exists or may exist due to Kelley Drye's prior representation of such party in matters unrelated to these Cases.

13. The Committee does not believe Kelley Drye's representation of any entities listed on Schedule 2 to the Carr Declaration or their affiliates in unrelated matters will impair Kelley Drye's ability to represent the Committee as counsel in these Cases. The Committee has been informed that Kelley Drye will conduct an ongoing review of its files to ensure that no disqualifying circumstances arise. To the extent Kelley Drye discovers any connection with any party or enters into any new relationship with any interested party that would otherwise have had to have been disclosed in this Application, Kelley Drye will promptly supplement its disclosure to the Court.

14. Based on the Carr Declaration, the Committee submits that Kelley Drye is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, and neither represents nor holds an interest adverse to the interests of the Committee, the Debtors or their estates with respect to the matters on which Kelley Drye is to be employed.

III. Professional Compensation

15. The Committee requests that all legal fees and related costs and expenses incurred by the Committee on account of services rendered by Kelley Drye in these Cases be paid as administrative expenses of the Debtors' estates pursuant to sections 328, 330(a), 331, 503(b), and 507(a) of the Bankruptcy Code. Subject to the Court's approval, Kelley Drye will

charge the Committee for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date such services are rendered.

16. Kelley Drye intends to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Administrative Fee Order (if granted) and any further orders of this Court for all services performed and expenses incurred since March 19, 2024.

17. Kelley Drye's current standard hourly rates for its attorneys are set forth below:

Title	2024 Rates
Partners	\$800 - \$1,375
Special Counsel	\$665 - \$975
Associates	\$530 - \$870
Paraprofessionals	\$290 - \$375

18. Kelley Drye has advised the Committee that the hourly rates set forth above are subject to annual increases in the normal course of Kelley Drye's business. In the event of any such increase, Kelley Drye will provide the U.S. Trustee and the Committee with notice of any such increase and file a supplemental affidavit ("Supplemental Affidavit") with the Court. Any Supplemental Affidavit will explain the basis for the requested rate increase in accordance with section 330(a)(3)(F) of the Bankruptcy Code. Pursuant to section B(2)(d) of the U.S. Trustee Guidelines, Kelley Drye will provide justification of the reasonableness of any rate increase.

19. Pursuant to section 328(a) of the Bankruptcy Code, the Committee may retain Kelley Drye on reasonable terms and conditions. The hourly rates set forth above are the firm's standard hourly rates for work of this nature. The firm's standard rates are set at a level

designed to compensate the firm fairly for the work of its attorneys and paralegals and to cover fixed overhead expenses.

20. Kelley Drye will charge for expenses in a manner and at rates consistent with charges made generally to its other clients and in accordance with the Bankruptcy Rules, Local Bankruptcy Rules, the Administrative Fee Order and any other applicable orders of this Court. Such expenses include, among other things, long-distance telephone, fax (outgoing only) not exceeding \$0.25 per page, mail and express mail charges, special or hand delivery charges, photocopying charges at the rate of \$0.10 per page for black and white and \$0.80 for color copies, travel expenses, expenses for computerized research, and transcription costs.

IV. Statement Regarding U.S. Trustee Guidelines

21. In 2013, the Executive Office for the United States Trustee (“EOUST”) adopted the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* (the “Appendix B Guidelines”). By their terms, the Appendix B Guidelines “apply to the U.S. Trustee’s review of applications for compensation filed by attorneys in larger chapter 11 cases,” and are intended as an update to the original *Guidelines for Reviewing Applications for Compensation filed under 11 U.S.C. § 330* (the “Appendix A Guidelines” and, together with the Appendix B Guidelines, the “U.S. Trustee Guidelines”) adopted by the EOUST in 1996. The Committee and Kelley Drye will make a reasonable effort to comply with the U.S. Trustee’s requests for information and additional disclosures as set forth in the U.S. Trustee’s Guidelines, both in connection with this Application and the fee applications to be filed by Kelley Drye upon retention.

22. The Committee requests approval of the employment of Kelley Drye, effective as of March 19, 2024. Such relief is warranted by the circumstances presented by these Cases. The Committee's selection of Kelley Drye as counsel on March 19, 2024 necessitated that Kelley Drye immediately commence work on time-sensitive matters and promptly devote substantial resources to these cases pending submission and approval of this Application. Among other things, Kelley Drye was immediately required to assist the Committee with negotiating the Debtors' postpetition financing and use of cash collateral throughout these Cases and with preparing a timely objection to the Debtors' DIP financing motion.

23. No prior application for the relief requested herein has been presented to this Court or any other court.

NOTICE

24. Notice of this Application will be provided to: (a) the Debtors; (b) counsel to the Debtors, Attn: Sidley Austin LLP, and Fox Rothschild LLP; (c) the office of the United States Trustee for the District of New Jersey; (d) counsel to the DIP Agent, Attn: Morgan Lewis & Bockius LLP, and McGrail and Bensinger LLP; and (e) any other person or entity entitled to notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Committee respectfully submits that no further notice of the Application is necessary or required.

CONCLUSION

WHEREFORE, the Committee requests that the Court enter an order substantially in the form attached hereto as Exhibit A (i) authorizing the Committee to employ Kelley Drye as its counsel, effective March 19, 2024; (ii) authorizing payment of such compensation to Kelley Drye as may be allowed by this Court; and (iii) granting such other and further relief as the Court may deem just and proper.

Dated: April 12, 2024

Respectfully submitted,

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF BOWFLEX INC., et al.,

By: _____

Chairperson of the Official Committee of Unsecured
Creditors of BowFlex Inc., et al.,

³ Under the Bylaws of the Official Committee of Unsecured Creditors of BowFlex Inc, *et al.*, Zhejiang Arcana Power Sports Tech. Co., Ltd., as Chairperson of the Committee, by and through its representatives, has authority to sign documents on behalf of the Committee as appropriate to implement decisions of the Committee made in accordance with the Bylaws.

EXHIBIT A

PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

KELLEY DRYE & WARREN LLP

James S. Carr, Esq.
Eric R. Wilson, Esq. (admitted *pro hac vice*)
Maeghan J. McLoughlin, Esq. (admitted *pro hac vice*)
Connie Y. Choe, Esq.
One Jefferson Road, 2nd Floor
Parsippany, NJ 07054
Tel: (973) 503-5900
Fax: (973) 503-5950
Email: jcarr@kelleydrye.com
ewilson@kelleydrye.com
mmcloughlin@kelleydrye.com
cchoe@kelleydrye.com

*Proposed Counsel to the Official Committee
of Unsecured Creditors*

In re:

BOWFLEX INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-12364 (ABA)

(Jointly Administered)

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF
KELLEY DRYE & WARREN LLP AS COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF MARCH 19, 2024**

The relief set forth on the following pages, numbered two (2) through six (6), is hereby
ORDERED.

¹ The Debtors in these chapter 11 cases are BowFlex Inc. and BowFlex New Jersey LLC.

(Page |2)

Debtors: BOWFLEX INC., *et al.*

Case No. 24-12364-ABA

Caption of Order: ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KELLEY DRYE & WARREN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF MARCH 19, 2024

Upon the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”) in the above-captioned chapter 11 cases (the “Cases”) for entry of an order authorizing the Committee to employ Kelley Drye & Warren LLP (“Kelley Drye”) as counsel effective as of March 19, 2024, the date the Committee determined to employ and retain Kelley Drye as its counsel in these Cases, pursuant to sections 327, 328(a), 330, 331 and 1103(a) of the Bankruptcy Code; and upon the declaration of James S. Carr (the “Carr Declaration”) attached to the Application as Exhibit B; and upon the declaration of Brian Mitteldorf, U.S. Agent of Zhejiang Arcana Power Sports Tech. Co., Ltd. (the “Mitteldorf Declaration”) attached to the Application as Exhibit C; and the Court having jurisdiction pursuant to 28 U.S.C. § 157(a) and (b) and § 1334(b) of the Bankruptcy Code to consider the Application and the relief requested therein; and venue being proper in this Court pursuant to sections 1408 and 1409 of title 28 of the United States Code; and the Court being satisfied that notice of the Application and the opportunity for a hearing on the Application was appropriate under the particular circumstances and no further or other notice need be given; and the Court being satisfied, based on the representations made in the Application and the Carr Declaration, that Kelley Drye does not represent or hold any interest adverse to the Debtors or their estates as to the matters upon which Kelley Drye has been and is to be employed, and that Kelley Drye is a “disinterested person” as such term is defined in section 101(14) of the Bankruptcy Code; and that while employed by the Committee,

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

(Page |3)

Debtors: BOWFLEX INC., *et al.*

Case No. 24-12364-ABA

Caption of Order: ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KELLEY DRYE & WARREN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF MARCH 19, 2024

Kelley Drye will not represent any other person or entity having an adverse interest in connection with these Cases; and this Court having determined that the legal and factual bases set forth in the Application, the Carr Declaration and the Mitteldorf Declaration establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Application is approved as set forth herein.

2. Pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1, the Committee is authorized to employ Kelley Drye as its counsel, effective as of March 19, 2024, to represent it in these Cases on the terms set forth in the Application and accompanying certifications and/or declarations, except as modified by this Order.

3. Kelley Drye shall apply for compensation and professional services rendered and reimbursement of expenses incurred in connection with the Cases in compliance with sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Rule 2016-1(a), the proposed the *Administrative Fee Order Establishing Procedures for the Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals Retained by Order of this Court*, if approved, and such other procedures as may be fixed by order of this Court. Kelley Drye shall also make a reasonable effort to comply with the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective

(Page |4)

Debtors: BOWFLEX INC., *et al.*

Case No. 24-12364-ABA

Caption of Order: ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KELLEY DRYE & WARREN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF MARCH 19, 2024

as of November 1, 2013, in connection with the Application and any interim and final fee applications to be filed by Kelley Drye in these Cases.

4. Kelley Drye shall provide ten (10) business days' notice of any rate increases to the Committee, the United States Trustee, and the Debtors before any increases in the rates set forth in the Application are implemented, and shall file a Supplemental Affidavit with the Court setting forth any such increases. The Committee, the Debtors, the United States Trustee, and all parties-in-interest retain all rights to object to any rate increase on all grounds including, but not limited to, the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

5. Kelley Drye shall (i) comply with the requirements of Local Rule 2016-1; (ii) not seek reimbursement of any fees or costs including attorney fees and costs, arising from the defense of any objections to any of Kelley Drye's fee application in these Cases; (iii) use billing and expenses categories that are substantially similar to those set forth in the U.S. Trustee Guidelines (Exhibit D-1 "Summary of Compensation Requested by Project Category"); (iv) only bill fifty percent (50%) for non-working travel; and (v) provide any and all monthly fee statements, interim fee applications and final fee applications in "LEDES" format to the U.S. Trustee.

6. Notwithstanding anything in the Application, the Carr Declaration or the Mitteldorf Declaration to the contrary, Kelley Drye shall, to the extent that Kelley Drye uses the services of contract attorneys, independent contractors or subcontractors (collectively,

(Page |5)

Debtors: BOWFLEX INC., *et al.*

Case No. 24-12364-ABA

Caption of Order: ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KELLEY DRYE & WARREN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF MARCH 19, 2024

the “Contractors”) in these Cases, (i) pass through the cost of such Contractors at the same rate that Kelley Drye pays the Contractors; (ii) seek reimbursement for actual costs only; (iii) ensure that the Contractors (to the extent they are attorneys, accountants, or other agents) (A) are subject to the same conflict checks and disclosures as required by Kelley Drye and (B) file with the Court such disclosures required by Bankruptcy Rule 2014; and (iv) attach any such Contractor invoices to its monthly fee statements, interim fee applications and/or final fee applications filed in these Cases.

7. No agreement or understanding exists between Kelley Drye and any other person, other than as permitted by section 504 of the Bankruptcy Code, to share compensation received for services rendered in connection with these Cases, nor shall Kelley Drye share or agree to share compensation received for services rendered in connection with these Cases with any other person other than as permitted by section 504 of the Bankruptcy Code.

8. To avoid any duplication of effort and to provide services to the Committee in the most efficient and cost-effective manner, Kelley Drye shall coordinate with the other Committee professionals regarding their respective responsibilities in these Cases. As such, Kelley Drye shall use its best efforts to avoid duplication of services provided by any of the Committee’s other retained professionals.

9. To the extent there is any inconsistency among the terms of the Application, certifications and/or declarations submitted in support and this Order, the terms of this Order shall govern.

(Page |6)

Debtors: BOWFLEX INC., *et al.*

Case No. 24-12364-ABA

Caption of Order: ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KELLEY DRYE & WARREN LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS EFFECTIVE AS OF MARCH 19, 2024

10. The Committee and Kelley Drye are authorized to take all actions they deem necessary and appropriate to effectuate the relief granted pursuant to this Order in accordance with the Application.

11. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. This Court has and shall retain exclusive jurisdiction to hear and determine all matters arising from the implementation, interpretation, and enforcement of this Order.

EXHIBIT B

DECLARATION OF JAMES S. CARR

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BOWFLEX INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-12364 (ABA)

(Jointly Administered)

DECLARATION OF JAMES S. CARR

I, James S. Carr, hereby declare that the following statements are true and correct to the best of my knowledge after due inquiry as described herein:

1. I am a member of the law firm of Kelley Drye & Warren LLP (“Kelley Drye”), which maintains offices at One Jefferson Road, 2nd Floor, Parsippany, NJ 07054. I am an attorney admitted to practice law in New Jersey.

2. I am familiar with the matters set forth herein and make this declaration in support of the *Application of the Official Committee of Unsecured Creditors for Entry of an Order Authorizing the Employment and Retention of Kelley Drye & Warren LLP as Counsel to the Official Committee of Unsecured Creditors of BowFlex Inc., et al. Effective as of March 19, 2024* (the “Application”).²

3. On March 15, 2024, the Office of the United States Trustee for Regions 3 and 9 appointed a three-member Committee consisting of: (i) Zhejiang Arcana Power Sports Tech. Co., Ltd., (ii) Cerence Operating Company; and (iii) Core Health and Fitness, LLC.³

¹ The Debtors in these chapter 11 cases are BowFlex Inc. and BowFlex New Jersey LLC.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

³ Docket No. 116.

4. On March 19, 2024, the Committee selected Kelley Drye as counsel. On March 21, 2024, the Committee selected Province, LLC ("Province") as financial advisor.

5. Kelley Drye began rendering services to the Committee immediately following its selection by the Committee.

KELLEY DRYE'S DISCLOSURE PROCEDURES

6. To prepare this declaration, I, or someone under my supervision, reviewed the list of persons and entities involved in these chapter 11 cases (the "Cases") as provided by the Debtors and consistent with the U.S. Trustee's requirements, a copy of which is attached hereto as Schedule 1 (the "Search List"). Kelley Drye then compared the Search List with the information contained in the conflict check systems and indexes of adverse parties currently maintained by Kelley Drye (the "Conflict System").

7. The Conflict System is designed to include every matter on which the firm is now or has been engaged since 1993, sorted by the entity which has engaged the firm and, in each instance, listing the identity of the clients, related parties and adverse parties, and the attorneys in the firm who are knowledgeable about each matter. It is Kelley Drye's policy that a new matter may be opened within the firm only after completing and submitting to those charged with maintaining the Conflict System the information necessary to check each such matter for conflicts, including the identity of the prospective client and related adverse parties. Kelley Drye maintains and updates the Conflict System in the regular course of the firm's business, and it is the regular practice of the firm to maintain these records.

8. Further, an e-mail was sent to each attorney of Kelley Drye to verify whether any such attorney (a) has a connection to (i) the Debtors, or (ii) current and former directors or officers of the Debtors; or (b) is a relative of or has any connections with (i) any of

the bankruptcy Judges, clerks or staff of the United States Bankruptcy Court for the District of New Jersey, or (ii) any members of the Office of the United States Trustee for the District of New Jersey.

**KELLEY DRYE'S CONNECTIONS WITH
PARTIES IN INTEREST IN THESE CHAPTER 11 CASES**

9. I, or a person under my supervision, reviewed the conflicts check report generated by the Conflict System with respect to the Search List to determine whether Kelley Drye has an adverse interest to the Debtors' estates. Kelley Drye does not represent, or have any other connection with, any of the parties in interest listed on Schedule 1, subject to the disclosures set forth on Schedule 2, which is incorporated herein by reference.

10. I believe the connections disclosed on Schedule 2 do not affect Kelley Drye's representation of the Committee in these Cases. Kelley Drye's representations of the parties disclosed on Schedule 2 in prior and unrelated matters does not comprise a material component of Kelley Drye's practice, nor does Kelley Drye currently represent any such parties on any issue relating to the Debtors.

11. Kelley Drye does not currently represent the Debtors or any of their affiliates, partners or subsidiaries in these Cases, and Kelley Drye will not undertake the representation of the Debtors or any related entities during this engagement.

12. Kelley Drye will not, while employed by the Committee, represent any other entity having an adverse interest in connection with these Cases.

13. Insofar as I have been able to ascertain, neither I, Kelley Drye, nor any Kelley Drye attorneys:

- (a) are creditors, equity security holders, or insiders of the Debtors;
- (b) are, or were within two years before the date of the filing of the petition, a director, officer, or employee of the Debtors; or

- (c) have an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors or for any other reason.

14. Except as otherwise set forth herein, insofar as I have been able to ascertain, the partners, counsel, and associates of Kelley Drye do not have any connection with the Debtors, the Debtors' officers and directors, the Debtors' creditors, the Debtors' equity security holders, and other known parties in interest or their respective attorneys and accountants, or the members of the Committee. To the best of my knowledge, information and belief formed after reasonable inquiry, neither I, nor any partner, special counsel, or associate of Kelley Drye, insofar as I have been able to ascertain, is related to the bankruptcy judge assigned to these Cases.

15. Based upon the information available to me, Kelley Drye is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, and neither represents nor holds an interest adverse to the interests of the Committee, the Debtors, or their estates with respect to the matters on which Kelley Drye is to be employed. To the extent Kelley Drye discovers any connection with any party or enters into any new relationship with any party that would otherwise have had to have been disclosed in this Application, Kelley Drye will promptly supplement its disclosures to the Court.

KELLEY DRYE'S RATES AND BILLING PRACTICES

16. No promises have been received by Kelley Drye or any Kelley Drye attorney as to payment or compensation in connection with these Cases other than in accordance with the provisions set forth herein. Kelley Drye has no agreement with any other entity to share with such entity any compensation received by Kelley Drye or by such entity.

17. Kelley Drye intends to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Administrative Fee Order, and any further orders of this Court for all services performed and expenses incurred since March 19, 2024.

18. Kelley Drye's standard hourly rates for attorneys that may work on this matter, subject to adjustment annually in January to reflect economic and other conditions, are as set forth below:

Title	2024 Rates
Partners	\$800 - \$1,375
Special Counsel	\$665 - \$975
Associates	\$530 - \$870
Paraprofessionals	\$290 - \$375

19. Kelley Drye has advised the Committee of its rates and that the hourly rates set forth above are subject to annual increases in the normal course of Kelley Drye's business. In the event of any increases, Kelley Drye will provide the U.S. Trustee and the Committee with notice of any such increase and file a Supplemental Affidavit with the Court. Any Supplemental Affidavit will explain the basis for the requested rate increase in accordance with section 330(a)(3)(F) of the Bankruptcy Code. Pursuant to section B(2)(d) of the U.S. Trustee Guidelines, Kelley Drye will provide justification of the reasonableness of any rate increase.

20. The Application requests, pursuant to section 328(a) of the Bankruptcy Code, approval of the Committee's employment of Kelley Drye as its counsel. The hourly rates set forth above and in the Application are the firm's standard hourly rates for work of this nature. The firm's standard rates are set at a level designed to compensate the firm fairly for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses.

21. Kelley Drye will charge for expenses in a manner and at rates consistent with charges made generally to its other clients in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Administrative Fee Order, and any other applicable orders of this Court. Such expenses include, among other things, long-distance telephone, fax (outgoing only) not exceeding \$0.25 per page, mail and express mail charges, special or hand delivery charges, photocopying charges at the rate of \$0.10 per page for black and white and \$0.80 for color copies, travel expenses, expenses for computerized research, and transcription costs.

22. The foregoing constitutes the verified statement of the person to be employed, required under Rule 2014 of the Bankruptcy Rules.

STATEMENT REGARDING U.S. TRUSTEE GUIDELINES

23. In 2013, the Executive Office for the United States Trustee (“EOUST”) adopted the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* (the “Appendix B Guidelines”). By their terms, the Appendix B Guidelines “apply to the U.S. Trustee’s review of applications for compensation filed by attorneys in larger chapter 11 cases,” and are intended as an update to the original Appendix A Guidelines adopted by the EOUST in 1996. Kelley Drye will make a reasonable effort to comply with the U.S. Trustee’s requests for information and additional disclosures as set forth in the U.S. Trustee’s Guidelines, both in connection with the Application and the interim and final fee applications to be filed by Kelley Drye in these Cases.

ATTORNEY STATEMENT PURSUANT TO APPENDIX B GUIDELINES

24. The following is provided in response to the request for additional information set forth in ¶ D.1 of the Appendix B Guidelines.

Question: Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

Answer: No.

Question: Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

Answer: No.

Question: If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments the 12 months prepetition. If your billing rates and material financial terms have changed post-petition, explain the difference and the reasons for the difference.

Answer: Kelley Drye did not represent the Committee in the 12 months prepetition. Kelley Drye has represented committees in the 12 months prepetition in other bankruptcy cases.

Question: Has your client approved your prospective budget and staffing plan and, if so, for what budget period.

Answer: Yes, for the period of March 19, 2024 through June 30, 2024.

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

Executed on April 12, 2024

/s/ James S. Carr
James S. Carr

SCHEDULE 1

LIST OF INTERESTED PARTIES

Debtors & Non-Debtor Affiliates

BowFlex Inc.
BowFlex New Jersey LLC
BowFlex Delaware LLC
Nautilus (Shanghai) Fitness Equipments,
Co., Ltd.
Nautilus (Shanghai) Fitness, Co., Ltd.
Nautilus Fitness Canada, Inc.
Nautilus Fitness International B.V
Nautilus Fitness UK, Ltd.
Nautilus Switzerland AG
Pacific Direct LLC

Banks

Bank of Montreal, Toronto
Credit Suisse, Zurich
Crystal Financial LLC d/b/a SLR Credit Solutions
Industrial And Commercial Bank Of China
JPMorgan Chase Bank, N.A.
Provident Bank
Royal Bank of Canada
Wells Fargo Bank, National Association

Material Contract Counterparties

ADOBE SYSTEMS, INC (ACH)
Alvarez & Marsal Holdings, LLC
AURUM DATA SOLUTIONS INC
BOOMI INC
CDW Direct, LLC
Chengdu Vantron Technology Co., Ltd.
(USR)
COLLINS + PARTNERS, LLC
COMPUNET INC
DISH NETWORK
Embarc Advisors LLC
EQware Engineering, Inc.
Feed Media Inc.
Five9, Inc.
Globant LLC

GUARDSMAN CPS LLC
HOFFMAN AGENCY, THE
Innova Solutions, Inc.
KPMG LLP
NINGBO SHANGYONG FITNESS
EQUIPMENT Co., Ltd. (US)
Pepper Foster Consulting, LLC
Protiviti, Inc
Qualtrics LLC
RealRyder International LLC
Seko Logistics (HK) Limited
SEKO WORLDWIDE LLC
SPIRAFLEX, INC.
Stefanini, Inc.
TEKsystems, Inc.

Debtor and Creditor Restructuring Professionals

Edelman Smithfield
Epiq
Focus Management Group
Fox Rothschild LLP
FTI Consulting, Inc.
Holland & Hart LLP
McGuireWoods LLP
Morgan, Lewis & Bockius LLP
Sidley Austin LLP

Current Directors and Officers

Aina E. Konold
Alan L. Chan
Anne G. Saunders
Becky L. Alseth
James “Jim” Barr, IV
John R. Goelz
Kelley Hall
Patricia “Patty” M. Ross
Ruby Sharma
Shailesh Prakash

Former Directors and Officers

Aaron M. Brotherton
Bruce M. Cazenave
Carlos Navarro
Christopher J. Finley
Christopher K. Quatrochi
Ellen Raim
Ernest D. Jenkins
Farid Farbod
Garry Wiseman
James Pope
Jay E. McGregor
Jeffery L. Collins
Jeffery Smith
Jeffrey D. Maurer
Julia F. Eschman
Linda M. Sorensen
M. Carl Johnson
Mark Lowder
Ryan M. Simat
Sidharth Nayar
Steve McMillan
Steven M. Rodden
Wayne M. Bolio
William B. McMahon

Equity Shareholders

Armistice Capital LLC
BlackRock Fund Advisors
Namdar Igal
RBF Capital LLC

Renaissance Technologies LLC
Safe Asset Management LP
The Vanguard Group, Inc.

Top 30 Unsecured Creditors

Zhejiang Arcana Power Sports Tech. CO.,
LTD.
Ningbo ShangYong Co., Ltd. (USR)
NINGBO SHANGYONG FITNESS
EQUIPMENT Co., Ltd. (US)
Magnate Health Tech. Co., Ltd.
Cerence Operating Company
Core Health and Fitness, LLC (US)
Xiamen Everesports Goods Co., Ltd.
DongYang SOPOP Co., Ltd. (US)
US CUSTOMS & BORDER
PROTECTION
Electronic Way Technology Co., Ltd
Impact Tech, Inc.
DISH NETWORK
Dongguan MKS Electronic Controls Co.,
Ltd.
Go Configure, LLC

Nantong Ironman Co., Ltd. (US)
Lake Forest Bank & Trust Company, N.A.
VI Technologies, Inc.
Brown Printing, Inc.
FedEx (Federal Express Corp.)
TMF POLYMER SOLUTIONS INC. (US)
Columbia Tech Center, LLC
NeoU LLC
Qualtrics LLC
Coherent Solutions, Inc.
Axian, Inc.
GUARDSMAN CPS LLC
Dscout
QualityLogic, Inc.
Kimmel, Kylie
Bank-Jaffe, Leigh

Insurance Parties

ACE American Insurance Company
Associated Industries Insurance Company,
Inc.
AXIS Insurance Company
Berkley Insurance Company
Chubb
Federal Insurance Company
First Insurance Funding
Hartford Fire Insurance Company
HDI Global Insurance Company
Homeland Insurance Company of New York
Lloyds of London - Beazley

National Union Fire Insurance Company of
Pittsburg, PA
Navigators Insurance Company, Inc.
Old Republic Insurance Company
The Hartford Insurance Group
Travelers Property Casualty Insurance
Company
Trumbull Insurance Company
Twin City Fire Insurance Company
U.S. Specialty Insurance Company
WOODRUFF-SAWYER OREGON, INC
XL Insurance America Inc.
XL Specialty Insurance Company

Landlords

Brodiaea APG, LLC
Columbia Tech Center, LLC
Granite REIT, LLC

Lenders, Agents, Indenture Trustees or Other Debtholders

Crystal Financial SPV LLC
KATKER 2005 Kft

Letter of Credit & Surety Bond Parties

American Alternative Insurance Corporation
Citizens Insurance Company of America
Massachusetts Bay Insurance Company
Nova Casualty Company
Roanoke Insurance Group
The Hanover Insurance Company

Litigation Parties

Abrams, Richard
Alleyne, Jesse
Bank-Jaffe, Leigh
Beharry, Jerry
BOULTON, Scott
Chen, Yiwen
Douglas, Blair
Himmelreich, Ryan
Hipskind, Stephen
Holland, Tom
Johnston, Kevin
Kaushal, Rajni
Kensit, Michael
Kimmel, Kylie
Lukaskiewicz, David
Mackay, Trevor
Morra, Katie
Perry, Keisha
Polishiuk, Alex
Zaller, Craig

Ordinary Course Professionals

Bruce P. Clark P.C.
ClearPort Technologies LLC
Computer Patent Annuities Limited
Connor Group
Dentons US LLP
Dorsey & Whitney LLP
Fangda Partners
Flanagan, Barone & O'Brien, LLC
Foster Garvey PC
Gallagher Bassett
Godfrey & Kahn

Husch Blackwell LLP
KLARQUIST SPARKMAN
Lasater & Martin, P.C.
Litchfield Cavo LLP
Mayer Brown LLP (Frankfurt)
Page Fura, P.C.
Perkins Coie LLP
Reilly, McDevitt & Henrich, P.C.
Simpactful, LLC
Stoel Rives
Zientek CFO Consulting LLC

Other Secured Parties (Lienholders)

ABF Freight System, Inc.
APL LOGISTICS
ARCBEST
BFG Corporation
Data2Logistics LLC
DHL EXPRESS (USA) INC
DHL World Express
Direct Transport, Inc
EXPEDITORS INT'L
EXPEDITORS TRADEWIN, LLC
FedEx (Federal Express Corp.)
FREIGHTQUOTE.COM INC.
IMC Logistics LLC - Pacific
J.B. Hunt Transport, Inc.
Kuehne + Nagel, Inc.
MARY JOYCE ALSTEEN
Oak Harbor Freight Lines, Inc.
OEC Freight Company INC
Old Dominion Freight Line
ONTRAC
Radiant Global Logistics Inc (Airgroup Corporation)
RAYMOND LEASING CORP
RXO LAST MILE INC.
SCREEN ACTORS GUILD INC
Sporting Goods Shippers Assoc. Inc.
TP Freight Lines
UPS
UPS Supply Chain Solutions, Inc.
XPO Global Forwarding, Inc.
XPO Logistics Global Forwarding (Last Mile)
YRC (RDWY)

Payment Processing Companies

Affirm Holdings, Inc.
American Express
CareCredit
Discover
Mastercard

PayPal
Synchrony
Visa
Vive

Top Retail Customers

AAFES.COM
Academy Sports and Outdoors, Inc.
Amazon.com
Beach Camera
Bert's Bikes And Sport
Best Buy
Brainstorm Logistics
Canadian Tire
CLUB PISCINE QUEBEC C.P.P.Q. INC.
Costco Wholesale
Dick's Sporting Goods Inc.
Fitness Town Inc
Flaman Fitness Edmonton
Lowe's
Nebraska Furniture Mart Inc.
Northern Fitness Solutions
Play It Again Sports
QVC
Rymax
SAMS CLUB
Scheel's
Target
Walmart

Taxing & Regulatory Authorities

Acadia Parish School Board	City of Longmont
Alabama Department of Revenue	City of Louisville
Allen Parish School board	City of Montrose
ARIZONA DEPARTMENT OF REVENUE	City of New Orleans
ARKANSAS DEPARTMENT OF FINANCE	City of Northglenn
Ascension Parish	CITY OF PORTLAND
Association of Washington Business	City of Pueblo
Assumption Parish	City of Seattle - Rev & Consumer Affairs
Avoyelles Parish Sales Tax	City of Tacoma
Beauregard Parish Sheriff Office	City of Thornton
Bienville Parish School Board	City of Tucson
Bossier City - Parish	City of Westminster
CA Dept of Tax and Fee Administration	City of Wheat Ridge
Caddo Shreveport	Clark County Treasurer
Calcasieu Parish	Collector, Claiborne Parish Sl's Tax Dept.
California Secretary of State	COLORADO DEPARTMENT OF REVENUE
CCA - Division of Taxation	Colorado Secretary of State
City of Arvada	COMMONWEALTH OF MASSACHUSETTS
City of Aurora	COMPTROLLER OF MARYLAND
City of Boulder	CT Commissioner of Revenue Services
CITY OF CENTRAL	D.C. TREASURER
City of Colorado Springs	Delaware Division of Revenue
City of Commerce City	Desoto Parish
City of Cortez	East Baton Rouge Parish & City Treasurer
City of Delta	East Feliciana Parish Sales Tax Fund
City of Denver	Evangeline Parish Tax Commission
City of Durango	FLORIDA DEPARTMENT OF REVENUE
City of Englewood	FRANCHISE TAX BOARD
CITY OF FLAGSTAFF	Franklin Parish School Board
City of Fort Collins	GEORGIA DEPT OF REVENUE
City of Glendale, CO	Georgia Sales & Use Tax Division
City of Glenwood Springs	Grant Parish Sheriff's Sales Tax Fund
City of Golden	HAWAII STATE TAX COLLECTOR
City of Grand Junction - SUT	IA Sales/Use Tax Processing
City of Greeley	Iberville Parish Sales Tax Department
City of Greenwood Village	IDAHO STATE TAX COMMISSION
City of Lafayette	ILLINOIS DEPARTMENT OF REVENUE
City of Lakewood	Illinois Secretary of State
City of Lamar	INDIANA DEPARTMENT OF REVENUE
City of Littleton	Internal Revenue Service
City of Lone Tree	

IOWA STATE TREASURER
Jackson Parish, Louisiana Sales Tax
Collecting Agent (STCA)
Jefferson Davis Parish School Board
Jefferson Parish Sheriff's Office
KANSAS DEPARTMENT OF REVENUE
KANSAS RETAILERS COMPENSATING
USE TAX
KENTUCKY DEPARTMENT OF
REVENUE
Kentucky State Treasurer
LA Department of Revenue and Taxation
Lafayette Parish School Board
LaFourche Parish School Board
LaSalle Parish Sales Tax Fund
Lincoln Parish
Livingston Parish School Board
LOUISIANA DEPARTMENT OF
REVENUE
Maine Revenue Services
MASSACHUSETTS DEPARTMENT OF
REVENUE
Minnesota Department of Revenue
MISSISSIPPI STATE TAX COMMISSION
MISSISSIPPI TAX COMMISSION
MISSOURI DEPARTMENT OF
REVENUE
MONTANA DEPARTMENT OF
REVENUE
Morehouse Sales and Use Tax Commission
Natchitoches Tax Commission
ND Office of State Tax Commissioner
Nebraska Department of Revenue
NEBRASKA DEPT OF REVENUE
Nevada Department of Taxation
NEW HAMPSHIRE DEPT OF REVENUE
ADMINISTRATION
New Jersey Sales Tax
NEW MEXICO TAXATION AND
REVENUE DEPT.
NEW YORK STATE CORPORATION TAX
NORTH CAROLINA DEPARTMENT OF
REVENUE

North Dakota Office of State Tax
Commissioner
NYS Sales Tax Processing
Ohio Bureau of Workers Compensation
Ohio Department of Taxation
OKLAHOMA SECRETARY OF STATE
OKLAHOMA TAX COMMISSION
Oregon Department of Revenue
Oregon Dept of Revenue
Oregon SECRETARY OF STATE
Ouachita Parish
PA Department of Revenue
Parish of Caldwell Sales Tax Fund
Parish of Catahoula
Parish of Concordia
Parish of EAST CARROLL
Parish of ST. Bernard
Parish of St. Mary
PENNSYLVANIA DEPARTMENT OF
REVENUE
Plaquemines Parish
Pointe Coupee Parish Sales and Use Tax
Rapides Parish Sales Tax Fund
Regional Income Tax Agency
RHODE ISLAND DIVISION OF
TAXATION
RI Tax Administrator
Richland Parish Tax Commission
Riverside County Treasurer-Tax Collector
Sabine Parish
Securities and Exchange Commission
SOUTH CAROLINA DEPARTMENT OF
REVENUE
South Carolina Tax Commission
South Dakota State Treasurer
St. Charles Parish School Board
St. Helena Parish Sheriff's Office
St. James Parish School Board
St. John the Baptist Parish SUT Office
St. Landry Parish School Board
St. Martin Parish School Board
State of Arkansas
STATE OF CONNECTICUT
State of Michigan

State of New Jersey
State of New Jersey Department of The
Treasury
State of New Mexico
Tangipahoa Parish School System
TAX COLLECTOR, MULTNOMAH
COUNTY
Tax Collector, Parish of St. Tammany
Tennessee Department of Revenue
Terrebonne Parish Sales Tax Fund
Texas COMPTROLLER OF PUBLIC
ACCOUNTS
Town of Carbondale
Treasurer of the State of Ohio
TREASURER, STATE OF MAINE
TX State Comptroller
Union Parish School Board
US CUSTOMS & BORDER
PROTECTION
US Department of Treasury
Utah State Tax Commission

Vermilion Parish School Board
VERMONT DEPARTMENT OF TAXES
Vernon Parish Sales Tax Department
Virginia Department of Taxation
Virginia State Corporation Commission
WA LABOR AND INDUSTRIES
Washington Parish Sheriff's Office
Washington Secretary of State
Washington State Department of Revenue
Webster Parish School Board
West Baton Rouge Parish
West Carroll Parish School Board
West Feliciana Parish
WEST VIRGINIA STATE TAX
DEPARTMENT
West Virginia Tax Department
Winn Parish School Board Sales & Use Tax
WISCONSIN DEPARTMENT OF
REVENUE
Wyoming Department of Revenue

United States Trustee Personnel and Bankruptcy Judges (New Jersey)

Alfaro, Adela
Altenburg, Andrew B., Jr.
Ardelean, Kirsten K.
Arendas, Francyne D.
Artis, Michael
Bielskie, Lauren
Callahan, Kevin
Clausen, Joanne E.
D'Auria, Peter J.
Dugan, Dianne P.
Fuentes, Neidy
Gambardella, Rosemary
Gerardi, David
Gravelle, Christine M.
Green, Tia
Hildebrandt, Martha
Kaplan, Michael B.
Kern, Joseph C.
Kropiewnicki, Daniel C.

McGee, Maggie
Meisel, Stacey
Nikolinos, Alexandria
Oppelt, Tina L.
Ortiz-Ng, Angeliza
Papalia, Vincent F.
Poslusny, Jerrold N., Jr.
Renye, Heather
Schepacarter, Richard
Schneider, Robert J., Jr.
Shaarawy, Adam
Sherwood, John K.
Sodono, Anthony
Sponder, Jeffrey
Steele, Fran B.
Stives, James
Vara, Andrew R.
Wolf, Rachel
Ziemer, William J.

Utility Providers

China Telecom (America's) Corp	LOCAL WASTE SERVICES LTD
City of Obetz	Metro Access Control
City of Vancouver Utility Services	Moreno Valley Electric Utility
Clark Public Utilities	NORTHWEST NATURAL GAS
COMCAST CABLE COMMUNICATIONS	RecycleWise
Comcast One	VERIZON WIRELESS
DIRECTV LLC	Waste Connections of WA, Inc Vancouver District
Eastern Municipal Water District	Waste Management, Inc.
Frontier Communications Holdings, LLC	ZAYO GROUP LLC
JMG Security Systems, Inc.	
Level 3 Communications, LLC	
(CenturyLink)	

Top Vendors

ADP INC.
AMAZON MEDIA GROUP LLC
Amazon Web Services, Inc.
Angeion Group, LLC
Axian, Inc.
Cerence Operating Company
Coherent Solutions, Inc.
Core Health and Fitness, LLC (US)
DEVELOPMENTNOW INC
Digital One Corporation
DongYang SOPOP Co., Ltd. (US)
Go Configure, LLC
Grant Thornton LLP
GSPANN Technologies Inc.
Impact Tech, Inc.
Jiangsu Junxia Gym Equipment Co., Ltd
(US)
Koeppel Direct
Magnate Health Tech. Co., Ltd.
Magnate International Limit
Nantong Ironman Co., Ltd. (US)

NeoU LLC
Ningbo ShangYong Co., Ltd. (USR)
ODW LOGISTICS
ORACLE AMERICA, INC
Paypool LLC
QualityLogic, Inc.
Regence BlueCross BlueShield
Salesforce.com, Inc.
Sinosure
SLALOM, LLC
T. Rowe Price Trust Co
The Bluebird Group LLC
VI Technologies, Inc.
Wells Fargo Corporate Card
Xiamen Everesports Goods Co., Ltd.
Zhejiang Arcana Power Sports Tech. CO.,
LTD.
ZINC PRODUCTIONS LLC

SCHEDULE 2

DISCLOSURES TO KELLEY DRYE'S RETENTION APPLICATION

Kelley Drye currently represents or has represented the following creditors, equity holders, parties-in-interest and/or their affiliates in the last three years on various matters wholly unrelated to the Debtors. In each of the three years prior to the Petition Date, such matters have accounted for the percentage indicated below of Kelley Drye's collected revenue.

Party	Relationship to Kelley Drye	Years of Representation	2021 % of Revenue Collected	2022 % of Revenue Collected	2023 % of Revenue Collected
Academy Sports + Outdoors	Current client	2021 – Present	0%	0.01%	<0.01%
ADP Inc.	Current client	2017 – Present	0.63%	0.42%	0.13%
Best Buy	Current Client	2023 – Present	0%	0%	<0.01%
Dentons US LLP	Affiliate of Current Client	2018 – Present	<0.01%	0%	<0.01%
Dish Network	Current Client	2007 – Present	0.26%	0.17%	0.07%
Eastern Municipal Water District	Current Client	2023 – Present	0%	0%	0%
Five9, Inc.	Current Client	2012 – Present	0.15%	0.13%	0.30%
Frontier Communications Holdings, LLC	Affiliate of Current Client	2013 – Present	0.24%	0%	<0.01%
Grant Thornton LLP	Affiliate of Current Client	2017 – Present	<0.01%	0%	<0.01%
JP Morgan	Current Client	1991 – Present	0.03%	0.05%	>0.01%
KPMG LLP	Current Client	2015 – Present	0.05%	0.06%	0.05%
Oracle America, Inc.	Affiliate of Current Client	2001 – Present	0.01%	0.01%	0.01%

Party	Relationship to Kelley Drye	Years of Representation	2021 % of Revenue Collected	2022 % of Revenue Collected	2023 % of Revenue Collected
Salesforce.com	Current Client	2013 – Present	0.30%	0.18%	0.08%
UPS	Current Client	2019 – Present	0%	0%	<0.01%
Verizon Wireless	Current Client	2013 – Present	0.72%	0.30%	0.44%
Walmart	Current Client	2007 – Present	0.02%	0.44%	0.76%
Wells Fargo Bank, National Association	Affiliate of Current Client	2000 – Present	0.52%	0.43%	0.43%

EXHIBIT C

DECLARATION OF BRIAN MITTELDORF

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BOWFLEX INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-12364 (ABA)

(Jointly Administered)

DECLARATION OF BRIAN MITTELDORF

I, Brian Mitteldorf, hereby declare that the following statements are true and correct to the best of my knowledge after due inquiry as described herein.

1. I am over the age of 21 and I am the U.S. Agent for Zhejiang Arcana Power Sports Tech. Co., Ltd., (“Arcana”). Arcana is Chairperson of the Committee. I am, in all respects, competent to make this declaration in support of the *Application of the Official Committee of Unsecured Creditors for Entry of an Order Authorizing the Employment and Retention of Kelley Drye & Warren LLP as Counsel to the Official Committee of Unsecured Creditors of BowFlex Inc., et al. Effective as of March 19, 2024* (the “Application”) filed contemporaneously herewith.²

2. This declaration is provided pursuant to ¶ D.2 of the Appendix B Guidelines. I am informed by counsel that the Appendix B Guidelines request that any application for employment of an attorney under 11 U.S.C. §§ 327 or 1103 be accompanied by a verified statement from the client that addresses the following:

(a) The identity and position of the person making the verification.

¹ The Debtors in these chapter 11 cases are BowFlex Inc. and BowFlex New Jersey LLC.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

- (b) The steps taken by the client to ensure that the applicant's billing rates and material terms for the engagement are comparable to the applicant's billing rates and terms for other non-bankruptcy engagements and to the billing rates and terms of other comparably skilled professionals.
- (c) The number of firms the client interviewed.
- (d) If the billing rates are not comparable to the applicant's billing rates for other non-bankruptcy engagements and to the billing rates of other comparably skilled professionals, then the circumstances warranting the retention of that firm.
- (e) The procedures the client has established to supervise the applicant's fees and expenses and to manage costs. If the procedure for the budgeting, review and approval of fees and expenses differ from those the client regularly employs in non-bankruptcy cases to supervise outside general counsel, explain how and why. In addition, describe any efforts to negotiate rates, including rates for routine matters, or in the alternative to delegate such matters to less expensive counsel.

A. Identity of the Declarant

3. On March 15, 2024, Arcana was appointed to the Committee. Arcana was subsequently elected Chairperson of the Committee. Under the Bylaws of the Official Committee of Unsecured Creditors of BowFlex Inc., *et al.*, Arcana, as Chairperson of the Committee has authority to act on behalf of the Committee as appropriate to implement decisions of the Committee made in accordance with the Bylaws.

4. Arcana was involved in the Committee's decision to retain Kelley Drye as the Committee's counsel in these chapter 11 cases (the "Cases"), and participated in negotiating the terms of Kelley Drye's employment together with the other members of the Committee.

B. Steps Taken to Ensure Comparability of Engagement Terms

5. I have confirmed with Kelley Drye that, while Kelley Drye's billing rates vary from attorney to attorney based on such facts as the attorney's seniority and position with the firm (*e.g.*, partner, counsel, or associate), years of experience, and the demand for services in

the attorney's particular area of expertise, their billing rates do not vary as a function of whether the services performed relate to a bankruptcy engagement or a non-bankruptcy engagement.

6. The Committee has been informed that Kelley Drye endeavors to set the hourly rates for its attorneys and paraprofessionals at levels competitive to those charged by firms with which it competes.

C. Number of Firms Interviewed

7. Kelley Drye was one of 3 law firms to interview for the engagement. In connection therewith, the Committee evaluated the breadth of Kelley Drye's experience and particular areas of expertise, the firms' prior history of representing committees in chapter 11 cases, and the attorneys to be assigned to this matter.

D. Other Circumstances Warranting Retention of Kelley Drye

8. The Committee has determined that Kelley Drye's attorneys' billing rates are set each year to ensure that their rates are in line with or lower than the billing rates of other comparably skilled professionals at law firms in Kelley Drye's peer group. This, coupled with Kelley Drye's previous experience as committee counsel in numerous chapter 11 cases, makes Kelley Drye the appropriate choice for counsel to the Committee in these Cases.

E. Procedures Established to Supervise Fees and Expenses and Manage Costs

9. I understand that on March 12, 2024, the debtors filed a motion seeking entry of the *Administrative Fee Order Establishing Procedures for the Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals Retained by Order of This Court* (the "Administrative Fee Order").³

³ Docket No. 103.

10. I further understand that Kelley Drye's fees and expenses (a) will be subject to review, comment and objection (if warranted), and Court approval pursuant to any further orders of this Court; and (b) will be subject to the periodic review on an interim and final basis during the course of these Cases by the U.S. Trustee and the Debtors, as well as by the Committee.

11. During these Cases, I and/or the other members of the Committee, will monitor Kelley Drye's interim fee applications to ensure that the fees and expenses requested therein are reasonable in nature and correspond to necessary or beneficial services rendered on behalf of the Committee. Kelley Drye may amend and supplement its budget and staffing plan as these Cases develop to reflect changed circumstances or unanticipated developments and will alert the Committee to those changed circumstances and unanticipated developments in a timely fashion. To the extent the Committee has an objection to the fees and expenses requested by Kelley Drye in any interim fee statement that cannot be resolved to the Committee's satisfaction informally, Kelley Drye has informed me that they will file a notice of objection on the Committee's behalf. In so doing, I understand that Kelley Drye reserves all rights to contest any such objection raised to the allowance or payment of its requested fees and expenses, and the Committee reserves the right to retain conflicts counsel to prosecute any such objection to the extent it cannot be resolved informally by the parties.

12. Nothing contained in the foregoing is intended to limit Kelley Drye's ability to request allowance and payment of fees and expenses pursuant to sections 330 and 331 of the Bankruptcy Code, nor to restrict Kelley Drye's right to defend any objection raised to the allowance or payment of such fees, nor to restrict the Committee's right to retain conflicts

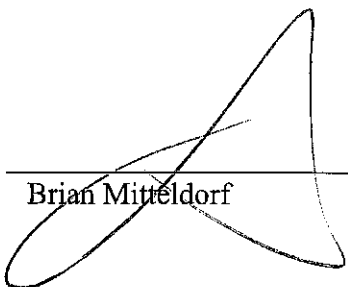
counsel to prosecute any such fee objection to the extent it is not resolved informally by the parties or raised by another party in interest, such as the U.S. Trustee.

F. Other Matters

13. Kelley Drye's hourly rates are subject to annual adjustments in January of each year to reflect economic and other conditions. I have been advised by counsel that, pursuant to ABA Formal Ethics Opinion 11-458, "periodic, incremental increases in a lawyer's regular hourly billing rates are generally permissible if such practice is communicated clearly to and accepted by the client at the commencement of the client-lawyer relationship and any periodic increases are reasonable under the circumstances." I have also been specifically advised by counsel that, pursuant to ABA Formal Ethics Opinion 11-458, "the client need not agree to pay the modified fee to have the lawyer continue the representation." Kelley Drye disclosed to the Committee its rates in effect as of January 1, 2024. To the extent Kelley Drye seeks to make any adjustments to its rate structure, the Committee expressly reserves the right to reject any such modification.

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 knowledge and belief.

Executed on April 10, 2024

By:  _____
Brian Mitteldorf